



LA TROBE
UNIVERSITY

**ANNUAL
REPORT**
2019



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Letters of transmittal



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17 April 2020

Minister for Training and Skills
2 Treasury Place
East Melbourne VIC 3002

Dear Minister

In accordance with the applicable requirements of regulations under the Financial Management Act 1994, the Directions, the Financial Reporting Directions and Australian Accounting Standards, I am pleased to submit for your information and presentation to Parliament the La Trobe University Annual Report for the year ending 31 December 2019.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Brumby". The signature is written in a cursive, flowing style.

The Hon John Brumby AO
Chancellor

ABN 64 804 735 113
CRICOS Provider 00115M

Messages

Message from the Chancellor



Following my installation as Chancellor of La Trobe University in March 2019, the year has been an important one for the University which has consolidated its position in the global higher education rankings and performed well in the award of national research grants. I would like to take this opportunity to thank the outgoing Chancellor Professor Richard Larkins AC for his outstanding leadership and stewardship of the Council over the past two years.

Many magnificent new facilities have been, or are in the process of being, developed across all the campuses, from the development of the new La Trobe Sports Park at the Bundoora campus to the state of the art Bendigo Engineering & Technology Building. The innovative "hybrid secondary school/ University Year 9 campus experience" for students from Ivanhoe Grammar was launched, offering students a 12 month taste of University learning that will engage, challenge and prepare them for adult life.

During the year La Trobe announced that it will become Victoria's first zero-emissions University, committed to making real change for long term benefit. The University will harness all of its research and technology expertise to reduce emissions across all campuses and monitor energy consumption in up to 50 smart buildings, making adjustments to heating, lighting and cooling in real time to reduce energy consumption

Regional prosperity and opportunity are fundamental to a healthy, well-functioning society and La Trobe University's regional footprint is crucial. The University provided support to many regional students, who might not otherwise be able to attend University and the announcement of 94 Destination Scholarships in 2019 for both domestic and international students will directly contribute to productivity, skills development and stimulate local economies.

I was extremely privileged to officiate at the award ceremony for an Honorary Degree to one of the world's biggest movie stars Shah Rukh Khan in recognition of his work and women's rights advocacy, with a substantial new PhD Scholarship announced in his name for a female student from India.

In November the University awarded its Distinguished Alumni Awards, recognising the achievements of our exceptional alumni and their contributions as innovators and leaders, including two-time Walkley Award winner and host of ABC Melbourne Mornings, Virginia Trioli; Australian Rural Women's Movement pioneer, Alana Johnson; renowned Australian genetic epidemiologist Professor John Hopper AM; food rescue and food waste reduction advocate, Simone Carson AM and Young Achiever Award winners AFLW player Daisy Pearce and surgical resident Dr Batool Albatat.

At the end of the year we farewelled the longest serving member of the Council Deputy Chancellor Mr Andrew Eddy, who first joined the Council in 2010 and over his lengthy tenure has consistently provided highly valued advice and support to the Council and senior management of the University.

I thank all members of the Council, the university staff and the many partners and stakeholders for their contribution to the University's success.

The Council looks forward to the University building on the many achievements and initiatives put in place throughout 2019.

The Hon John Brumby AO
Chancellor
La Trobe University

Message from the Vice-Chancellor



2019 was a year in which La Trobe University continued successfully to pursue its mission of combining accessibility with excellence. This was exemplified by the establishment of the La Trobe Student Excellence Academy, which demonstrates the extraordinary breadth of interests, skills and abilities amongst our student community. In recognising and rewarding such diverse forms of achievement, the Academy illustrates very clearly the La Trobe vision of inclusive excellence.

2019 will also be remembered as a time when the University became more outward-looking in its work. We expanded the scale of our partnership activity with industry leaders including The Australian Ballet, State Library of Victoria, Islamic Museum of Australia and Cisco, and we established new partnerships with organisations including Medibank and the National Australia Bank. We welcomed new partners to the Research and Innovation Precinct on the Melbourne campus, which is an essential part of our plans to develop a \$5 billion University City of the Future over the next 10 years. The precinct promises to become a hub for research and innovation, stimulating the local economy and creating employment growth throughout Melbourne's north.

There were many other achievements during the year, including consolidation of our excellent position in the global University rankings. We achieved our highest position in a decade in the prestigious Times Higher Education World University Rankings – placing 291 in the world. We also performed well in earning our share of national research grants, especially those administered by the Australian Research Council and grants allocated for health and medical research. For the first time the University raised more than \$10 million in philanthropic donations in a single year: \$16 million was raised in 2019 to support research, scholarships and pathways programs.

During 2019 we recruited the first students into our unique end-to-end rural medical training program, delivered in partnership with the University of Melbourne. We launched new cross-disciplinary courses including Australia's first Bachelor of Humanities, Innovation and Technology, and the Master of Internet of Things offered at our Bendigo campus. We launched a major institutional strategy, Clever Learning, that will transform the La Trobe Educational offer over the next few years.

2019 was also a successful year for the University's Ideas and Society Program and the Bold Thinking lecture series, which continue the great La Trobe tradition of public scholarship. The La Trobe University Press, our publishing partnership with Black Inc., continued to attract authors of the highest calibre and publish books of high intellectual quality, substance and originality. The Press has published some of the key voices in the unfolding debate about Australia's role in China, and in 2019 published Hugh White's How to Defend Australia. In 2019 we also published Ross Garnaut's road map for Australia to become a leader in low-carbon energy, Superpower: Australia's Low-Carbon Opportunity, which has already become one of the most influential books in helping our nation formulate its response to climate change.

While we had many achievements in 2019, the La Trobe community was also struck by tragedy early in the year with the death of our student Aiiia Maasarwe. All members of our community were deeply moved by this tragedy but were able to find some comfort in the way that staff and students came together with members of the local community to share their grief. Our students were incredibly impressive in organising a vigil on campus, and our staff were extraordinarily professional in managing the University's response to the many complex issues that this terrible incident raised. We were also very pleased to join with the Victorian Government to establish a scholarship in perpetuity in honour of Aiiia.

The progress we made this year was only possible because of the dedication of our staff, who worked tirelessly to ensure that La Trobe remains relevant to, and is valued by, its communities. Our people are what give our great University community its distinctive character and ethos. We have many significant achievements of which to be proud, and the following pages contain information about many highlights of a very productive year.

Professor John Dewar AO
Vice-Chancellor and President
La Trobe University

La Trobe at a glance

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.

Our values

Our early reputation as a radical and challenging institution continues to influence the way we enrich the experience of our students and engage with our partners and communities. We were founded half a century ago to broaden participation in higher education in Melbourne's north and, later, in regional Victoria. We have succeeded for many thousands of students who would otherwise have been excluded from the opportunities provided by a University education.

We continue to support access, diversity and inclusivity while undertaking world-class research that aims to address the global forces shaping our world and make a difference to some of the world's most pressing problems.

This approach is based on our **values** of:

- inclusiveness, diversity, equity and social justice
- pursuing excellence and sustainability in everything we do
- championing our local communities in Melbourne's north and regional Victoria
- being willing to innovate and disrupt the traditional way of doing things.

Quick facts

- Established in 1964
- First enrolments in 1967: 558
- Student load (EFTSL) in 2019 (provisional) is 29,036.6
- Staff (full time equivalent) in 2019 (provisional) 3,338.3
- More than 210,000 Alumni
- Campuses in Melbourne (Bundoora and CBD), Bendigo, Albury-Wodonga, Mildura, Shepparton and Sydney
- Colleges: Science, Health and Engineering (SHE) and Arts, Social Sciences and Commerce (ASSC).

Acknowledgement of Traditional Owners

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.

Our mission ...

Advancing knowledge and learning to shape the future of our students and communities.

Our vision ...

To promote positive change and address the major issues of our time through being connected, inclusive and excellent.

Our cultural qualities

Our strategy development process has clearly articulated the importance of our people – our staff, students and partners – and our culture, which together make us



Connected

Connecting the students and communities we serve to the world outside



Innovative

Tackling the big issues of our time to transform the lives of our students and society



Accountable

Striving for excellence in everything we do, holding each other to account, and working to the highest standards



Care

We care about what we do and why we do it, because we believe in the power of education and research to transform lives and global society

Our core objectives



Our strategy

Our Strategic Plan 2018–2022 sets out our vision to promote positive change and address the major issues of our time through being connected, inclusive and excellent.

La Trobe University opened its doors to students in 1967 as the third University in Victoria. Its founding purpose was to bring higher education to the northern suburbs of Melbourne. Since then, La Trobe has gone on to be globally ranked amongst the top 1.5 per cent of Universities in the world, while maintaining its mission to be one of Australia’s most accessible Universities.

Of all Australian universities, we are the most successful at combining accessibility and excellence and have become a place where social inclusion and globally recognised excellence come together for the benefit of our students, our staff and our communities.

Our academics and researchers achieve national and international recognition, our public intellectuals demonstrate an enduring social conscience and influence, and our alumni achieve extraordinary success and impact in government, industry and not for profit organisations.

We will strive to be exemplars for the sector in our commitment to gender equity and to inclusivity for marginalised groups; and we will work with Indigenous peoples and organisations to support their social, cultural and economic aspirations.

We embrace sustainable practices across all our campuses because we are committed to improving environmental, social and economic outcomes for our communities.

Strategy diagram

This diagram represents this strategic plan by placing the student experience at the centre of our core objectives and enablers, and by highlighting the importance of people and culture to delivering our mission and vision.

We will contribute to economic development for our local communities, and our future activity will increasingly be international as we become a globally connected University in everything we do.

Our strategy identifies four core objectives – the main goals against which we will measure our success as a University delivering our mission and vision:

- Outstanding student experience
- Student employability
- Research excellence
- Unrivalled partner of choice.

These core objectives are supported by three enablers – the physical and human assets, financial resources and community connections that underpin the delivery of our core objectives, mission and vision:

- One University with many communities
- Operational excellence
- Revenue growth.

Our core objectives and their enablers are represented in the diagram below, which represents our strategic plan by placing the student experience at the centre of our core objectives and enablers, and by highlighting the importance of people and culture to delivering our mission and vision.

We will continue to serve our communities best by ensuring that we remain relevant to the needs of our students and partners – in what and how we teach, the way we support our students to live valuable lives, in the quality, relevance and impact of our research, in the quality of our external partnerships, in our contribution to the economic and social well-being of the communities we serve, and in the efficiency and quality of the way we operate.



A University City of the Future

La Trobe University is developing a world class University City of the Future at the Bundoora Campus and in 2019 commenced major projects to realise this vision, working closely with Commonwealth, Victorian and Local Governments and key industry and community stakeholders.

The sports, accommodation and sustainability programs are key cornerstones of the University City of the Future and confirm the University's commitment to creating a campus where people live, work, learn, socialise and stay healthy.

- La Trobe University became the first Victorian University to commit to Net Zero emissions by 2029 with the launch of the Net Zero plan in August 2019. The \$75 million project will see the installation of 7000 solar panels on 27 buildings across the Bundoora campus, the equivalent of 17 kilometres of solar panels.
- Lighting will also be upgraded with the installation of 50,000 LEDs across the campuses, significantly reducing energy consumption. An onsite composter will process up to 100 kgs of organic waste daily, providing nutrient rich fertiliser for campus gardens.
- In June 2019 La Trobe University commenced construction of a \$100 million, 624 bed student accommodation project at Bundoora campus. The new 5 Star **Green Star** rated building features a range of environmentally sustainable features and utilises renewable construction technology.
- Stage two of development of the new \$150 million La Trobe Sports Park significantly advanced in 2019. The new facility will be a major regional sporting asset and provide for up to 10,000 local community members per week with a strong partnership with Banyule City Council.
- In 2019 the new Nangak Tamboree project was launched, providing an inviting, open and culturally aware space, to connect communities and enhance biodiversity. The project connects the existing wildlife park, wetlands and creek system on the Bundoora campus.



Outstanding student experience

The quality of the student experience is a whole-of-University responsibility, and we continue to embed an evidence-based approach to monitoring, improvement and identification of best practice.

Improving the quality of learning and teaching

2019 was the Year of Assessment and Feedback, with a range of initiatives, tailored professional development and opportunities for practice sharing across the year. Our Overall Student Satisfaction rate improved by 2.8% in undergraduate and 3.9% in postgraduate courses.

In addition, we have further strengthened our processes for subject and course improvement. The renewed Annual Course Monitoring (ACM) process was implemented and provides a responsive and consistent approach to monitoring quality across the lifecycle of a course. Supported by online systems and course data, the ACM enables staff to evaluate, plan and record course and subject enhancements over time. This supported an improvement in Student Satisfaction with Teaching Quality, with a 3.1% improvement in undergraduate courses and a 4.4% improvement in postgraduate courses.

At the subject level, we continued to evolve the Subject Improvement Program and have begun to see some pleasing improvements in subject quality with an overall uplift in 2019, and the majority of Schools close to or achieving a four out of five satisfaction rating.

Recognising our outstanding teachers

2019 saw the launch of the La Trobe Academy, our key community of scholars with a focus on recognising excellence in learning and teaching and building capacity across the University. We recognised 80 staff outstanding teachers as the Academy Vanguard, who will be supported through the application to the Advanced HE Fellowships and will provide mentoring and support to future colleagues.

In 2019 we recognised eight individuals and teams for the quality and impact of their educational practice through the Vice-Chancellor's Teaching Awards. Siann Bowman, Occupational Therapy,

College of SHE was awarded 2019 Vice-Chancellor's Teacher of the Year, for "inspiring and empowering occupational therapy students to learn mental health practice".

Fostering a respectful, safe and secure learning community

La Trobe University aspires to provide an outstanding student and staff experience that is conducive to scholarly activity. Underpinning this experience is a safe, inclusive and respectful environment. We aim to create a safe, secure and inclusive learning environment in which everyone's rights, responsibilities and expectations are clearly understood, wherever learning takes place.

This year the University adopted a new Mental Health and Wellbeing Plan, a three-year strategy to build a thriving community; foster self-awareness and resilience amongst staff, students and partners; and improve and expand services and support.

Supporting student success, retention and completion

Following the successful development and launch of the Student Success and Retention Plan 2018–2022 at the end of 2018, we have continued to build a solid foundation to enable the University to achieve its student success mission – to provide an enriched and supportive experience that enables every student to achieve their unique version of success, irrespective of previous educational attainment, personal background, campus location and mode of delivery.

We have made significant improvement across the institution in relation to retention for students with a disability; students from all ATAR bands above 50; and, an overall improvement in retention (unadjusted) to 79.6%.

Retention is supported at all levels of the University with a large number of high impact, evidenced based strategies in place. Succeed@LaTrobe, our flagship proactive advising service, reached out to over 15,739 students in 2019 and supported them to access assistance both on campus and online.

In 2019 we further extended our capacity to provide proactive support to students through the intensive Academic Advising program. The first phase of the program supported 3480 first-year students from a number of identified cohorts, including but not limited to, veterans of the Australian Defence Forces; students from care leaver backgrounds; students from refugee backgrounds; and those studying in degree programs with the highest rate of attrition.

2019 also saw the implementation of the Life@LaTrobe, and One Step Ahead programs across our campuses. These sessions support students to make a supportive transition to study by developing their study skills and providing opportunities for families to learn more about how they can support their student to succeed.

Indigenous Strategy and Education

The University welcomed Professor Dennis McDermott into the inaugural role of Pro Vice-Chancellor (Indigenous) in February 2019. He is a Koori man from north-western New South Wales (Gomeri country), with connections to Gadigal country (inner Sydney). Professor McDermott is a psychologist, academic and poet.

Indigenous student enrolments have increased by 43% between 2016 and 2019, with the University exceeding its target this year. Completions have also seen significant improvements in undergraduate courses by 54%, and postgraduate courses have gone up from 9 postgraduate completions in 2017 to 25 in 2018. Whilst La Trobe is proud of its progress so far, the appointment of Professor McDermott and the forthcoming redevelopment of our Indigenous Strategy 'gamagoen yarrbat', outlines our ongoing commitment to further support students with Indigenous heritage.

NOTE: Professor Dennis McDermott, a much valued member of the University passed away on 3 April, 2020, he will be missed greatly, but we will continue with the work that he began to reconfigure curricula and pedagogy to embed Indigenous perspectives and knowledge.

Celebrating our outstanding students

We continue to admire the outstanding achievements of our students. In 2019 we launched the La Trobe Student Excellence Academy that recognises and rewards diverse forms of excellence and inspires the next generation of leaders. The Academy provides life-changing support and enrichment opportunities that expand current study and employment advantages to students who are outstanding in the following areas:

- Academic achievement
- Elite athletic achievement
- Community engagement
- Cultural excellence
- Entrepreneurship and innovation.

This year's activities included tailored leadership development programs and seminars; targeted careers support to help set students apart at graduation; and, opportunities to represent the University at national and international events. The Academy's emphasis on diverse forms of excellence sets it apart as a unique national initiative. Outstanding achievements of some of our Academy Scholars include:

- **Susan Saldanha** was awarded International Student of the Year which recognised her dedication to enhancing international student experiences, her stellar academic achievements and volunteer work with local communities.

- Eight students are helping the City of Greater Bendigo to develop a **localised and sustainable food system**, in a bid to make the region more liveable, sustainable and joyful.
- **Hannah Gandy** received the prestigious Order of Australia Association Foundation Scholarship in recognition for her community work, including reengaging students in education.

Student employability

Employability continues to be a key focus for La Trobe and we continue to perform above the national average for employer satisfaction (as measured by the Employer Satisfaction Survey). In 2019 La Trobe ranked 15 out of 39 Australia universities, with an overall satisfaction rate of 85.1%.

In 2019 we placed significant effort on the embedding of employability into the curriculum. To support this activity, we strengthened the Career Ready Advantage Award program by introducing three award levels (Silver, Gold and Platinum). The new program facilitates greater connection to the curriculum and we have seen a significant increase in engagement. To date over 7,000 students are enrolled in the program and we were delighted to recognise our first three Platinum Award recipients in September.

Industry placements are a high-impact opportunity to improve student employability. To increase the scalability of our efforts, we expanded the availability of the online elective placement subjects across the whole year. This expansion was complemented by over 7,000 student careers consultations (21% increase from 2018), over 200 employers visiting the campus and a 59% increase in the number of careers workshops offered to students.

Finally, 2019 saw the launch of the La Trobe Graduate Pathway. This program provides opportunities for final year students and recent alumni to benefit from tailored career development and access to graduate roles across the University.

Celebrating our outstanding students in the areas of



Academic achievement



Elite athletic achievement



Community engagement



Cultural excellence



Entrepreneurship and innovation

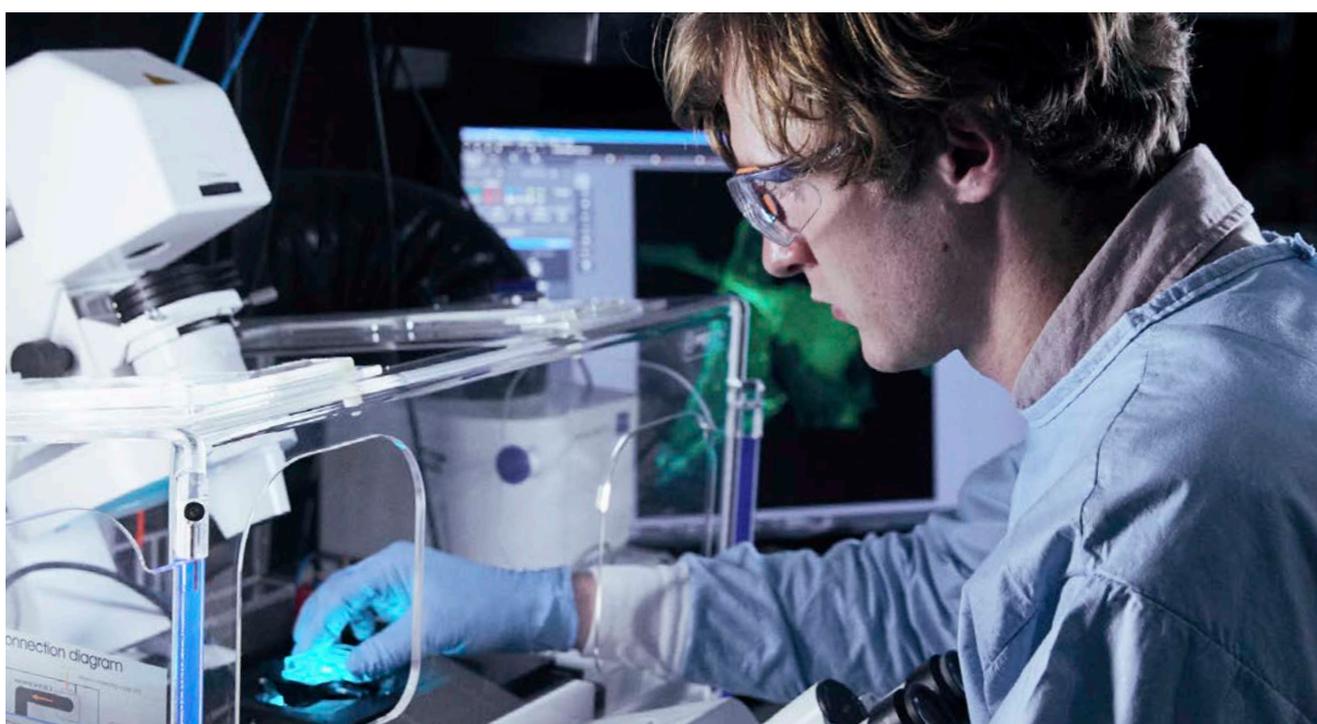
Research excellence

La Trobe has a proud history of undertaking research to address pressing societal needs, never shying away from progressive and at times controversial topics. We foster an aspirational and ambitious research and innovation culture.

Our research seeks to be relevant to our communities, and to our partners, by addressing the major challenges of our time, including responding to climate change; finding solutions to the challenges of securing food, water and environmental integrity; improving health outcomes and building equity, wellbeing and social inclusion in our communities; and creating a more just and sustainable future for human societies.

Outstanding achievements in research

1. Moving up 101 places in the last three years to place 291 in the Times Higher Education World University Rankings 2020; placing third in Victoria.
2. Demonstrating real world effects of La Trobe research by achieving the highest possible Impact rating for seven case studies across five broad fields of research in the Australian Government's first Engagement and Impact assessment.
3. Winning a Business Higher Education Round Table Award for our work on a revolutionary new app designed to detect early signs of autism, ASDetect.
4. Being awarded an Athena SWAN/ SAGE Bronze Institutional award for our commitment to gender equality in STEM disciplines.
5. Professor Katie Holmes being elected a Fellow of the Academy of Social Sciences of Australia and Professor Jim Whelan being elected to the Australian Academy of Science, in recognition of outstanding contributions in their fields.
6. Over \$2 million awarded to five La Trobe researchers for Australian Research Council Discovery Early Career Researcher Awards, including grants for two scientists at our Bendigo campus, the first time Bendigo-based academics have won this award.
7. Being awarded \$2.5 million from the National Landcare Program, Smart Farming Partnerships, for a major project to develop 'Natural Capital Accounts' allowing farmers to measure and improve sustainable environmental performance and climate resilience, led by Dr Jim Radford from La Trobe's Centre for Future Landscapes.



8. Researchers from the School of Allied Health, Human Services and Sport securing \$2.6 million over three years from the Medical Research Future Fund's 'Keeping Australians out of Hospital' scheme, representing 22% of the \$11.7 million awarded nationally.
9. Enhancing our new and emerging partnerships with: St John Ambulance Victoria, Healthscope, State Library of Victoria, Islamic Museum of Australia, Cisco, Microsoft, Cann Group, Carlton Football Club, Medibank and NAB.
10. Significant improvements in our Postgraduate Research Experience Questionnaire, including increases in overall satisfaction, supervision, intellectual climate, infrastructure and thesis examination.

What we are working on

The research environment is intensely competitive. National competition and a constrained funding environment require us to be clever in how we deploy and coordinate our research effort.

We are implementing innovative systems to minimise the administrative burden on researchers and graduate researchers, releasing time for research.

In early 2020, our Program for Research Information Management Enablement (PRIME) will be rolled out to researchers; it will provide access to transparent information to identify opportunities, evaluate progress and make strategic decisions.

Other areas we are working on include:

1. **Research culture** – We actively foster an aspirational, ambitious research culture, focused on achieving excellence and connection regardless of campus or partner location. We are building a community of researchers who are astute, ethical and engaged with their communities. We encourage and develop connected researchers, from graduate researchers and candidates to leading researchers and research groups. In 2020 we will be focusing on how we can target our research on the key challenges that will face the world in 2030.
2. **Engagement and impact** – We are implementing our 2019-22 Research Impact Strategy building on the 2018 ARC Engagement and Impact case studies. This strategy guides our approach to planning, tracking, capturing and communicating the impact of our research to maximise the contribution our research makes to the economy, society, environment and culture.
3. **Equity and diversity** – We aspire to have a system of support that is best practice in the higher education sector. In 2019, La Trobe received an Athena SWAN Bronze Institutional Award from Science in Australia Gender Equality (SAGE). This is a positive recognition of our commitment to foster a culture of recruiting, developing and promoting staff and students from diverse backgrounds, and to bring equity and diversity to all areas of research and research leadership.
4. **Regional research strategy** – We continue to develop and integrate our Regional Research Strategy across priority areas and work with researchers, industry and community members at each of our campuses to maximise opportunities for regional research. Our priorities are to improve connectivity, strengthen internal support, support priority research initiatives and promote regional campus research strengths.

5. **Graduate Research** – The first phase of the PhD pathways program has been well received with 54 students transferring into the MA and MSc. We will complete the implementation of the second phase of the program: the closure of thirty graduate research courses and introduction of a refreshed Masters by research portfolio. We continue implementing the Graduate Research Experience and Wellbeing Plan which aims to continue the uplift in experience as measured by the Postgraduate Research Experience Questionnaire, with a focus on wellbeing and employability.
6. **International research partnerships** – We continue to implement our *Globalisation Plan 2018-22* to identify and embed cross institutional partnerships in areas of strength. We draw on these partnerships to create opportunities for staff exchange, joint and collaborative PhDs, research collaboration and to pursue a range of research funding opportunities. This will include a renewed focus on China and India, including the establishment of the IIT Kanpur-La Trobe Research Academy during 2020.



Goal

To achieve continual and sustainable increases in research income, productivity, impact and recognition – including improvement in international and industry collaborations, and graduate research completions.

2022 Target

Top 250 in ARWU and top 300 in QS and THE rankings.

An unrivalled partner of choice

Universities of the future will have strong partnerships with students, Governments, industry, alumni and communities. These partnerships will be global, multidisciplinary and cooperative, bringing all parties together for mutual benefit.

La Trobe has a strong history of building excellent teaching and research partnerships. We are already:

- number three in Victoria in Category 2-4 Research Income
- closely partnering with TAFE institutions in our footprint
- extensively partnered in important subject areas including health, aged care, agriculture, cyber security, sport and food production.

We are extending these relationships further to improve the student and staff experience, promote student employability, increase our research output, develop our culture of innovation and entrepreneurship, and generate new forms of revenue. Our partners gain access to our experience, infrastructure and research capability – as well as helping us produce graduates with the job-relevant knowledge and skills they need.

La Trobe links research students to industry partners, who in turn get access to our world-leading research capabilities to help solve their business challenges and increase their performance. In doing so, we provide an effective and innovative means for students to be involved in rapidly identifying and solving industry-relevant problems.

We also create an ecosystem of researchers, entrepreneurs and industry partners to ensure that the work done by our students and researchers helps to support economic transformation in our local communities and address the big issues of our time.

We provide co-location opportunities on our larger campuses for industry partners. The development of our 42-hectare Research and Development Precinct at Bundoora is part of our plan to transform the Melbourne campus in Bundoora into a University City of the Future. The Precinct provides a focus for industry and researchers to co-locate and collaborate in key areas of research strength such as agribusiness, food, fibre and environment; health and wellbeing; and data analytics, IoT and cyber security.

We work with Indigenous organisations to build capacity and deliver their social, cultural and economic aspirations; and we promote social justice by working with community groups and the not-for-profit sector, including organisations supporting the rights of refugees and people seeking asylum, financially disadvantaged people, those with a disability, and others who may be marginalised or persecuted.

What we are working on

Our partnerships help us deliver the goals and targets in each of this strategy's core objectives and enablers. Our Campus Master Plans bring communities, industry, students, staff and researchers together. We have established interactive, open and collaborative spaces that make La Trobe a desired location for collaboration.

1. **Sports Park** – Our new, world class Sports Park development provides facilities for teaching, research and elite sport. It will become a hub for community participation and provide opportunities for innovation and research, including through partnerships with sport and other organisations.

2. **Research and Innovation Precinct**

We are transforming La Trobe's existing Melbourne Campus into a thriving Research and Innovation Precinct to attract global partners, and world class research and education collaborations with industry, community and Government.

3. **Accelerator/Incubator**

– We will extend the La Trobe Accelerator Program to unlock the innovation that exists within the University and our regional communities. We will create an entrepreneurial ecosystem in regional Victoria that is 'open to all', recognised as a global exemplar of a start-up destination for regional communities.

4. **Industry driven curriculum**

– Working closely with sector-leading partners to co-develop and co-deliver new subjects and courses that directly address their future workforce needs.

5. **Our campuses as a living laboratory**

Working closely with industry, communities and Government to develop our campuses into living laboratories to test and adopt new technologies and respond to real-world industry challenges.

6. **TAFE Partnerships**

– Continuing to innovate through partnerships with TAFEs and other local organisations, particularly to address low participation rates and workforce shortages.



Goal

To become recognised as the 'Unrivalled Partner of Choice'.

2022 Target

Double partnership revenue from research and education by 2022.³



La Trobe's new, world class Sports Park development, together with our premium sport partnerships, will increase opportunities for community sport participation in Melbourne's north and build real-world industry experiences for students.

Responsibilities of senior officers

La Trobe University Council

The role of the Council, as per the *La Trobe University Act 2009*, is to:

- Appoint and monitor the performance of the Vice-Chancellor
- Approve the mission and strategic direction, annual budget and business plan
- Oversee and review management and performance
- Establish policy consistent with legal requirements and community expectations
- Monitor accountability, risk and academic activity
- Approve significant University commercial activities.

Corporate Governance Audit and Risk Committee

Corporate Governance, Audit and Risk Committee has been established to assist Council effectively discharge its responsibilities relating to:

- **Governance** – appropriate protocols are in place and monitored
- **Compliance** – monitor and review compliance with significant legislation and regulations
- **Audit** – review audit procedures, reports and management responses. Review financial statements and make recommendations for authorisation. Ensure appropriate controls to counter fraud and corruption issues
- **Risk** – ensure appropriate risk management framework and internal controls are in place
- **HSE** – Review University health and safety systems policies and procedures. Monitor compliance and review management reports on significant incidents, trends and actions.

Chancellor

Key responsibilities and accountabilities:

- Providing leadership to the Council in carrying out its responsibilities and functions under the *La Trobe University Act 2009*
- Fulfilling the ceremonial, statutory and administrative functions of the role, including presiding at graduations

- Promoting the University's strategic objectives and activities with external stakeholders
- Establishing workplans and agendas for meetings in collaboration with the Vice-Chancellor to enable Council to effectively discharge its duties
- Chairing University Council meetings
- Serving as Council's central point of official communication with the Vice Chancellor and senior management team
- In consultation with the Vice-Chancellor setting the Vice-Chancellor's goals and completing performance evaluation and review.

Vice-Chancellor

The Vice Chancellor is responsible for leading and managing the University's academic, operational and external affairs, shaping, articulating and implementing the University's strategic objectives in research, education and contribution to public policy development.

Vice-President (Strategy and Development)⁴

- University City of the Future
- Infrastructure and Operations
- Marketing and Recruitment
- Planning and Governance

Deputy Vice-Chancellor (Education)¹

- Business Innovation
- Educational Transformation
- La Trobe Learning and Teaching with overall responsibility for the design, delivery, quality and evaluation of learning and teaching and assessment
- La Trobe Library
- Quality and Standards
- Clever Learning Program

Deputy Vice-Chancellor (Students)¹

- Student Success, including support for student transition, engagement and employability
- Student services and administration
- Indigenous Strategy and Education
- Centre for Higher Educational Equity and Diversity Research

Deputy Vice-Chancellor (Research and Industry Engagement)²

- Research Office
- Industry Engagement
- Research Capability
- La Trobe Asia
- Graduate Research School
- Public Scholarship
- La Trobe Sport

Deputy Vice-Chancellor (International)³

- La Trobe International

Chief Financial and Operations Officer⁴

- Finance and Procurement
- Human Resources
- College General Managers
- Information Services
- Service Delivery and Improvement

Chief of Staff

- Operational, Strategy and Policy Support to the Vice-Chancellor
- Alumni and Advancement
- La Trobe Art Institute

Provost, College of Science, Health and Engineering (SHE)⁵

- School of Allied Health, Human Services and Sport
- School of Engineering and Mathematical Sciences
- School of Life Sciences
- School of Molecular Science
- School of Nursing and Midwifery
- School of Psychology and Public Health
- School of Applied Systems Biology
- School of Cancer Medicine
- La Trobe Rural School
- SHE Research Centres

Provost, College of Arts, Social Sciences and Commerce (ASSC)⁵

- La Trobe Business School
- School of Education
- School of Humanities and Social Sciences
- La Trobe Law School
- ASSC Research Centres

Pro-Vice Chancellor (Regional)

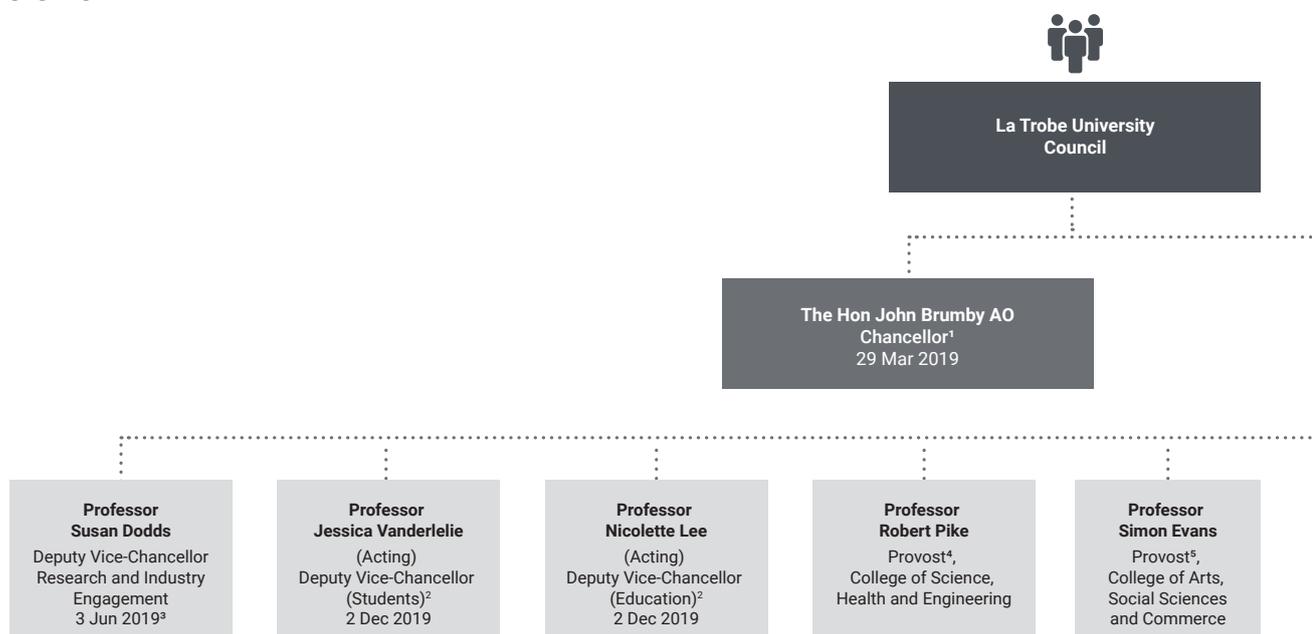
- Albury/Wodonga, Bendigo, Mildura, and Shepparton campuses
- Community engagement
- Regional research

Notes

1. Due to the University's growth in scale and complexity over the last five years, the role of Deputy Vice-Chancellor (Academic) was disestablished effective 2 December 2019 and replaced with two new Deputy Vice-Chancellor positions: Deputy Vice-Chancellor (Education) and Deputy Vice-Chancellor (Students).
2. On 3 June 2019 the Deputy Vice-Chancellor (Research) portfolio was expanded to Deputy Vice-Chancellor (Research and Industry Engagement).
3. In September 2019 the new position of Deputy Vice-Chancellor (International) was created, for a 12-month term.
4. Effective 1 July 2019 the Vice President (Administration) position was disestablished and the University's administration portfolios were reconfigured into two new portfolios, Vice-President Strategy and Development and Chief Financial and Operations Officer.
5. Effective 13 November 2019 the positions of College Pro Vice-Chancellor were renamed to College Provost.

Organisational chart

Senior Officers 2019



University Council membership

Professor Richard Larkins AC

Ex Officio (Chancellor)

Member of all Council sub committees
1 Jan 2019 to 28 Mar 2019

The Hon John Brumby AO

Ex Officio (Chancellor)

Member of all Council sub committees
From 29 Mar 2019

Professor John Dewar AO

Ex Officio (Vice-Chancellor)

Member of all Council sub-committees

Professor Christine Bigby

Ex officio (Chair, Academic Board)

Member of Finance and Resources
Committee, Infrastructure
and Estates Committee

Mr Peter McDonald

Council appointment

Chair Finance and Resources Committee,
Member Corporate Governance
and Audit Committee

Mr Adam Furphy

Council appointment

Member Foundation Board

Ms Christine Christian

Council appointment

Chair Corporate Governance Audit
and Risk Committee

Dr Philip Moors AO

Council appointment, Deputy Chancellor

Chair Infrastructure and Estates
Committee, Member Nominations
Committee

Professor Edwina Cornish AO

Council appointment

Member Human Resources Committee

Professor John Dewar
Vice-Chancellor

Professor Richard Speed
Deputy Vice-Chancellor
(International)⁶
9 Sep 2019

Dr Guinever Threlkeld
(Acting)
Pro Vice-Chancellor
(Regional)
8 Oct 2019

Ms Natalie MacDonald
Vice-President,
Strategy and
Development⁷

Mr Mark Smith
Chief Financial and
Operations Officer⁸

Mr Leon Morris
Chief of Staff

Notes

1. Professor Richard G Larkins AC was Chancellor from 28 Feb 2017 to 29 Mar 2019
2. Deputy Vice-Chancellor (Academic) role disestablished 2 Dec 2019 and replaced with Deputy Vice-Chancellor (Students) and Deputy Vice-Chancellor (Education) roles.
3. Professor Keith Nugent was Deputy Vice-Chancellor (Research) to 11 Feb 2019. Professor Russell Hoye was Acting Deputy Vice-Chancellor (Research) from 2 Jan to 31 Mar 2019. Ms Pakes was Acting Deputy Vice-Chancellor (Research) from 1 Apr to 2 Jun 2019
4. Effective 1 July 2019 the Vice President (Administration) position was disestablished and the University's administration portfolios were reconfigured into two new portfolios, Vice-President Strategy and Development and Chief Financial and Operations Officer.
5. 12 Nov 2019 Title change from Pro Vice-Chancellor to Provost.
6. In September 2019 the new position of Deputy Vice-Chancellor (International) was created, for a 12 month term.
7. Title changed from Vice-President (Development) on 1 Jul 2019
8. Title changed from Chief Financial Officer on 1 Jul 2019

Ms Margaret Burdeu

Ministerial appointment

Member Corporate Governance Audit and Risk Committee and Infrastructure and Estates Committee

Mr Andrew Eddy

Governor in Council appointment, Deputy Chancellor

Chair Human Resources Committee

Member Finance and Resources Committee and Nominations Committee

Ms Deborah Radford

Governor in Council appointment, Deputy Chancellor

Chair Foundation Committee

Member Finance and Resources Committee and Nominations Committee

Ms Yvonne von Hartel AM

Governor in Council appointment

Member Infrastructure and Estates Committee and Nominations Committee

Commissioner Michael Gay

Governor in Council appointment

Member Human Resources Committee and Infrastructure and Estates Committee

Mr Nathan Croft

Elected student member

1 Jan 2019 to 31 Dec 2019

Dr Jillian Murray

Elected staff member

Member Human Resources Committee
1 Jan 2019 to 12 Sep 2019

Dr Miriam Bankovsky

Elected staff member

Member Corporate Governance Audit and Risk Committee
From 13 Sep 2019

Operating framework

Governance and accountability

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

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

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

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

Relevant minister

The responsible Minister in the Victorian Government during 2019 was The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education

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 safeguarding 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

Code of Conduct

La Trobe University strives to integrate its values into teaching, research and business practices. The purpose of the Code of Conduct (the "Code") is to provide members of the University with an understanding of the standards required of them in their dealings with their colleagues and the La Trobe University ('the University') community.

The Code is a statement of the commitment to upholding the ethical, professional and legal standards we use as the basis for our day to day and long term decisions and actions that support our vision, values, objectives and strategy.

Members of the University community are each individually accountable for their actions and are collectively accountable for upholding these standards of behaviour and for compliance with all applicable laws and policies.

The Code applies to all staff and associates performing work on behalf of the University such as contractors, agency staff, conjoints, volunteers, honoraries, Council members, visiting appointments, students representing the University and other personnel. It covers all circumstances when performing work, duties or functions of the University, both during and outside work hours and includes work related functions, travel, conferences and any circumstance when an individual is representing the University.

Protection of Freedom of Speech and Academic Freedom

For more than 50 years La Trobe has been an institution which has embraced free speech and enabled a robust diversity of views. It has enshrined rights to freedom of speech and academic freedom in its Collective Agreement, policy statements and in the La Trobe University Act 2009 which requires that the University serve the public interest by "promoting critical and free enquiry, informed intellectual discourse and public debate" and that Council members have "an appreciation of the values of a University relating to teaching, research, independence and academic freedom."

In late 2018, the Minister of Education appointed Justice French to undertake an independent review of policies supporting freedom of expression in Australian higher education. That review produced a Model Code with respect to Freedom of Speech and Academic Freedom for universities to choose to adopt, with or without modification.

In addition to the protections already in place at La Trobe, the University adopted the French Model Code in December 2019 following an extensive consultative process.

More information about the Protection of Freedom of Speech and Academic Freedom Policy (Model Code) and related policy statements are in our Policy Library.

Key statistics

	2016	2017	2018	2019
Students[#]				
Total students (persons)	37,056	38,639	39,231	38,791
Commencing enrolments [†]	15,638	15,578	15,138	14,637
Rural/remote*	8,883	8,862	8,381	7,925
Non-English speaking background*	801	838	764	708
Low socio-economic status*	5,754	5,824	5,731	5,355
Students with a disability*	2,133	2,254	2,362	2,491
Indigenous*	232	281	299	264
Student load (EFTSL)[#]				
Total student load (includes International)	28,824.1	29,586.1	29,544.3	29,036.6
Undergraduate	23,351.3	24,217.2	24,034.8	23,227.6
Postgraduate coursework	4,441.2	4,360.0	4,553.4	4,882.4
Research higher degree	1,031.7	1,008.9	956.2	926.6
International	6,388.0	6,764.1	7,143.4	7,727.7
Work contract (FTE)[#]				
Full-time staff	1,994.0	2,187.0	2,170.0	2,232.0
Part-time staff	477.5	512.3	536.4	592.4
Casual staff	611.4	546.9	506.5	513.9
Classification (FTE)[#]				
Academic	1,370.2	1,435.4	1,478.0	1,553.7
Professional	1,712.6	1,810.8	1,734.9	1,784.6
Gender (persons)[#]				
Female	4,649	4,340	4,277	4,389
Male	2,577	2,561	2,435	2,391
Function (FTE)[#]				
Teaching only	168.3	322.1	319.9	333.1
Research only	243.4	297.1	317.0	318.4
Teaching and Research	750.3	812.3	836.8	898.2
Other	1,920.7	1,814.8	1,739.2	1,788.6
Teaching and Learning Performance				
Market share of Victorian Tertiary Admission Centre first preferences	12.3%	11.8%	11.7%	10.3%
Retention rate [^]	78.98%	78.50%	76.17%	Available Q4 2020
Overall graduate satisfaction (% agreement) (Course Experience Questionnaire) [^]	La Trobe: 74.0% National: 80.6%	La Trobe: 74.2% National: 79.4%	La Trobe: 76.0% National: 79.7%	La Trobe: 77.3% National: 80.1%
Percent of graduates in full-time employment (Graduate Outcomes Survey) [^]	La Trobe: 67.9% National: 70.9%	La Trobe: 70.7% National: 71.8%	La Trobe: 68.8% National: 72.9%	La Trobe: 70.2% National: 72.2%
Percent of graduates in further full-time study (Graduate Outcomes Survey) [^]	La Trobe: 23.3% National: 21.8%	La Trobe: 20.2% National: 20.7%	La Trobe: 19.3% National: 19.4%	La Trobe: 17.9% National: 18.9%
Research Performance				
Research income (Higher Education Research Data Collection)	\$70,749,490	\$73,872,095	\$76,197,979	Available Q4 2020
Research publications (Higher Education Research Data Collection equivalent, count) [‡]	2,755	2,524	2,864	Available Q4 2020
Research higher degree load (EFTSL) [#]	1,031.7	1,008.9	956.2	926.6
Research degree completions [#]	202	221	234	230

Notes

EFTSL Equivalent full-time student load

FTE Full-time equivalent

Student and staff data for 2019 is provisional; the 2018 provisional figures published in the previous year's annual report have been adjusted and are now final.

† From 2017, the commencing enrolments calculation is aligned with Government methodology of reporting student enrolments based on 'Major Course' where a student is enrolled in more than one course.

* Includes domestic students only

[^] New Normal Retention Rates for all commencing bachelor students; a methodological change to retention rates was introduced for the full year student data publication by the Government in 2019; this methodological change results in different figures to those published in the previous year's annual report; the retention rate for 2018 is provisional.

[^] Includes undergraduates only, national results include both Universities and Non-University Higher Education Institutions.

[‡] 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.

Workforce disclosures

December 2018 – December 2019

	December 2018						December 2019							
	All employees		Ongoing		Fixed term and casual		All employees		Ongoing		Fixed term and casual			
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender														
Women Executives	39	38.7	10	3	12.9	26	25.8	44	42.9	12	3	14.6	29	28.3
Women (total staff)	4,277	1,968.7	919	389	1,181.1	3,037	787.6	4,389	2,055.3	965	419	1,251.6	3,080	803.7
Men Executives	48	48.0	15		15.0	33	33.0	52	52.0	13	1	14.0	38	38.0
Men (total staff)	2,435	1,244.2	673	83	729.3	1,691	514.9	2,391	1,283.0	709	93	773.1	1,600	509.8
Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Age														
15-24	858	122.8	16	3	17.8	843	104.9	821	121.1	20		20.0	803	101.1
25-34	1,777	669.7	233	57	271.2	1,501	398.5	1,777	687.7	252	63	294.8	1,478	393.0
35-44	1,575	929.1	497	139	587.9	969	341.2	1,673	996.7	518	164	630.0	1,016	366.7
45-54	1,316	836.8	459	154	567.8	720	269.0	1,334	862.6	492	149	597.1	725	265.5
55-64	936	567.0	347	99	413.3	504	153.7	922	570.8	346	116	425.6	470	145.1
Over 64	250	87.6	40	20	52.4	191	35.2	253	99.5	46	20	57.3	188	42.2
Total employees	6,712	3,212.9	1,592	472	1,910.4	4,728	1,302.5	6,780	3,338.3	1,674	512	2,024.7	4,680	1,313.5

Demographic data

Notes

- (1) The 2018 provisional figures published in the previous year's annual report have been adjusted and are now final.
- (2) Headcounts may not add up to totals as multiple categories (e.g. Ongoing and Casual) apply to some employees.
- (3) Workforce disclosures data for 2019 is provisional.

Human resources

To support the achievement of the *La Trobe University 2018-2022 Strategic Plan*, the *Human Resources (HR) 2018-2022 Strategy* featured key deliverables in the four pillars of People, Leadership, Performance and Culture. This was to ensure that “our people and our culture” were key enablers in support of strategic outcomes. A key outcome for the HR Strategy is to position La Trobe University to be an employer of choice. Some HR focus areas and achievements during 2019 are outlined below.

Culture and engagement

HR has worked in partnership with the University to continue to embed the La Trobe cultural qualities through *The Way We Work* – a behaviours-based way of working. The La Trobe focus on a “safe, inclusive and high performance” culture has been strengthened through our leaders understanding and taking positive actions to systemically embed this within their respective portfolios. In addition, the University designed a bespoke leadership development program – the Culture Influencers Leadership Development Program to build the capacity and capabilities of a cohort of talented leaders to positively contribute to culture change.

The University has a Sustainable Engagement target score of 80% by 2022. In the last University-wide survey in 2018 the overall Sustainable Engagement score reached 78%. HR partnered with leaders across La Trobe to deliver a broad suite of actions in support of an increased employee experience. Targeted EOS Pulse Surveys were completed with business areas in 2019 which highlighted areas of positive uplift, in Culture, Customer Service and Sustainable Engagement. Although the 2019 Pulse Survey is not a stratified sample of the University, based on the staffing numbers and demographic distribution, the increase in Sustainable Engagement is a positive indicator.

Leadership and Capability

To support the University’s commitment to invest in leaders at all levels, 2019 has seen an intensified focus on leadership, with the number and quality of leadership development offerings substantially increasing. During 2019 the HR Division expanded leadership and capability offerings with the introduction of 15 new “Leadership at La Trobe” workshops. A total of 84 leadership and capability sessions were delivered to 1,016 participants. This equated to a 96% increase in the number of participants from the previous year. More broadly, a range of all staff development initiatives resulted in 541 staff attending 41 sessions. This was a 73% increase from the previous year with overall satisfaction ratings increasing to an average of 85%.

Diversity and Inclusion

In 2019, La Trobe was awarded the prestigious SAGE Athena Swan Bronze medal citation and was again awarded, for the third consecutive year, the WGEA employer of choice for gender equality citation. The bespoke Gender Diversity in Leadership program examined systemic barriers to gender diversity at University with bold and innovative recommendations for change to further enhance inclusivity. Staff and students proudly marched together at the 2019 Pride and Midsumma carnival celebrations in support of our LGBTIQ+ staff, students and community. New parental leave guides, educational materials for keeping in touch with staff on parental leave and refreshed flexibility toolkits were also distributed.

La Trobe University’s 2018-2022 Diversity & Inclusion Plan aims to strengthen diversity in the areas of culture, disability, gender, Indigenous, LGBTIQ+ and life stages. The *La Trobe Diversity and Inclusion (Staff) Policy* was reviewed and updated in November 2019.

Health, Safety and Wellbeing

In 2019, we saw the launch of the *Health and Wellbeing Strategy 2019-2022*. This strategy identifies four clear priorities for the University to drive positive outcomes for staff and to build a safe and supportive culture of wellbeing at La Trobe:

- 1. Leadership and Engagement**
Invest in our leaders to champion the wellbeing program and confidently support their staff
- 2. Mental Health**
Create an environment that supports good mental health and reduces stigma
- 3. Pain Prevention and Management**
Proactively identify at risk staff and work groups to provide early intervention
- 4. Health Protection**
Deliver a suite of engaging and innovative initiatives to support positive health and wellbeing

The commitment of the University to achieving these positive outcomes for staff was also demonstrated through the appointment of the University’s first Psychological Safety Manager. This role will lead the implementation of the mental health components of the Strategy and work with our Wellbeing Manager to develop programs for staff across all campuses.

La Trobe HR was a national finalist in the *Human Resources 2019 Australian Team of the Year for over 1000 employees*. The HR Division also received a “highly commended” citation at the 2019 Higher Education Awards ceremony in the People and Culture category.



Leadership and Engagement

Invest in our leaders to champion the wellbeing program and confidently support their staff



Mental Health

Create an environment that supports good mental health and reduces stigma



Pain Prevention and Management

Proactively identify at risk staff and work groups to provide early intervention



Health Protection

Deliver a suite of engaging and innovative initiatives to support positive health and wellbeing

Risk management

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.

Risk management office and approach

The University's Risk Management Office has responsibility for the delivery of key strategic and operational risk management programs. 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 the Australian and New Zealand Standard for Business Continuity: management of disruption related risk AS/NZS 5050:2010, the international standard ISO 22301:2012 Business Continuity management systems and the Australasian Inter-Service Incident Management System (AIIMS). Identification, assessment and progress on treatment of risk is reported to management and to the CGARC at its quarterly meetings.

Insurance

The Insurance Office has responsibility for:

- Annual review of insurable assets and liabilities
- Purchasing of general insurance and other protection covers
- Review of general insurance and other protection covers on an annual basis
- Management of self-insurance provisions
- Claims management of insured and self-insured losses.

Health and Safety Statement

General Statement

The focus continues to be active prevention through education initiatives, risk management and return to work practices and targeted programs to continue building resilience.

Indemnity Details

La Trobe University has maintained continuous insurance during the reporting period that protects the University from financial loss as a result of physical loss of (or damage to) assets and consequential loss, as well as injuries to staff, students and third parties.

Directors and officers liability protection

During the reporting period La Trobe University maintained Directors and Officers liability protection for its Council Members and senior officers with a reputable insurer for adequate limits.

Entity statement

	2019	2018	2017
Number of reported hazards for the year per 100 full-time equivalent staff members	4.95	5.30	6.00
Number of reported incidents (all categories) for the year per 100 full-time equivalent staff members	13.6	14.7	13.5
The number of lost time standard claims for the year per 100 full-time equivalent staff members	0.24	0.15	0.30
The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs)	\$12,249	\$73,573	\$64,188
Reported fatalities	Nil	Nil	Nil

Sustainability reporting

Indicator		Unit	Total Data 2019	Total Data 2018
Energy				
E1	Total Energy Usage Segmented by Primary Source (including GreenPower)	Megajoules	409,932,040.00	404,749,830.96
	Natural Gas	Megajoules	262,103,170.00	259,691,120.00
	Purchased Grid Electricity	Megajoules	143,486,730.00	140,315,400.00
	Renewables (Onsite Solar PV)	Megajoules	4,054,140.00	3,997,410.96
	Stationary Diesel	Megajoules	28,000.00	109,200.00
	Stationary LPG	Megajoules	260,000.00	636,700.00
E2	Greenhouse Gas Emissions Associated with Energy Use, Segmented by Primary Source and Offsets	tCO2-e	59,187.11	59,656.35
	Natural Gas	tCO2-e	14,528.38	14,394.68
	Purchased Grid Electricity	tCO2-e	44,640.35	45,212.78
	Stationary Diesel	tCO2-e	2.10	8.05
	Stationary LPG	tCO2-e	16.28	40.85
E3	Percentage of Electricity Purchased as Green Power	% of total electricity consumption	-	-
E4	Units of Office Energy Used (Megajoules per FTE/EFTPL)	FTE	26,057.68	24,997.40
		EFTPL	2,686.91	2,446.79
E5	Units of Office Energy Used per Unit of Office Space	Megajoules/m2	1,338.43	1,315.23
Waste				
Ws1	Total Units of Waste Disposed of by Destination	Kilograms	3,017,522.40	2,803,745.40
	Landfill (Inc. C&D waste)	Kilograms	2,047,020.00	1,954,120.90
	Commingled Recyclables	Kilograms	374,380.00	307,190.00
	Paper/Cardboard Recyclables	Kilograms	190,940.00	198,980.00
	Metal Recyclables	Kilograms	19,200.00	26,160.00
	E-Waste Recyclables	Kilograms	11,050.00	11,610.00
	Printer Toner Cartridge Recyclables	Kilograms	Inc. in E-Waste Recyclables	Inc. in E-Waste Recyclables
	Fluorescent Tube Recyclables	Kilograms	4,340.00	8,040.00
	Furniture Recyclables	Kilograms	NA	NA
	Chemical Waste Recyclables	Kilograms	9,755.40	9,454.50
	Green Waste Recyclables	Kilograms	199,050.00	272,640.00
	Grease Trap/Triple Interceptor Recyclables	Kilograms	149,547.00	NA
	Battery Recyclables	Kilograms	890.00	1,140.00
	White Goods (Fridge/Freezer) Recyclables	Kilograms	Inc. in E-Waste Recyclables	Inc. in E-Waste Recyclables
	Organic Recyclables	Kilograms	7,220.00	6,900.00
	Polystyrene Recyclables	Kilograms	1,730.00	2,030.00
	Timber Recyclables	Kilograms	2,400.00	5,480.00
Ws2	Units of Office Waste Disposed of (kg per FTE/EFTPL by destination)	FTE	191.81	169.00
		EFTPL	19.78	16.54
Ws3	Recycling rate	% of total waste	32%	30%
Ws4	Greenhouse Gas Emissions associated with waste disposal	tCO2-e	2,865.83	2,735.77

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. The procurement of the centralised fleet vehicles has been reviewed this year and the University will be transitioning to a model that includes share cars that are available to the entire community in addition to staff work purposes.

Indicator		Unit	Total Data 2019	Total Data 2018
Paper				
P1	Total units of A4 Equivalent Copy Paper Used	Reams	24,219.34	26,122.54
P2	Units of A4 Equivalent Copy Paper Used (Reams per FTE/EFTPL)	FTE	7.25	8.14
		EFTPL	0.75	0.80
P3	Percentage of Recycled Content of Copy Paper Purchased	%	98%	98%
Water				
W1	Total Units of Metered Water Consumption by Water Source	Kilolitres	403,360.76	401,441.21
	Potable Water	Kilolitres	319,089.11	312,214.60
	Recycled Water	Kilolitres	3,176.97	3,955.76
	Surface Water	Kilolitres	81,094.67	85,270.85
W2	Units of Metered Water Consumed in Offices (Kilolitres per FTE/EFTPL)	FTE	20.28	18.92
		EFTPL	2.09	1.85
Transportation				
T1	Total Energy Consumption Segmented by Vehicle Type	Megajoules	6,307,130.00	6,021,600.00
	Diesel	Megajoules	2,789,200.00	2,573,600.00
	ULP	Megajoules	3,517,930.00	3,446,300.00
	LPG	Megajoules	-	1,700.00
T2	Total Vehicle Travel Associated with Entity Operations Segmented by Vehicle Type	Kilometres	2,189,035.50	2,093,813.13
	Diesel	Kilometres	903,228.00	833,416.63
	ULP	Kilometres	1,285,807.50	1,259,594.00
	LPG	Kilometres	-	802.50
T3-A	Total Greenhouse Gas Emissions from Vehicle Fleet Segmented by Vehicle Type	tCO2-e	457.26	480.65
	Diesel	tCO2-e	206.71	190.70
	ULP	tCO2-e	250.55	289.85
	LPG	tCO2-e	-	0.10
T3-B	Greenhouse Gas Emissions from Vehicle Fleet per 1,000km Segmented by Vehicle Type	tCO2-e/1,000km	0.21	0.23
	Diesel	tCO2-e/1,000km	0.23	0.23
	ULP	tCO2-e/1,000km	0.19	0.23
	LPG	tCO2-e/1,000km	-	0.14
T4	Total Distance Travelled by Air	Kilometres	34,164,406.50	28,384,938.60
T5	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	30%	32%
Greenhouse Gas Emissions				
G1	Total Greenhouse Gas Emissions Associated with Energy Use	tCO2-e	59,187.11	59,656.35
G2	Total Greenhouse Gas Emissions from Vehicle Fleet	tCO2-e	457.26	480.65
G3	Total Greenhouse Gas Emissions from Air Travel	tCO2-e	7,582.46	6,306.90
G4	Total Greenhouse Gas Emissions Associated with Waste Disposal	tCO2-e	2,865.83	2,735.77
G5	Greenhouse Gas Emissions Offsets Purchased	tCO2-e	-	6,841.55

Context notes

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

Amendments to 2018 data

Amendments have been made to some 2018 data where more complete data sets have become available since the figures were originally collated.

Sustainability reporting (cont.)

Energy

Building from energy strategy work completed in 2018, La Trobe launched its Net Zero program in 2019 with a commitment to achieve net zero emissions from University operations by 2029. Backed by a \$75 million investment, several infrastructure projects commenced in 2019 that will deliver significant energy and emissions reductions in future years. These include: upgrades to energy efficient LED lighting across all campuses, installation of >2.5 Megawatts of rooftop solar PV at our Melbourne Campus, installation of additional rooftop solar PV and battery storage technology at our Mildura Campus and development of the La Trobe Analytics Platform (LEAP) – an energy analysis platform that monitors consumption patterns and building performance, enabling us to create actionable insights to reduce our energy use across our campuses.

Overall, stationary energy use in 2019 closely matched that of 2018. There were minor increases in natural gas use (1%) and electricity generation from renewables (2%) and a minor decrease in purchased grid electricity use (3%).

Stationary diesel use has reduced further in 2019 due to the outsourcing of landscaping operations. Stationary LPG consumption is also significantly less than in 2018 due to limited operation of an LPG fuelled backup chiller on the Melbourne Campus compared to previous years.

Waste

Total waste generated has increased by 8% from 2018 to 2019. Of this, landfill waste generation increased by 5% and commingled recycling increased by 22%. The improvement in recycling rate is likely a result of improved operational processes and educational support such as improved bin signage and colour coded lids. This increase along with other increases in organics, fluorescent tubes and chemical waste recycling helped to drive the overall recycling rate to 32%.

Significant initiatives delivered or commenced in late 2019 will help to further improve La Trobe's overall recycling rate and reduce the amount of waste sent to landfill in 2020.

These initiatives include: investing in 'Soil Food' dehydration units to enable the processing and reuse of food waste and other organic materials onsite at the Melbourne and Bendigo Campuses, establishing soft plastics recycling services at all campuses, partnering with Skip Zero to implement a reusable cup swap program with cafes on our campuses and working with cafes on our campuses to ban the supply of single-use plastic packaging and transition to compostable/biodegradable packaging.

Paper

The University continues to reduce paper consumption with an overall reduction of 7% on the 2018 figure. These results are attributable to ongoing changing behaviours around on-screen reading and the continued transition from paper-based to digital/online processes.

The amount of 100% postconsumer recycled content paper purchased and used remained at 98% of total paper purchased this year.

Water

Water usage in 2019 closely matched that of 2018. Potable water consumption rose slightly by 2%, while recycled and surface water consumption, used for irrigation, fell by 20% and 5% respectively. La Trobe has a licence to extract and use recycled water from the 'Moat' on the Melbourne Campus which it routinely does for irrigation and chillers. Due to dry conditions and low water levels in the Moat, the University ceased extraction for three months in 2019 to allow the system to recharge and recover.

The completion of building level water meter installations in early 2020 will enable more granular and timely monitoring of water use across our campuses which is expected to deliver future reductions in potable water use through targeted actions.

Transport

Vehicle related energy use increased by 5% in 2019 compared to 2018. Much of the increase was related to diesel fuel use and bucks a recent trend of decreasing diesel use. This increase may be due to specific research projects requiring greater use of diesel fuelled vehicles during 2019. Further analysis and investigation will be undertaken in 2020 to identify the reasons for the increase and any opportunities for future reductions. LPG consumption dropped to zero due to the full transition away from LPG fuelled vehicles within the fleet.

Air travel increased by 20% in 2019 compared to the 2018 figures and more closely match the 2017 air travel data. Long haul flights have seen the biggest increase in 2019 compared to 2018.

Staff travelling to work by sustainable means decreased to from 32% to 30% in 2019. Improvements to active transport related infrastructure are being pursued by the University to help achieve our target of reducing single-occupant vehicle travel.

Greenhouse Gas Emissions

Variations in emissions generation across stationary energy, vehicle fleet, air travel and waste generation align with the variations in activity data discussed above.

Reductions in emissions related to stationary energy use (1%) and vehicle fleet (5%) were offset by increases in emissions from air travel (20%) and waste generation (5%).

Note that emissions related to the vehicle fleet are incomplete at time of reporting and are likely to increase once the full data set is available. No greenhouse gas emissions offsets were purchased during the 2019 calendar year.

Risk management statement



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MELBOURNE CAMPUSES
Bundoora
Collins Street CBD
Franklin Street CBD

REGIONAL CAMPUSES
Bendigo
Albury-Wodonga
Mildura
Shepparton

17 April 2020

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

I, Paul Ramage 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 for the period of 1 January 2019 to 31 December 2019 and complies with the Victorian Government Risk Management Framework.

Yours sincerely

Handwritten signature of Paul Ramage in black ink.

Paul Ramage
Executive Director Planning
and Governance
La Trobe University

Handwritten signature of Professor John Dewar in black ink.

Professor John Dewar
Vice-Chancellor
La Trobe University

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 2019, the University received five (5) applications under the Victorian FOI legislation. Of these applications, two (2) were provided with the full documents requested, one (1) was provided in part with edited documents which withheld personal information that did not pertain to the applicant, and no relevant documents were found or released in two (2) applications.

Information privacy

Privacy and Data Protection Act 2014

During 2019, the University received one (1) privacy complaint 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 or 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 2019, the Ombudsman dealt with 199 complaints from members of the University.

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

latrobe.edu.au/students/complaints

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 Law compliance program, Policy 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 2019, the I&O Division delivered 30 projects that were valued over \$50,000 each and included:

- 8 major projects including refurbishment and services upgrades
- 6 capital projects comprising of refurbishments and engineering upgrades
- 12 capital maintenance projects comprising of engineering upgrades, building services upgrades and sustainability project
- 6 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 Final Inspection/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.

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* establishes a scheme for protecting people who make disclosures about improper conduct in the public sector.

Compliance with the *Protected Disclosure Act 2012*

The University is committed to the aims and objectives of the *Protected Disclosure Act 2012*, which is designed to encourage and facilitate the disclosure of improper conduct by public officers and bodies (including the University or a member, officer or employee of the University), as well as detrimental action taken in reprisal for such disclosures. It also provides for the assessment and investigation of disclosures by the Independent Broad-based Anti-corruption Commission (IBAC) and the protection of persons making disclosures by managing the welfare of those persons and others connected with or the subject of a protected disclosure in accordance with the requirements of the Act. The University's policy on protection from detrimental action can be found within the Policy library at: policies.latrobe.edu.au

Key infrastructure initiatives and projects undertaken by the University

Project Name	Total Project Budget \$000s	2019 Actual Spend \$000s
Bendigo Campus Transformation Project – Package 3 Engineering and Technology Building The new four storey ET Building consists of two levels of research and teaching spaces for the College of SHE and SEMS, level three houses the Bendigo Tech School, funded by DET and level four has been cold shelled for future use.	27,000	5,295
Secure External Lighting Project (Stages 2 and 3) The project consisted of installation of over 260 new energy efficient LED lights in and around the Agora, the main teaching area pathways, the Sports Fields link and along Science Drive. This included the installation of 91 new light poles as well as lights fixed to buildings and walkways.	3,108	3,108
Teaching Facilities Improvement Project Completion of a three-year program where the primary goal was to improve a series of centrally bookable flat floor teaching spaces, primarily at the Bundoora and Bendigo campuses, thereby improving the overall student experience.	3,000	1,036
Regional Bachelor of Biomedicine Facilities Project Creation of two new anatomy labs and laboratory technical support space at both Albury Wodonga and Bendigo campuses as part of the Federal Government's Rural Medical Pathway Program and the Stronger Rural Health Strategy.	2,667	2,667
SEMS Lab Beth Gleeson and PS1 Project Refurbishment of five existing computer labs and creation of two further computer labs on Level 1 of the Beth Gleeson building. Each lab has a capacity of 30 students. The project also relocated and upgraded a student lounge area and two consultation rooms.	2,350	2,181
David Myers Refurb Stage 1, Package 2 – Alumni and Advancement Refurbishment of office space, meeting rooms and toilet amenities in Level 1 David Myers West to house the Alumni and Advancement Office, locating them back in the core of the campus.	2,025	814
All Campuses ESM Passive Works The staged installation and retrofit installation of fire and smoke doors across all campuses to meet compliance obligations.	1,826	202
Bendigo Campus Transformation Project – Package 2 Plaza Works The external spaces between the AS1/AS2 buildings and Central Drive, running along the front of the SSC Building and the new library were transformed from a paved forecourt into a timber decked plaza with feature stairs up to the road.	1,400	1,280
Western Gateway Package 5 The project consisted of three separate components with a focus on improving the student experience – House of Cards Café, Level 1 Thomas Cherry Building, Therapy Student Lounge, Level 1 Agora West and the Food Truck Village adjacent to Simpson Lawn.	1,285	9
Physical Sciences 1 Cyber Security Laboratory Conversion of existing office and teaching space into a 30-seat specialist teaching laboratory, academic research office workspace with ten PhD workstations and a separate shared workbench. A LTU-Optus branded meeting room with ten seats.	1,012	811
Central Animal House UPS Installation of Uninterrupted Power Supply protection for the main facility which also doubles as a surge protection device when there is a spike in external electricity supply.	749	140
HS2 Anatomy Labs Ventilation Upgrade Installation of new air conditioning and ventilation infrastructure to the anatomy wet labs in building HS2 for a greater student experience.	714	151
Indoor Sports Centre – Small Group Training The project consists of the creation of three small group training spaces – a pilates studio in a previous squash court, a yoga/mindfulness studio in a flexible space adjacent to reception and the development of a further weights area in a training studio to take the pressure off the central gym space.	339	281
Melbourne Fall Prevention (Final Stage) The staged installation of fall prevention across the Melbourne Bundoora Campus to improve safety of people working at heights.	324	6
Agora East Security Hub Creation of a central point of contact for all landO related queries at the heart of the Bundoora campus for all staff and students.	92	14

External reporting obligations (cont.)

La Trobe University consultants 2019

Financial Reporting Direction FRD22H

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 2019:

- There were 53 separate consultancy agreements in 2019 \$10,000 and over totalling \$7,165,112 (ex. GST).
- The website location to view details of 2019 consultancies \$10,000 and over is: latrobe.edu.au/council/resources
- There were 19 separate consultancy agreements in 2019 under \$10,000 totalling \$91,354 (ex. GST).

Statement on compulsory non-academic fees, subscriptions and charges

Tertiary Education (Amendment) Act 1994

Compulsory Fees

Student Services and Administration Fee – 2019

Study Load	2019	2018
Albury-Wodonga Campus		
Full-time	\$303	\$298
Part-time	\$227	\$229
Bendigo Campus		
Full-time	\$303	298
Part-time	\$227	\$229
Bundoora Campus		
Full-time	\$303	\$298
Part-time	\$227	\$229
City campus		
Full-time	\$303	\$298
Part-time	\$227	\$229
Mildura Campus		
Full-time	\$303	\$298
Part-time	\$227	\$229
Shepparton Campus		
Full-time	\$303	\$298
Part-time	\$227	\$229

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 – 2019

Campus	\$
Albury-Wodonga	150,376
Bendigo	1,138,620
Bundoora	6,838,893
City	310,516
Mildura	111,272
Shepparton	121,131
Total	8,670,808

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	\$
Bundoora	La Trobe University Student Union Inc.	2,999,923
Bendigo	Bendigo Student Association Inc.	1,162,228
Albury-Wodonga	Wodonga Student Association Inc.	295,592

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

Significant Commercial Activity	Bendigo Surplus Property Divestment	Bendigo Surplus Property Divestment (Cont.)	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 Avenue Flora Hill, 32 Garsed Street Bendigo and 131 Edwards Road Flora Hill. Reference: Council Minute 407.8.1, 21 May 2011.</p> <p>Status 131 Edwards Road has sold. 28, 30, 32, 34, 36, 38, 46, 48, 50, 52 and 54 Friswell Ave have sold. 32 Garsed St has sold.</p> <p>Central Innovation Park (CVIP) 121-129 Edwards Rd Meeting No.462 – 5 Sept 16 Council authorised 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. Property sold conditionally 21 Dec 2018 for \$6.45m subject to town planning permit within 180 days.</p> <p>Hesse Estate 5 Friswell Avenue Council meeting No.479 held on 30 Jul 2018 approved the sale of the property to Oakbridge Developments for \$2.8m. Sale Completed 30 Oct 2018.</p>	<p>Bendigo Athletics Track The Infrastructure and Estates Planning Committee (IEPC 17/03 14 Feb 2017) endorsed for Council approval the sale of the La Trobe University Athletics Track. Sale to Greater Bendigo Council completed 30 Apr 2019.</p> <p>2 Osborne St Infrastructure and Estates Planning Committee (IEPC18/47 5 Oct 2018) endorsed for Council approval declaring the land surplus. No expressions of interest from Crown Agencies. Currently being rezoned.</p>	<p>Victoria Police (R&D Park – former VABC) Council approved the proposed lease to Victoria Police (Meeting 441, 15 Sep 2014) as a Commercial Activity.</p> <p>Status This lease replaces previous leases to DPI (Victorian AgriBiosciences Centre) and Victoria Police which were surrendered in favour of a new Head Lease.</p> <p>Option exercised and expires 30 Nov 2021. Further option available to 30 Nov 2025. The reviewed commencing rental is \$1,270,687 p.a.</p>
<p>Other commercial activities</p>			

Commercial Leases (Cont.)	Commercial Leases (Cont.)	Commercial Leases (Cont.)	Commercial Leases (Cont.)
<p>Healthscope (ACN108807370 Pty Ltd) Council approved four year lease commencing 7 Jul 2015 (Meeting 445 – 15 Dec 2014). Commencing rental \$208,000. Companion agreements executed to operate concurrently include Education Agreement and Facilities Management Agreement. Reverted to monthly tenancy and currently the subject of negotiation.</p>			
<p>Strathallan Golf Club 26 Jan 2019, 5 yrs, \$30,000 p.a.</p> <p>Paula Crimmins t/a Hit and Run 1 Jan 2019, 1 yr, \$100 p.m.</p> <p>Optus Mobile Tower M8403–LIMS1 Building 1 Nov 2018, 10 yrs \$22,000 p.a.</p> <p>Axicom Mobile Tower 11 Jan 2019, 20 yrs, \$19,502 p.a.</p> <p>GeneWorks Pty Ltd 17 Dec 2018 1 yr, \$23,200 p.a.</p> <p>Solvay Interox P/L 1 Dec 2018, 1 yr \$63,929.40 p.a.</p>	<p>Lifecare Physiotherapy 1 Jul 2015, 4 yrs \$35,000 p.a. Reverted to Monthly Tenancy.</p> <p>La Trobe Pharmacy 1 Jul 2015, 4 yrs, \$60,000 p.a. Reverted to Monthly Tenancy.</p> <p>Telstra Tower LIMS1 1 Mar 2016, 10 yrs \$20,000 p.a.</p> <p>VACCA, 14 Mar 2016, 2 yrs and overholding, \$17,604 p.a.</p> <p>Department of Economic Development, Jobs Transport and Resources (DEDJTR); Glasshouse RD4C – Ground Lease, 1 Mar 2017, 10 yrs, \$7,000 p.a.</p> <p>Telstra Tower LIMS1 1 Mar 2016, 10 yrs \$20,000 p.a.</p> <p>Cornerstone Computing P/L 14 Feb 2018, 2 yrs \$44,585 p.a.</p> <p>Hexima and (sub-Licence to CANN Group), Glasshouse RD4B 10 Dec 2018, 10 yrs, \$0.</p>	<p>Arthur Apted, (grazing land) 1 May 2019, 10 yrs \$3,848 p.a.</p> <p>Department of Economic Development, Jobs, Transport and Resources (DEDJTR), Glasshouse RD4A – 1 Aug 2019, 3 yrs, \$130,471 p.a.</p> <p>Jersey Aust. 10 Apr 2017, 5 mths and overholding, \$923 pcm.</p> <p>Specialisterne Centre Aust 1 Aug 2017, 1 yr, \$11,436 p.a.</p> <p>Synergy Prosthetics 5 Aug 2018, 1 yr, \$12,485 p.a.</p> <p>Unisuper 1 Nov 2018, 2 yrs, \$30,000 p.a.</p> <p>Akaal Pharma 1 Jan 2019, 1 yr, \$13,080 p.a.</p> <p>Out of Box Solutions – 16 Jul 2018, 6 mths, \$6,000 p.a.</p> <p>Reltek Systems, Monthly Tenancy.</p>	<p>Bendigo Telco Ltd 1 Sep 2018, 5 yrs \$174,618 p.a.</p> <p>UniSuper Management P/L 12 Nov 2018, 2 yrs \$30,000 p.a.</p> <p>Eureka Bendigo P/L t/a Mug Shot and NLDH 14 Jan 2019, 5 yrs \$34,020 p.a.</p> <p>La Trobe Lifeskills Pty Ltd 1 Jan 2019, 1 yr \$1,000.</p> <p>University of Melbourne 1 Aug 2018, 2 yrs \$402 p.m.</p> <p>Sandhurst Geotechnical Pty Ltd 1 Jan 2018, 3 yrs, \$3,468 p.m. and currently overholding.</p> <p>Commonwealth Scientific and Industrial Research Organisation – 1 Mar 2018, 2 yrs \$17,918.00 p.m.</p> <p>Smarty Pantz Dog Training 5 Feb 2018, monthly agreement \$100 p.m.</p>

Financial review (cont.)

Register of significant commercial activities

Significant Commercial Activity	Bendigo Surplus Property Divestment	Bendigo Surplus Property Divestment (Cont.)	Commercial Leases
Participation – University involvement in this activity:	The University is the vendor to the property transaction(s)		La Trobe is Lessor. The University and Forensics have scientific collaboration including a number of supervised post graduates.
Participation – 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
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 Strategy and Development 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.		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.
Whether the activity is ongoing or its anticipated termination date	The project will remain operative until all Commercial Activities cease.		As per lease expiry unless option exercised or overholding.

Commercial Leases (Cont.)	Commercial Leases (Cont.)	Commercial Leases (Cont.)	Commercial Leases (Cont.)
Landlord only.	Landlord only.	Landlord only.	Landlord only.
Nil	Nil	Nil	Nil
No	No	No	No
As per lease expiry unless option exercised or overholding.	As per lease expiry unless option exercised or overholding.	As per lease expiry unless option exercised or overholding.	As per lease expiry unless option exercised or overholding.

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Management and structure			
4	FRD 22H	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	14-15
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5	FRD 03A	Accounting for Dividends.	N/A
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10	FRD 22H	Occupational health and safety statement including performance indicators, performance against those indicators.	21
11	FRD 22H	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections.	17-19
12	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods.	40-43
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19	FRD 22H	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target.	18-20
20	FRD 22H	Schedule of any Government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	N/A
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22	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act.	26
23	FRD 22H and FRD 24D	Summary of Environmental Performance.	22-24
24	FRD 22H	Consultants: Report of Operations must include a statement disclosing each of the following: <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> - Consultant engaged - Brief summary of project - Total project fees approved (excluding GST) - Expenditure for reporting period (excluding GST) - Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period. 	28
25	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	29

Item No.	Source	Summary of reporting requirement	Page(s)
26	FRD 22H	(a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and (b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	40
27	FRD 25D	Local Jobs First.	40
28	AASB 16	Leases.	62-63, 78-79, 81, 83-85
29	FRD 119A	Transfers through contributed capital.	N/A
30	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.	25, 44-47
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	48, 56
32	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved.	49, 56

Financial report

Financial Statements Required Under Part 7 Of The *Financial Management Act 1984*

33	SD 5.2.2(a), 5.2.2(b) and FMA s49	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, CFO (subject to 5.2.2) 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; and • have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	48-49, 56
34	FRD 30D	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, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	44-47, 57
35	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> • review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister 	44-47, 13

University disclosure index table (cont.)

Item No.	Source	Summary of reporting requirement	Page(s)
Other requirements as per financial reporting directions in notes to the financial statements			
36	FRD 11A	Disclosure of ex-gratia payments	71, 116
37	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	107-109
38	FRD 102A	Inventories	52, 61
39	FRD 103H	Non-financial physical assets	52, 61, 78-81, 96
40	FRD 105B	Borrowing costs	73
41	FRD 106B	Impairment of assets	56-57, 75-77
42	FRD 107B	Investment properties	N/A
43	FRD 109A	Intangible assets	52, 61, 72, 79 and 82
44	FRD 110A	Cash flow statements	54
45	FRD 112D	Defined benefit superannuation obligations	86-87, 101-103
46	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	104-105, 115-116
47	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	56-116
Compliance with other legislation, subordinate instruments and policies			
48	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	28
49	PAEC	Financial and other information relating to the University's international operations	N/A
50	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 	30-33, 115-116

Key to abbreviations

ETRA	Education and Training Reform Act 2006 available at: austlii.edu.au/cgi-bin/viewdoc/au/legis/vic/consol_act/eatra2006273/
FMA	Financial Management Act 1994 available at: austlii.edu.au/cgi-bin/viewdb/au/legis/vic/consol_act/fma1994164/
FRD	Financial Reporting Directions available at: dtf.vic.gov.au/financial-reporting-policy/financial-reporting-directions-and-guidance
PAEC	The Public Accounts and Estimates Committee
SD	Standing Directions (updated as at December 2018) available at: dtf.vic.gov.au/financial-management-Government/standing-directions-2018-under-financial-management-act-1994

Financial Statements

La Trobe University
2019 Reporting Period



Financial statements

for year ended 31 December 2019



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Albury-Wodonga
Mildura
Shepparton

17 April 2020

Financial statements for year ending 31 December 2019

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 2019;
- (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), the Directions, the Financial Reporting Directions and other mandatory professional reporting requirements in Australia, the Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2019 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.
- (e) La Trobe University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Yours sincerely

The Hon John Brumby AO
Chancellor

Professor John Dewar
Vice-Chancellor

Mark Smith
Chief Financial and Operations Officer

ABN 64 804 735 113
CRICOS Provider 00115M

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The financial report was authorised for issue by the members on 17th April 2020. The University has the power to amend and reissue the financial report.

Corporate governance statement

Report of operations

La Trobe University recorded an operating surplus of \$19.3m for the year ended 31 December 2019 (2018 surplus \$30.2m) representing an operating margin of 4.0% (2018: 4.6%).

a) Reconciliation of Operating result to underlying result from normal operations:

	2019 \$000s	2018 \$000s
Total revenue	867,426	803,998
Total expenses	848,088	773,824
Operating result	19,338	30,174
Less		
Capital development grants	2,577	3,400
Add		
Termination benefits	18,293	6,908
Loan breakage costs	30	3,528
Underlying result from normal operations	35,084	37,210

The underlying result excludes a number of transactions which are either 'non-recurring' or not considered 'core' operational in nature. These transactions 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 2019

- Total Revenue (not including deferred Government superannuation contributions) of \$867.4m increased by \$63.4m (7.9%). The increase was primarily driven by improvements in fees and charges accounting for \$50.5m as a result of increased international student load. Income from consultancy and contracts increased by \$10.5m.
- The operating result is down on 2018 by \$10.8m primarily due to employee related redundancies and increase in partner payment fees.
- Cash and cash equivalents were \$49.9m at 31 December 2019, a decrease of \$12.9m on 2018 (20.6% decrease).

c) Investment objective for 2020

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 2020 capital budget is based on a capital works program that responds to the 2018-2022 *Strategic Plan*, improves asset utilisation and delivers projects that support high quality teaching initiatives across all campuses and improves research outcomes.

d) Local Jobs First

In compliance with this policy, La Trobe has reviewed the Local Jobs First 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 \$3m in metropolitan Melbourne and \$1m in regional Victoria.

La Trobe University ICT Expenditure 2019

Financial Reporting Direction FRD22H

	Business as usual (BAU) \$000s	Non-Business as usual (Non-BAU) \$000s	Total \$000s
CAPEX	7,586	4,236	11,823
OPEX	53,985	130	54,114
Total	61,571	4,366	65,937

Corporate governance statement

Key performance indicators

31 December 2019

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

Year	Current asset ratio	Debt to equity ratio %	Underlying operating margin %
2019	0.5	10.3	4.0
2018	0.7	3.7	4.6
2017	0.6	4.1	4.0
2016	0.8	4.6	5.1
2015	1.0	4.8	8.9

Current asset ratio

This ratio is a measure of short term liquidity and is derived by dividing current assets by current liabilities. The University's current asset ratio is 0.5 in 2019. Although the ratio is below 1.0 at 31 December 2019, the University has \$49.9m of cash on hand and minimal debt payable in the next 12 months.

Debt service coverage ratio

The debt service coverage ratio (based on EBITDA) increased to 64.6 in 2019. 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 the ratio, the greater the proportion of debt funding. The debt to equity ratio increased in 2019 to 10.3% (from 3.7% in 2018). The increase is driven by University's strategic commitment to develop a world class University City of the future and thus drawing-down the Syndicate loan facility to construct 624 bed student accommodation project at Bundoora campus.

Underlying operating margin

The underlying operating margin has decreased slightly in 2019 to 4.0% (2018 4.6%). The operating margin measures the ability of the University to contain its expenditure within the constraints of its available funding. This measure is derived by dividing the net underlying operating surplus/(deficit) into the total underlying revenue.

Key performance targets 2019

La Trobe University's 2018-2022 Strategic Plan outlines a number of aspirational targets. In 2019, we continued to progress our teaching, research and other significant reforms towards the delivery of the strategic targets outlined in the 2018-2022 Strategic Plan. The Core Objectives of the 2018-2022 Strategic Plan are:

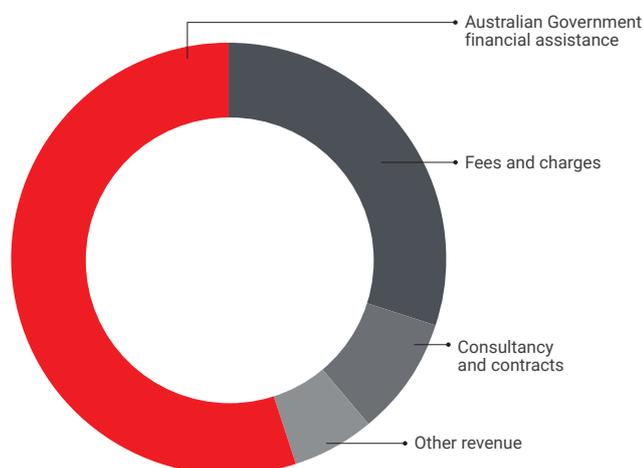
- outstanding student experience
- research excellence
- student employability
- partner of choice for industry, education and the community.

	2019 Actual	2019 Budget	2018 Actual
International student revenue as a % of underlying revenue	26%	25%	22%
Research revenue	85.2m	82.6m	79.3m
Underlying revenue per staff dollar	1.90	1.90	1.90
Underlying operating margin	4.0%	4.1%	4.6%

Income and expenditure graphs

for the year ended 31 December 2019

Income



Total operating revenues

Operating revenues were \$867.4m (2018 \$803.9m), an increase of 7.9% when compared to 2018. The increase was primarily driven by improvements in fees and charges accounting for \$47.3m. This is due to increased International Student Load along with a price uplift and realignment of subjects into appropriate funding clusters as per DET guidelines. There was also a change in partnership revenue reporting methodology with a corresponding increase in expenditure. An increase was also recorded in the area of consultancy and contracts worth \$10.5m.

■ Australian Government financial assistance

Australian Government financial assistance (excluding Fee-Help) increased by \$10.9m (2.4%) compared to the previous year decrease of \$2.1m (.47%). This is mainly due to an increase in Commonwealth funding which is due to an increased average load per CSP student along with increased Other Government grant revenue to support delivery of courses within regional areas.

■ Fees and charges

Fees and charges increased by \$47.3m (23.7%) compared to the previous year increase of \$18.1m (10.0%), mainly due to an increase in EFTSL for international fee paying students in addition to pricing uplift. A change in reporting methodology for partnership revenue has resulted in higher revenue with a corresponding increase in third party teaching partners expenses.

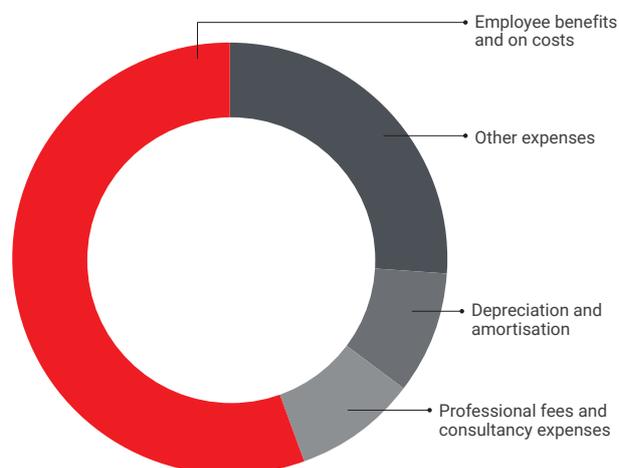
■ Consultancy and contracts

Consultancy and contract research increased by \$10.5m (16.1%) (2018 \$4.9m, 8.1%) mainly driven by a one-off licensing fee for the sale of course contents and increased funding in research grants during 2019.

■ Other revenue

Other revenue increased by \$0.29m (0.7%) compared to previous year increase of \$5.5m (15.2%), primarily due to increased donations income of \$3.5m offset by reduced sundry income of \$3.2m.

Expenditure



Total expenditure

Total expenditure from continuing operations, excluding deferred superannuation contributions, is \$844m, which represents an increase of \$71.5m (9.2%) compared to previous year increase of \$32.1m (4.3%). This is mainly driven by increased salary expenditure, professional fees and consultancy expenses and teaching partner payments related to new reporting methodology.

■ Employee benefits and on costs

Expenditure on salaries increased by \$37.1m (8.8%) compared to previous year increase of \$4.5m (1.1%). The increase of \$26.5m in salaries and related on-cost for academic and general employees is attributed to growth in student numbers, along with a \$11.3m increase in termination payments and superannuation related expenditure.

■ Other expenses

Other expenses increased by \$21.4m (11.0%) compared to previous year increase of \$11.7m (6.6%) mainly due to increased teaching partner payments due to change in reporting methodology.

■ Depreciation and amortisation

Depreciation and amortisation has increased by \$4.3m (5.9%) compared to previous year increase of \$3.7m (5.4%).

■ Professional fees and consultancy expenses

Includes expenditure on professional fees, consulting and contractor costs, which increased by \$6.8m (10%) compared to previous year increase of \$10.3m (17.7%). The increase is largely related to projects and initiatives consulting fees.

Consolidated five-year financial summary

31 December 2019

	2019 \$000s	2018 \$000s	2017 \$000s	2016 \$000s	2015 \$000s
Income statement					
Total revenue and income from continuing operations	867,426	803,998	770,809	735,273	715,823
Total expenses including tax and joint venture expenses	(848,088)	(773,824)	(741,764)	(697,794)	(652,455)
Operating result	19,338	30,174	29,045	37,479	63,368
Abnormal items*	15,746	7,036	2,064	6,071	8,495
Underlying surplus after abnormal items	35,084	37,210	31,109	43,550	71,863
Balance sheet					
Current assets	131,826	122,916	110,748	125,974	142,058
Non-current assets	1,693,604	1,557,055	1,480,412	1,463,905	1,396,844
Total assets	1,825,430	1,679,971	1,591,160	1,589,879	1,538,902
Current liabilities	248,775	187,336	178,203	160,533	142,975
Non-current liabilities	226,413	133,607	127,606	135,149	139,712
Total liabilities	475,188	320,943	305,809	295,682	282,687
Total net assets	1,350,242	1,359,028	1,285,351	1,294,197	1,256,215
Reserves	764,086	745,307	708,249	746,140	745,637
Accumulated funds	586,156	613,721	577,102	548,057	510,578
Total equity	1,350,242	1,359,028	1,285,351	1,294,197	1,256,215
Net cash provided by operating activities	83,580	101,655	119,805	119,876	87,149
Net cash (used in) investing activities	(171,534)	(88,650)	(105,106)	(106,924)	(83,515)
Cash flow provided by (used in) financing activities	75,000	(2,184)	(7,869)	(3,844)	(51,880)
Net increase/(decrease) in cash and cash equivalents held	(12,954)	10,821	6,830	9,108	(48,246)

* The Abnormal items are primarily composed of capital grants, donations of previously unallocated assets, unspent research grant monies, expenditure relating to one-time loan break costs 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



Independent Auditor's Report

To the Council of La Trobe University

Opinion	<p>I have audited the financial report of La Trobe University (the university) which comprises the:</p> <ul style="list-style-type: none">• statement of financial position as at 31 December 2019• income statement and statement of comprehensive income for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• notes to the financial statements, including significant accounting policies• statements by Principal Accounting and Chief Financial Officer, Chancellor and the Accountable Officer. <p>In my opinion the financial report is in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the university as at 31 December 2019 and of its financial performance and its cash flows for the year then ended• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the university in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Emphasis of matter – subsequent events COVID-19 Pandemic	<p>I draw attention to Note 30 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.</p>
Council's responsibilities for the financial report	<p>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 <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, 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.</p> <p>In preparing the financial report, the Council is responsible for assessing the university's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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'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 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.

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
28 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's **report**

to the Council members of La Trobe University

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Auditor-General's independence declaration



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 2019, 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
28 April 2020

A handwritten signature in black ink, appearing to read "C. Jeffries".

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Statement by Principal Accounting and Chief Financial Officer

31 December 2019



OFFICE OF THE CHIEF FINANCIAL AND OPERATIONS OFFICER

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Bendigo
Albury-Wodonga
Mildura
Shepparton

17 April 2020

Statement by Principal Accounting 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 2019 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2019 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), the Directions, the Financial Reporting Directions and other mandatory professional reporting requirements in Australia, Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2019 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.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Smith'.

Mark Smith
Chief Financial and Operations Officer
Melbourne

ABN 64 804 735 113
CRICOS Provider 00115M

Statement by the Chancellor and the Accountable Officer

31 December 2019



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Mildura
Shepparton

17 April 2020

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 2019 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2019 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), the Directions, the Financial Reporting Directions and other mandatory professional reporting requirements in Australia, Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2019 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.

Yours sincerely

Handwritten signature of John Brumby AO in black ink.

The Hon John Brumby AO
Chancellor

Handwritten signature of John Dewar in black ink.

Professor John Dewar
Vice-Chancellor and Accountable Officer

ABN 64 804 735 113
CRICOS Provider 00115M

Income statement

for the year ended 31 December 2019

	Note	2019 \$000s	2018 \$000s
Australian Government financial assistance			
Australian Government grants	2.1	298,356	287,531
HELP – Australian Government payments	2.1	183,930	184,864
State and Local Government financial assistance	2.2	8,733	8,673
HECS-HELP student payments		9,040	9,164
Fees and charges	2.3	246,287	199,023
Investment income	3	3,348	7,788
Consultancy and contracts	2.4	75,653	65,164
Other revenue	2.5	42,079	41,791
Total income from continuing operations		867,426	803,998
Employee related expenses	4	457,353	420,205
Depreciation and amortisation	5	76,731	72,406
Repairs and maintenance	6	16,023	14,080
Borrowing costs	7	1,510	2,140
Professional fees and consultancy expenses		75,160	68,336
Loss on disposal of assets		1,480	1,343
Bad and doubtful debts		535	228
Deferred superannuation expense	4	3,668	860
Other expenses	8	215,628	194,226
Total expenses from continuing operations		848,088	773,824
Net operating result		19,338	30,174

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

Statement of comprehensive **income**

for the year ended 31 December 2019

	Note	2019 \$000s	2018 \$000s
Net operating result		19,338	30,174
Items that may be reclassified to profit or loss			
Gain/(loss) on financial instruments at fair value through other comprehensive income	21.2	22,080	2,564
Items that will not be reclassified to profit or loss			
Gain/(loss) on revaluation of property, plant and equipment	14.1	(1,509)	37,731
Receipt of perpetual funds		(1,792)	-
Total other comprehensive income for the year		18,779	40,295
Total comprehensive income for the year		38,117	70,469

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

Statement of financial position

As at 31 December 2019

	Note	2019 \$000s	2018 \$000s
Assets			
Current assets			
Cash and cash equivalents	9	49,903	62,857
Trade and other receivables	10	40,815	28,632
Contract assets	10	8,473	-
Inventories		72	98
Other non-financial assets	12	32,563	31,329
Total current assets		131,826	122,916
Non-current assets			
Trade and other receivables	10	71,522	68,816
Other financial assets	11	105,906	82,072
Property, plant and equipment	14	1,494,722	1,377,555
Intangible assets	15	21,306	28,434
Deferred loan origination costs		148	178
Total non-current assets		1,693,604	1,557,055
Total assets		1,825,430	1,679,971
Liabilities			
Current liabilities			
Trade and other payables	16	86,473	81,104
Borrowings	17	2,457	-
Provisions	19	82,596	81,386
Other liabilities	20	4,883	24,846
Contract liabilities*		72,366	-
Total current liabilities		248,775	187,336
Non-current liabilities			
Borrowings	17	138,409	50,000
Provisions	19	78,956	74,337
Other liabilities	20	9,048	9,270
Total non-current liabilities		226,413	133,607
Total liabilities		475,188	320,943
Net assets		1,350,242	1,359,028
Equity			
Reserves	21.1	764,086	745,307
Retained surplus	21.3	586,156	613,721
Total equity		1 350,242	1,359,028

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

* The Contract liabilities of \$72.3m as of 31 December 2019 relates to Research revenue received in advance – \$42.7m and Academic revenue received in advance – \$29.6m, which is further split between Summer courses – \$10.2m and Non-summer courses – 19.4m.

Statement of changes in equity

for the year ended 31 December 2019

2019	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2019		613,721	745,307	1,359,028
AASB 15 retrospective changes		(46,903)	-	(46,903)
Balance as restated		566,818	745,307	1,312,125
Net operating result for the year		19,338	-	19,338
Receipt of perpetual funds		-	(1,792)	(1,792)
Gain/(loss) on financial instruments at fair value through other comprehensive income		-	22,080	22,080
Gain/(loss) on revaluation of property, plant and equipment		-	(1,509)	(1,509)
Deferred Government superannuation (contributions)		-	(3,668)	(3,668)
Deferred superannuation expense		-	3,668	3,668
Total comprehensive income		19,338	18,779	38,117
Balance at 31 December 2019		586,156	764,086	1,350,242
2018				
Balance at 1 January 2018		577,102	708,249	1,285,351
Prior period adjustment		(3,611)	-	(3,611)
AASB 9 retrospective changes		6,819	-	6,819
Balance as restated		580,310	708,249	1,288,559
Net operating result for the year		30,174	-	30,174
Gain on value of available-for-sale financial assets		-	2,564	2,564
Gain/(loss) on revaluation of property, plant and equipment		-	37,731	37,731
Deferred Government superannuation (contributions)		-	(860)	(860)
Deferred superannuation expense		-	860	860
Total comprehensive income		30,174	40,295	70,469
Transfers		3,237	(3,237)	-
Sub-total		33,411	37,058	70,469
Balance at 31 December 2018		613,721	745,307	1,359,028

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

Statement of cash flows

for the year ended 31 December 2019

	Note	2019 \$000s	2018 \$000s
Cash flows from operating activities			
Australian Government grants		456,530	449,418
State Government grants		8,733	8,673
HECS-HELP student payments		9,040	9,164
OS-HELP (net)		23,317	24,300
Receipts from student fees and other customers		353,192	308,087
Dividend income received		(240)	519
Interest income received		1,019	1,428
Payments to suppliers and employees (inclusive of GST)		(766,826)	(697,794)
Interest paid		(1,185)	(2,140)
Net cash provided by operating activities	23	83,580	101,655
Cash flows from investing activities			
Proceeds from sale of financial assets		-	15,296
Proceeds from sale of property, plant and equipment		765	3,383
Payments for property, plant and equipment		(172,299)	(102,329)
Payments for financial assets		-	(5,000)
Net cash used in investing activities		(171,534)	(88,650)
Cash flows from financing activities			
Proceeds from borrowings	17.3	75,000	50,000
Repayment of borrowings	17.3	-	(52,184)
Net cash used in financing activities		75,000	(2,184)
Net increase/(decrease) in cash and cash equivalents held		(12,954)	10,821
Cash and cash equivalents at beginning of financial year		62,857	52,036
Cash and cash equivalents at end of financial year	9	49,903	62,857

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

Notes to the financial statements

for the year ended 31 December 2019

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About this report

Basis of preparation

The principal accounting policies adopted in the preparation of this financial report are reflected alongside the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report consists of the report for La Trobe University as an individual reporting entity.

The principal address of the University is La Trobe University, Melbourne, Victoria 3086.

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. La Trobe University applies Tier 1 reporting requirements.

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

- (a) *Higher Education Support Act 2003 (Financial Statement Guidelines)*.
- (b) *Financial Management Act 1994 and other State/Commonwealth Government legislative requirements*.
- (c) *The applicable Standing Directions and Financial Reporting Directions issued by the Assistant Treasurer*.
- (d) *Australian Charities and Not-for-profits Commission Act 2012*.
- (e) *Australian Research Council Act 2001*.

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 to the IFRS requirements

Date of authorisation for issue

The financial statements were authorised for issue by the University Council of La Trobe University on 17th April 2020.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, 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 judgment in the process of applying La Trobe University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

(a) Fair value of property, plant and equipment

The University carries its land and buildings at fair value with changes in the fair value recognised in the 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.

Land, buildings, leasehold improvements and infrastructure assets are measured and disclosed at fair value for financial reporting purposes as per Note 14. In order to determine fair value of an asset the valuers have used market-observable data to the extent it is available.

The categorisation of fair value measurement into different levels of the fair value hierarchy depends on the degree to which the inputs into the fair value measurement are observable and the significance of the inputs into the fair value measurement. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets and the lowest priority to unobservable valuation inputs. The hierarchy categorises the inputs used in valuation techniques into three levels:

Level 1 inputs are quoted prices in active markets for identical assets that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for an asset, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- inputs other than quoted prices that are observable for the asset;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. The valuers develop unobservable inputs using the best information available in the circumstances, which might include the valuers own data, taking into account all information about market participant assumptions that is reasonably available.

(b) Works of art

Works of art are initially carried at cost and revalued subsequently at fair value. Donated or bequeathed works of art assets are carried at fair value and are not depreciated as they do not have a finite useful life. The current use is considered the highest and best use.

An external revaluation process is required every three years but may occur more frequently if material movements in fair value are identified.

As the work of art is unique in nature, its value is based level 3 technique and is based on best information available to the valuer at the time of valuation.

(c) 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.

(d) 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. Summary of significant accounting policies

1.1 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation 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.

1.2 Income tax

The University is exempt from income tax in accordance with the provisions of Section 50 of the *Income Tax Assessment Act 1997*.

1.3 Goods and services tax (GST)

The University is registered for, and accounts for, GST on an accrual 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 Statement of Financial Position as a current asset within trade and other receivables, or current liabilities within trade and other payables.

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

1.4 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1.5 Comparative amounts

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

Refer to Note 1.7 that provides comparatives under the new accounting standard AASB15.

1.6 Rounding of amounts

The amounts in the financial statements have been rounded to the nearest thousand dollars (000s).

Notes

1. Summary of significant accounting policies (cont.)

1.7 New accounting standards and interpretations

The following standards have been issued but are not mandatory for 31 December 2019 reporting periods. La Trobe University has elected not to early adopt any of these standards. The University's assessment of the impact of this new standard and interpretations is set out below:

Standard Name	Effective date for entity	Requirements	Impact
AASB1059 – Service Concession Arrangements: Grantor	1 January 2020	AASB1059 requires a grantor which is a public sector entity, to recognise service concession assets constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset. The standard requires reclassification of existing assets (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when the service concession asset recognition criteria are met.	The standard is not expected to have a significant impact for the University.
AASB2018-7 – Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	This standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	The standard is not expected to have a significant impact for the University.
AASB17 – Insurance contracts	1 January 2021	The new accounting standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle-based framework to account for all types of insurance contracts that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to not-for-profit public sector entities.	The standard is not expected to have a significant impact for the University.

Initial application of Australian accounting standard

La Trobe University has adopted AASB15, AASB1058 and AASB16 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted:

AASB2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>
AASB2017-7	<i>Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures</i>
AASB2018-1	<i>Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle</i>
AASB2018-2	<i>Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement</i>
AASB2018-4	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i>
AASB2018-8	<i>Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities</i>

AASB15 and AASB1058

The University adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the University has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 January 2019.

As La Trobe University is applying the modified retrospective approach, the University did apply the practical expedient described in AASB16. C5 (c), for contracts that were modified before the beginning of the earliest period presented.

The University did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, the University reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

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

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB15 and AASB1058 respectively are provided in Note 2.

Overview of AASB15 and AASB1058

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

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the University applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University shall consider whether AASB1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	1 January 2019 \$000s
Assets	
Contract assets	6,539
Total assets	6,539
Contract liabilities	53,442
Total liabilities	53,442
Total adjustment on equity	
Retained earnings	46,903

Notes

1. Summary of significant accounting policies (cont.)

Set out below are the amounts by which each financial statement line item is affected for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058. The adoption of AASB15 did not have a material impact on OCI or the University's operating, investing and financing cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

Income statement	Amount prepared under		
	AASB15/ AASB1058 \$000s	Previous AAS \$000s	Increase/ Decrease \$000s
Revenue and income from continuing operations			
Australian Government financial assistance			
Australian Government grants	298,356	298,352	4
HELP – Australian Government payments	183,930	184,234	(304)
State and Local Government financial assistance	8,733	8,733	-
HECS-HELP – student payments	9,040	9,057	(17)
Fees and charges	246,287	246,775	(488)
Royalties, trademarks and licences	5,044	5,044	-
Investment income	3,348	3,348	-
Consultancy and contracts	70,609	69,263	1,346
Other revenue	42,079	42,079	-
Total revenue and income from continuing operations	867,426	866,885	541
Expenses from continuing operations			
Employee related expenses	457,353	457,276	(77)
Depreciation and amortisation	76,731	76,731	-
Repairs and maintenance	16,023	16,023	-
Borrowing costs	1,510	1,510	-
Professional fees and consultancy expenses	75,160	75,160	-
Loss on disposal of assets	1,480	1,480	-
Bad and doubtful debts	535	535	-
Deferred superannuation expense	3,668	3,668	-
Other expenses	215,628	216,372	744
Total expenses from continuing operations	848,088	848,755	667
Net result from continuing operations	19,338	18,129	1,209

Statement of financial position

	Amount prepared under		
	AASB15/ AASB1058 \$000s	Previous AAS \$000s	Increase/ Decrease \$000s
Assets			
Cash and cash equivalents	49,903	49,903	-
Trade and other receivables	112,337	112,337	-
Contract assets	8,473	-	8,473
Inventories	72	72	-
Other non-financial assets	32,563	32,563	-
Other financial assets	105,906	105,906	-
Property, plant and equipment	1,494,722	1,494,722	-
Intangible assets	21,306	21,306	-
Deferred loan origination costs	148	148	-
Total assets	1,825,430	1,816,957	8,473
Liabilities			
Trade and other payables	86,473	86,473	-
Borrowings	140,866	140,866	-
Provisions	161,552	161,552	-
Contract liabilities	72,366	-	72,366
Other liabilities	13,931	13,931	-
Total liabilities	475,188	402,822	72,366
Equity			
Reserves	764,086	764,086	-
Retained surplus	586,156	631,850	46,903
Total equity	1,350,242	1,395,936	46,903

The modified retrospective approach adopted by the University applies the standard to the start of the financial year i.e. 1 January 2019, with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings at the date. The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below:

Contract assets

An amount of \$6.5m was recognised on 31 December 2018 and relates to research contracts and summer courses fee where revenue was determined to be assessable under AASB15. Under the input method of revenue recognition, a contract asset has been recognised when the expenditure incurred on a project exceeds the funds received.

Contract liabilities

An amount of \$53.4m was recognised as contract liabilities on 31 December 2018 and relates to research contracts and summer courses fee where revenue was determined to be assessable under AASB15. Under the input method of revenue recognition, a contract liability has been recognised when the funds received for a project exceeds the expenditure incurred.

Notes

AASB16

La Trobe University has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the University has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at either:

- i) its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application or
- ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB117 and AASB Interpretation 4: Determining whether an arrangement contains a lease. The new accounting policies for leases in accordance with AASB16 are provided in the note 18.

The nature and effect of the changes as a result of adoption of AASB16 are as described below:

Definition of a lease

Previously, the University determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, the University will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB16, the University elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the University has not reassessed whether they are, or contain, a lease in accordance with the new AASB16 lease definition.

Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4 as a lease will be treated as a lease under AASB16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB16. Therefore, the University applied the recognition and measurement requirements of AASB16 only to contracts that were previously identified as leases, and does not apply AASB16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.

La Trobe University as a lessee

The University previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the University. Under AASB16, this classification no longer exists for the University as a lessee. Instead, practically all leases are now recognised on the Statement of Financial Position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see Note 18 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB117

On transition to AASB16, the University recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at either:

- (a) its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application or
- (b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application.

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

- (a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- (b) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application.
- (c) Relied on its assessment of whether leases are onerous applying AASB137 immediately before the date of initial application, as an alternative to undertaking an impairment review.
- (d) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- (e) Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 2%.

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 January 2019 is explained as follows:

	1 January 2019 \$000s
Operating lease commitments disclosed as at 31 December 2018	32,147
Discounted using the University's weighted average incremental borrowing rate of 2%	(5,885)
(Less): Short-term leases recognised on a straight-line basis as an expense	(154)
(Less): Low-value leases recognised on a straight-line basis as an expense	(6,897)
Add/(less): Adjustments as a result of a different treatment of extension and termination options	(1,601)
Lease liability recognised as at 1 January 2019	17,609

Notes

2. Revenue and income

2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loans

a) Commonwealth grants scheme and other grants	Note	2019 \$000s	2018 \$000s
Commonwealth grants scheme		229,624	222,585
Indigenous student success program		1,260	1,107
Higher Education Partnership and Participation program		5,057	4,877
Disability performance funding		206	282
Other		4,131	5,219
Total commonwealth grants scheme and other grants	32.1	240,278	234,070

b) Higher education loan programs

HELP payments		157,734	157,500
FEE – HELP payments		23,317	24,300
SA-HELP payments		2,879	3,064
Total higher education loan programs	32.2	183,930	184,864

c) Education research

Research Training Program		18,404	18,377
Research Support Program		15,893	15,094
Total education research grants	32.4	34,297	33,471

d) Other capital funding

Linkages – Infrastructure		-	205
Total other capital funding	32.5	-	205

e) Australian Research Council

(i) Discovery			
Discovery – Projects		3,848	3,356
Discovery – Fellowships		1,025	809
Total Discovery		4,873	4,165
(ii) Linkages			
Linkages – Projects		1,431	2,062
Total Linkages		1,431	2,062
Total Australian Research Council	32.6	6,304	6,227

f) Other Australian Government financial assistance	Note	2019 \$000s	2018 \$000s
Non-capital			
National Health and Medical Research Council		13,050	12,383
Other Australian Government financial assistance		4,427	1,175
Total other Australian Government financial assistance	37.7	17,477	13,558
<hr/>			
Total Australian Government financial assistance		482,286	472,395

The new accounting standard AASB15 supersedes AASB118 *Revenue*, AASB111 *Construction Contracts and Related Interpretations* and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. This new standard requires entities to only recognise revenue upon the fulfilment of the performance obligation (PO). Entities need to allocate the transaction price to each PO in a contract and recognise the revenue only when the related obligation is satisfied. The AASB also released the following standards and guidance:

- **AASB2016-8** *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities*, to provide guidance on application of revenue recognition principles under AASB15 in the not-for-profit sector.
- **AASB1058** *Income of Not-for-Profit Entities*, to supplement AASB15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for Government grants and other types of contributions previously contained within AASB1004 *Contributions*.

AASB15, AASB1058 and the related guidance came into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019.

Revenue recognition of research revenue

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

The following specific research revenue recognition criteria have been applied:

- Funding received from Australian Research Council (ARC) and National Health and Medical Research Council (NHMRC) is considered to be enforceable and the performance obligations are sufficiently specific. Revenue is recognised under AASB15 over time using the input method (i.e. as the expenses are incurred).
- Funding received from the Department of Education – Research Block Grant (RBG): The University receives funding in relation to the Research Training Program (RTP) and Research Support Program (RSP) both of which are governed by the *Higher Education Support Act* and the legislative provisions contained within therefore creating enforceability. The guidelines specify in which areas the funds are to be spent, however LTU has discretion on the amount that can be spent in each area therefore the performance obligations are not sufficiently specific. Revenue is therefore recognised under AASB1058 – Income of Not-for-Profit entities as and when the monies are received by the University.
- Funding received from non-Government entities will depend on each individual contract agreement. For enforceability LTU ensures there is an executed agreement with a clause specifying the governing law in terms and conditions. For a performance obligation to be sufficiently specific the agreement (including any attached schedules) must provide details of outputs required by LTU to deliver to the funder or other beneficiary. Judgement is necessary to assess whether a promise is sufficiently specific; this considers any conditions specified in the arrangement, whether explicit or implicit. The following aspects are considered when assessing for specificity:
 - i) the nature or type of the goods and service
 - ii) the cost or value of the goods and services
 - iii) the quantity of the goods and services
 - iv) the period over which the goods and services must be transferred.

The input method of recognition is the most appropriate method for revenue recognition as this best depicts the transfer of the performance obligation required by the University. Therefore, research revenue is recognised under AASB15 over-time approach using the input method (i.e. as the expenses are incurred).

Notes

2.2 State and Local Government financial assistance

	2019 \$000s	2018 \$000s
Capital – other	2,577	3,400
Non-capital – health funding	6,156	5,273
Total state and Local Government financial assistance	8,733	8,673

2.3 Fees and charges

	2019 \$000s	2018 \$000s
Course fees and charges		
Fee-paying onshore overseas students	193,895	152,081
Fee-paying offshore overseas students	7,032	6,352
Continuing education	21,710	18,132
Fee-paying domestic postgraduate students	4,966	4,508
Fee-paying domestic undergraduate students	18	11
Course and conference fees	103	298
Total course fees and charges	227,724	181,382
Other non-course fees and charges		
Parking fees	3,355	3,080
Student services and amenities fees from students	5,791	5,413
Other services	9,417	9,148
Total other fees and charges	18,563	17,641
Total fees and charges	246,287	199,023

The course fees and charges revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs.

For the courses that are delivered within the same financial reporting period in which the cash is received, the revenue is recognised at the time of cash receipts from student or receipt of Government funding. La Trobe University has an obligation to return funds if a student withdraws before census date and thus any related revenue recognised at the time of cash receipt is reversed accordingly.

For the courses where the delivery is crossing over two reporting periods:

- (a) the revenue is recognised under AAS15 over-time using input method i.e. as and when the course is delivered to students over the semester;
- (b) when the courses or trainings have been paid in advance by students or the University has received the Government funding in advance (e.g. before starting the academic period) the University recognises a 'Contract Liability' until the services are delivered.

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, and other services. Revenue is recognised at a point in time when the service is delivered.

2.4 Consultancy and contracts

	2019 \$000s	2018* \$000s
Consultancy	8,579	3,795
Contracts	67,074	61,369
Total consultancy and contracts	75,653	65,164

In accordance with the new accounting standard AASB15, the consultancy and contract revenue is recognised using the over-time method i.e. as and when the related obligation towards the customers is satisfied.

2.5 Other revenue

	2019 \$000s	2018 \$000s
Sale of goods	1,029	1,324
Other trading revenue	3,819	2,918
Accommodation revenue	21,754	21,127
Donations and bequests	4,611	1,072
Scholarships and prizes	2,282	2,673
Other revenue	8,584	12,677
Total other revenue	42,079	41,791

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

In accordance with the new accounting standard AASB15, other revenue is recognised at a point-in-time when the service is delivered to the customers. Although the relevant standard of revenue has changed, La Trobe University has not changed how revenue has been recorded as the result would be the same under old and new standards. Revenue recognised at a point in time would also have been recognised at the same time under the old standard.

2.6 Reconciliation of revenue and income

	2019 \$000s	2018 \$000s
Australian Government grants	298,356	287,531
HELP payments	157,734	157,500
FEE - HELP payments	23,317	24,300
SA-HELP payments	2,879	3,064
Total HELP payments	183,930	184,864
Total Australian Government financial assistance	482,286	472,395

Notes

2.7 Revenue and income from continuing operations

Basis for disaggregation

Sources of funding

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

Revenue and income streams

The streams distinguish the different activities performed by the University and acknowledge the different type of users of the programs and services provided:

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

Revenue and income from continuing operations

a) The University derives revenue and income from:

Sources of Funding

	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total
Year ended 31 December 2019									
Revenue streams	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Course fees and charges									
Domestic students undergraduate	348,341	145	-	-	-	-	-	-	348,486
Onshore overseas students undergraduate	-	87,383	-	-	-	-	-	-	87,383
Offshore overseas students undergraduate	-	7,100	-	-	-	-	-	-	7,100
Domestic students postgraduate	41,089	29,771	-	-	-	-	-	-	70,859
Onshore overseas students postgraduate	-	107,750	-	-	-	-	-	-	107,750
Offshore overseas students postgraduate	-	-	-	-	-	-	-	-	-
Continuing education and executive programs	-	-	-	-	-	-	-	-	-
Other Teaching	-	22,726	-	-	-	-	-	-	22,726
Total course fees and charges	389,429	254,874	-	-	-	-	-	-	644,303

Sources of Funding

	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total
Year ended 31 December 2019									
Revenue streams	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Research									
Contract research	-	-	85,155	-	-	-	-	-	85,155
Research grant	-	-	34,270	-	-	-	-	-	34,270
Total research	-	-	119,426	-	-	-	-	-	119,426
Recurring Government grants	-	-	19,531	6,156	-	-	-	-	25,687
Non-course fees and charges									
Parking fees	-	-	-	-	3,772	-	-	-	3,772
Use of Facilities and Student Accommodation	-	-	-	-	26,593	-	-	-	26,593
Fee for Service	-	-	-	-	2,641	-	-	-	2,641
Childcare Fees	-	-	-	-	3,611	-	-	-	3,611
Commercial sales (e.g. sale of books and publications)	-	-	-	-	1,016	-	-	-	1,016
Student Service and Amenities Fee	-	8,671	-	-	-	-	-	-	8,671
Sundry Revenue	-	-	-	-	7,609	-	-	-	7,609
Other	-	-	-	-	8,817	2,506	-	-	11,323
Total non-course fees and charges	-	8,671	-	-	54,060	2,506	-	-	65,236
Capital Government grants	-	-	2,577	-	-	-	-	-	2,577
Royalties and License Fees	-	-	-	-	5,044	-	-	-	5,044
Trademarks	-	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	-	-	-	-	-
Total Royalties, trademarks and licences	-	-	-	-	5,044	-	-	-	5,044
Other	-	-	-	-	-	4,611	-	-	4,611
Other (AASB15)	-	-	-	-	-	-	-	541	541
Other (AASB1058)	-	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	4,611	-	541	5,152
Total revenue from contracts with customers	389,429	263,545	141,533	6,156	59,104	7,117	-	541	867,426

Notes

3. Investment income

	2019 \$000s	2018 \$000s
Dividends from equity instruments designated at fair value through OCI	2,528	5,413
Dividends from equity investments	6	19
Interest income on bank deposits	1,019	1,282
Realised gain on investments	-	1
Net fair value gains/(losses) on financial assets designated at fair value through profit or loss	(205)	1,073
Total investment income	3,348	7,788

Interest revenue is recognised as it is earned. Dividend revenue is recognised when the University's right to receive the payment is established, which is generally when shareholders approve the dividend.

4. Employee related expenses

	2019 \$000s	2018 \$000s
Academic		
Salaries*	181,224	167,953
Contributions to superannuation and pension schemes:		
Contributions to funded schemes	27,654	25,644
Contributions to unfunded schemes	2,344	2,725
Payroll tax	10,543	9,657
Workers' compensation	939	732
Long service leave	9,302	8,363
Annual leave	(3,097)	(1,909)
Allowances	5,199	5,526
Other	285	456
Termination benefits	5,461	1,131
Total academic*	239,854	220,278

4. Employee related expenses

	2019 \$000s	2018 \$000s
Non-academic		
Salaries*	161,180	150,912
Contributions to superannuation and pension schemes:		
Contributions to funded schemes	22,757	23,502
Contributions to unfunded schemes	2,185	2,526
Payroll tax	9,690	9,029
Workers' compensation	877	909
Long service leave	7,378	7,250
Annual leave	(3,818)	(4,417)
Allowances	3,886	4,278
Other	532	161
Termination benefits	12,832	5,777
Total non-academic*	217,499	199,927
Total employee related expenses	457,353	420,205
Deferred superannuation expense	3,668	860
Total employee related expenses, including deferred Government employee benefits for superannuation	461,021	421,065

Note: Salaries include the ex-gratia payment of \$616,845 (2018: \$283,160) as disclosed under note 35.

* 2018 financial year data realigned to net-off 'capitalised salaries' against 'Salaries' expenses which were inadvertently netted-off against 'Other' expenses. There is no impact on 'Total expenses' reported by the University in 2018.

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

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

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

Notes

5. Depreciation and amortisation

	2019 \$000s	2018 \$000s
Depreciation		
Buildings – owned	22,511	21,852
Buildings – leased	1,610	1,610
Leasehold improvements	2,943	2,931
Infrastructure	3,905	3,048
Plant and equipment	10,279	11,714
Right-of-use assets	2,777	N/A
Furniture, fixtures and office equipment	3,595	3,397
Motor vehicles	79	159
Computer hardware	6,545	6,107
Library collection	8,846	8,527
Total depreciation	63,090	59,345
Amortisation		
Intangible assets	13,641	13,061
Total amortisation	13,641	13,061
Total depreciation and amortisation	76,731	72,406

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:

	2019 (%)	2018 (%)
Fixed asset class		
Buildings	2.2 average	2.2 average
Leasehold improvements*	8-12	8-12
Infrastructure	3-5	5
Plant and equipment	5-10	5-10
Right-of-use assets:		
Buildings	10-12	N/A
Vehicles	40-45	N/A
Furniture, fixtures and fittings	10	10
Motor vehicles	15-20	6.67-10
Computer equipment	33	33
Library collections	10	10

* Based on life of lease

Right of use assets (under AASB16) and leasehold improvements are depreciated/amortised over the shorter of the lease term and the useful life of the asset.

Intangible assets

Amortisation has been included within the depreciation and amortisation line in the income statement. The following useful lives are applied for intangible assets with finite useful lives:

	2019 (%)	2018 (%)
Software	17	17
Online digital content	25	25
Loan origination costs	14	14

6. Repairs and maintenance

	2019 \$000s	2018 \$000s
Buildings	5,970	6,283
Plant and equipment	10,053	7,797
Total repairs and maintenance	16,023	14,080

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated, if recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

7. Borrowing costs

	2019 \$000s	2018 \$000s
Interest expense	1,185	2,140
Interest expense on lease liabilities	325	N/A
Total borrowing costs expensed	1,510	2,140

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.

For interest expense on lease liabilities, please refer to Note 18 which details the policy for lease accounting where the University is a lessee.

8. Other expenses

	2019 \$000s	2018 \$000s
Advertising, marketing and promotional expenses	9,627	9,993
Scholarships, grants and prizes	25,093	25,745
Building and grounds – occupancy expenses*	45,883	47,104
Computer expenses	10,212	8,505
Telecommunications	19,456	17,973
Non-capitalised equipment	2,705	3,369
Loan breakage costs	30	3,528
Teaching partners – payments	39,976	12,959
Non-salary expense recoveries and research support expenses	7,833	8,765
Student amenities	3,695	4,140
Bank and investment management charges	1,397	2,389
Publications	6,304	8,432
Staff training and development	3,800	3,530
Travel, accommodation and entertainment	11,309	10,910
Research participant payments	15,570	13,554
Miscellaneous expenses	12,738	13,330
Total other expenses*	215,628	194,226

* 2018 financial year data realigned to net-off 'capitalised salaries' against 'salaries' expenses which were inadvertently netted-off against 'other expenses'. There is no impact on 'total expenses' reported by the University in 2018.

Notes

9. Cash and cash equivalents

	2019 \$000s	2018 \$000s
Cash at bank and on hand	47,236	47,609
Short-term deposits at call	2,667	15,248
Total cash and cash equivalents	49,903	62,857

9.1 Reconciliation to cash at the end of the year

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

Balances as above	49,903	62,857
Balance as per statement of cash flow	49,903	62,857

Cash on hand is non-interest bearing. Cash at bank earns a weighted average interest rate of 1.43% (2018: 1.72%).

9.2 Deposits at call

Deposits earn a floating weighted average interest rate of 1.50% (2018: 2.68%). These deposits have an average maturity of 30 days.

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

10. Receivables and contract assets

	Note	2019 \$000s	2018 \$000s
Current			
Trade receivables		40,291	20,194
Allowance for expected credit losses (2017: Provision for doubtful debts)		(1,464)	(926)
Deferred Government benefit for superannuation	27.3	4,890	4,645
GST receivable		5,571	4,719
Total current receivables		49,288	28,632
Non-current			
Trade receivables		501	1,203
Deferred Government benefit for superannuation	27.3	71,021	67,613
Total non-current receivables		71,522	68,816
Total trade and other receivables		120,810	97,448

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

A receivable represents La Trobe University's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Refer to Note 11 for detailed assets.

Contract assets

As at 31 December 2019, the University has contract assets of \$8,473K. There are no expected credit losses against these contract assets.

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

	2019 \$000s	2018 \$000s
At 1 January	926	798
Provision for impairment recognised/(relieved) during the year	620	305
Receivables written off during the year as uncollectible	-	(104)
Impaired receivables collected	(82)	(73)
Total movements in the allowance for expected credit losses of trade receivables	1,464	926

The significant changes in the balances of contract assets are disclosed in Note 2.7 while the information about the credit exposures are disclosed in Note 24: Financial risk management.

Classification and measurement

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

Impairment

For student fees, trade receivables and contract assets the University applies a simplified approach in calculating expected credit losses (ECLs).

Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

11. Other financial assets

Financial assets – non-current

	2019 \$000s	2018 \$000s
Non-current		
Other financial assets at fair value through other comprehensive income	55,407	48,668
Other financial assets at fair value through profit and loss	10,041	10,226
Investment in equity instruments designated at fair value through other comprehensive income	40,353	23,052
Investment in equity instruments designated at fair value through profit and loss	105	126
Total non-current other financial assets	105,906	82,072

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (Note 3 – Investment income).

Notes

11. Other financial assets (cont.)

Financial assets

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

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into five categories:

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

Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The University's financial assets at amortised cost includes trade receivables, and loan to related parties.

Financial assets at fair value through other comprehensive income

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

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

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

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

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

Upon initial recognition, the University can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

The University elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the University's consolidated statement of financial position) when:

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

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

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

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes

12. Other non-financial assets

	2019 \$000s	2018 \$000s
Current		
Prepayments	32,563	31,329
Total current other non-financial assets	32,563	31,329

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

13. La Trobe University as a lessor

	2019 \$000s
Operating leases	
Lease income	4,692
Income relating to variable lease payments that do not depend on an index or a rate	1,067

Amounts included in the income statement relating to operating leases disclosed above includes income from subleasing right-of-use assets of \$0.

14. Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Land at valuation	338,461	338,384	-	-	338,461	338,384
Buildings at valuation	666,162	638,655	(44,734)	(22,328)	621,428	616,327
Leased buildings at cost	64,404	64,404	(13,881)	(12,271)	50,523	52,133
Buildings-leasehold improvements at valuation	38,678	38,491	(8,574)	(5,706)	30,104	32,785
Infrastructure at valuation	93,771	83,900	(6,959)	(3,054)	86,812	80,846
Plant and equipment at cost	146,922	138,538	(89,297)	(80,439)	57,625	58,099
Furniture, fixtures and office equipment at cost	36,558	35,334	(19,124)	(15,591)	17,434	19,743
Motor vehicles at cost	1,021	1,377	(768)	(950)	253	427
Computer hardware at cost	43,360	38,710	(35,309)	(30,236)	8,051	8,474
Library collection at cost	229,473	219,815	(179,564)	(170,718)	49,909	49,097
Works of art at valuation	22,951	20,344	-	-	22,951	20,344
Work in progress at cost	195,724	100,896	-	-	195,724	100,896
Right-of-use assets						
Buildings at valuation	16,794	-	(2,272)	-	14,522	-
Motor vehicles at cost	1,423	-	(498)	-	925	-
Total property, plant and equipment	1,895,702	1,718,848	(400,980)	(341,293)	1,494,722	1,377,555

14.1 Property, plant and equipment – movement schedule

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	Buildings	Leased buildings	Buildings - leasehold improvements	Infrastructure	Plant and office equipment	Furniture, fixtures and office equipment	Motor vehicles	Computer hardware	Library collection	Works of art	Works in progress	Right-of-use assets - Buildings	Right-of-use assets - Motor vehicles	Total
Year ended 31 December 2019															
Balance at the beginning of year	338,384	616,327	52,133	32,785	80,846	58,099	19,743	427	8,474	49,097	20,344	100,896	-	-	1,377,555
Adoption of AASB16	-	-	-	-	-	-	-	-	-	-	-	-	16,794	1,460	18,254
Additions	-	4,127	-	103	3,213	6,704	543	-	2,356	9,658	2,607	139,588	-	-	168,899
Disposals - written down value	-	(1,545)	-	(1)	-	(116)	(8)	(95)	(7)	-	-	-	-	(30)	(1,802)
Transfers within PPE	-	26,616	-	160	6,658	3,217	751	-	3,773	-	-	(41,175)	-	-	-
Transfers to Intangibles	-	-	-	-	-	-	-	-	-	-	-	(3,585)	-	-	(3,585)
Revaluation increase/(decrease)	77	(1,586)	-	-	-	-	-	-	-	-	-	-	-	-	(1,509)
Depreciation expense	-	(22,511)	(1,610)	(2,943)	(3,905)	(10,279)	(3,595)	(79)	(6,545)	(8,846)	-	-	(2,272)	(505)	(63,090)
Closing net book amount	338,461	621,428	50,523	30,104	86,812	57,625	17,434	253	8,051	49,909	22,951	195,724	14,522	925	1,494,722
Year ended 31 December 2018															
Balance at the beginning of year	302,358	595,140	53,743	35,612	55,763	61,376	18,754	1,153	6,781	48,604	20,260	107,194	-	-	1,306,738
Additions	299	10,836	-	97	7,453	5,981	733	-	2,138	9,020	84	62,725	-	-	99,366
Disposals - written down value	(2,050)	-	-	-	-	(1,523)	(34)	(567)	-	-	-	-	-	-	(4,174)
Transfers within PPE	46	32,203	-	7	20,678	3,979	3,687	-	5,662	-	-	(66,262)	-	-	-
Transfers to Intangibles	-	-	-	-	-	-	-	-	-	-	-	(2,761)	-	-	(2,761)
Revaluation increase/(decrease)	37,731	-	-	-	-	-	-	-	-	-	-	-	-	-	37,731
Depreciation expense	-	(21,852)	(1,610)	(2,931)	(3,048)	(11,714)	(3,397)	(159)	(6,107)	(8,527)	-	-	-	-	(59,345)
Closing net book amount	338,384	616,327	52,133	32,785	80,846	58,099	19,743	427	8,474	49,097	20,344	100,896	14,522	925	1,377,555

Notes

14. Property, plant and equipment (cont.)

- (a) Land, buildings, infrastructure and works of art are shown at fair value and are assessed annually, based on periodic valuations at least triennially by external independent valuers, less subsequent depreciation of buildings and infrastructure.

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.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of property, plant and equipment revaluation reserve. To the extent that an increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Construction work in progress

Construction in progress is stated at cost, net of accumulated impairment losses, if any, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the University depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

- (b) The library collections of the University are recorded at cost and depreciated.

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

- (c) 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.

Land, buildings, leasehold improvements and infrastructure 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.

Right-of-use assets

	At 1 January 2019 \$000s	Additions of right-of-use assets	Depreciation charge	At 31 December 2019 \$000s
Buildings at valuation	16,794	-	(2,272)	14,522
Motor vehicles at cost	815	607	(498)	925
Total	17,609	607	(2,770)	15,447

Assessment of whether a contract is, or contains, a lease

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

University assesses whether:

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

Accounting for leases – University as lessee

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

Right-of-use asset

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

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured at cost as described in the accounting policy for property, plant and equipment in Note 14.

Notes

15. Intangible assets

	Note	2019 \$000s	2018 \$000s
Computer software development and online digital content			
Cost		105,032	103,079
Accumulated amortisation and impairment		(83,726)	(74,645)
Net carrying value		21,306	28,434
Total intangible assets		21,306	28,434
Movement of intangible assets			
Opening net book amount		28,434	36,322
Additions – Separately acquired		3,487	2,964
Additions – Internal development		3,585	2,761
Disposals		(559)	(552)
Amortisation charge		(13,641)	(13,061)
Closing net book amount		21,306	28,434

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 AASB138 *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.

16. Trade and other payables

	Note	2019 \$000s	2018 \$000s
Current			
Trade creditors		53,825	53,841
Accrued expenses		20,127	17,118
Salary related creditors		10,483	8,579
OS-HELP liability to Australian Government		1,455	1,104
Other payables		583	462
Total current trade and other payables		86,473	81,104

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.

17. Borrowings

	Note	2019 \$000s	2018 \$000s
Current			
Lease liabilities		2,457	-
Total current secured borrowings		2,457	-
Non-current			
Syndicated debt facility*		125,000	50,000
Lease liabilities		13,409	
Total non-current borrowings		138,409	50,000

*The Syndicate debt facility is on unsecured variable rate loan.

17.1 Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	2019 \$000s	2018 \$000s
Credit standby arrangements – Total facilities		
Syndicated debt facility*	170,000	170,000
Used at balance date		
Syndicated debt facility*	125,000	50,000
Unused at balance date		
Syndicated debt facility*	45,000	120,000

* In 2018 a Syndicated Debt Facility of \$170m was established to:

- (a) replace the previous borrowings (debenture loans, commercial bills and fixed rate loan) of \$50m
- (b) provide \$100m funding for the proposed new student accommodation and \$20m for various proposed solar projects.

The new syndicated debt facility is a revolving facility, comprised of 3 tranches (Facility A, B and C), interest only and repayable in 3, 5 and 7 years.

On 30 October 2018 the previous secured borrowings (debenture loans, commercial bills and fixed rate loan) carrying an average weighted fixed interest rate of 6.75% was replaced with Facility A of the new syndicated debt facility which is fully drawn to \$50m carrying the variable interest rate currently 1.82% and a 3 year term.

The security trust deed for \$150,000,000 limited to the amount of the previous borrowings has been released and the new syndicated debt facility established is unsecured with no financial covenants.

Notes

17. Borrowings (cont.)

17.2 Risk exposures

The exposure of the University's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:

	2019 \$000s	2018 \$000s
Within one year	-	-
Between one and five years	120,000	50,000
Later than five years	5,000	-
Total borrowings	125,000	50,000
Current borrowings	2,457	-
Non-current borrowings	138,409	50,000
Total borrowings	140,866	50,000

The carrying amounts of the University's borrowings are denominated in Australian Dollars.

17.3 Reconciliation of liabilities arising from financing activities

Particulars	2018 \$000s	Cash flows \$000s	Non-cash changes \$000s	2019 \$000s
Long-term borrowings				
Syndicate debt facility	50,000	75,000	-	125,000
Total long-term borrowings	50,000	75,000	-	125,000

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

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

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

18. La Trobe University as lessee

	2019 \$000s
Amounts recognised in the income statement	
Interest on lease liabilities	325
Variable lease payments not included in the measurement of leases	177
Income from sub-leasing right of use assets	-
Expenses relating to short-term leases	208
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	4,659
Maturity analysis – undiscounted contractual cash flows	
Less than one year	2,749
One to five years	8,053
More than 5 years	6,653
Total undiscounted contractual cash flows	
Lease liabilities recognised in the statement of financial position	17,455
Current	2,749
Non-current	14,706

Lease liabilities – University as lessee

Policy on assessment of whether a contract is, or contains, a lease is detailed in Note 14 above.

Lease liability

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

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

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

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

Right-of-use assets are presented within property, plant and equipment in Note 14 and lease liabilities are presented as borrowings in Note 17.

Short-term leases and leases of low-value assets

The University has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e. when the value of the leased asset when new is \$5,000 or less. The University recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Notes

19. Provisions

	Notes	2019 \$000s	2018 \$000s
Current provisions expected to be settled within 12 months			
Employee benefits			
Defined benefit superannuation obligations	27.3	4,890	4,645
Annual leave		25,039	19,380
Long service leave		7,099	6,901
Employment on-cost provisions		7,680	6,734
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		3,053	8,046
Long service leave		28,394	27,603
Employment on-cost provisions		6,442	8,077
Total current provisions		82,596	81,386
Non-current provisions			
Employee benefits			
Long service leave		6,612	5,541
Employment on-cost provisions		1,322	1,183
Defined benefit superannuation obligations	27.3	71,021	67,613
Total non-current provisions		78,956	74,337
Total provisions		161,552	155,723

Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate (pre-tax) used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits provisions

(i) 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.

(ii) Long-term obligations

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

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The discount rates used are set by the Assistant Treasurer.

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

(iii) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans is recognised in the Statement of Financial Position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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

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

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

(iv) 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. The expense and liability are recognised 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.

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

Notes

20. Other liabilities

	2019 \$000s	2018 \$000s
Current		
Fees and charges received in advance	-	19,494
Grants received in advance	1,817	4,000
Bonds and deposits	-	22
Lease revenue received in advance	221	221
Others	2,845	1,109
Total current other liabilities	4,883	24,846
Non-current		
Lease revenue received in advance	6,048	6,270
Funds held on behalf of Trusts	3,000	3,000
Total non-current other liabilities	9,048	9,270
Total other liabilities	13,931	34,116

21. Reserves and retained surplus

21.1 Reserves

	2019 \$000s	2018 \$000s
Property, plant and equipment revaluation reserve	710,902	712,411
General reserve	-	2,589
Perpetual funds		
Perpetual funds – Restricted	9,304	8,507
Perpetual funds – Unrestricted	-	-
Financial assets at fair value through other comprehensive income reserve	43,880	21,800
Total reserves	764,086	745,307

- 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. It is University's policy that all property being sold requires a valuation by the Valuer General prior to sale. Once the valuation is received from Valuer General, the relevant asset is to be re-valued in the financial systems prior to the divestment taking place (the increase/decrease in value will be processed to the revaluation reserve).
- ii) The General Reserve was established to provide a source of funds for future development. The purposes for which these funds are reserved include, but are 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 Financial assets at fair value through other comprehensive income reserve was created to record the unrealised market movements of financial assets classified as financial assets at fair value through other comprehensive income.

21.2 Movements

	2019 \$000s	2018 \$000s
Property, plant and equipment revaluation reserve		
Land		
Land as at 1 January	309,168	271,437
Revaluation increment/(decrement)	77	37,731
Land as at 31 December	309,245	309,168
Buildings		
Buildings as at 1 January	348,300	348,300
Revaluation increment/(decrement)	(1,586)	-
Buildings as at 31 December	346,714	348,300
Other asset classes		
Other asset classes as at 1 January	54,943	54,943
Revaluation increment/(decrement)	-	-
Other asset classes as at 31 December	54,943	54,943
Balance as at 1 January	712,411	674,680
Revaluation increase/(decrease) (net)	(1,509)	37,731
Balance as at 31 December	710,902	712,411
General reserve		
Balance as at 1 January	2,589	5,826
Release of legacy provision	(2,589)	(3,237)
Balance as at 31 December	-	2,589
Perpetual funds		
Balance as at 1 January	8,507	8,507
Transfers from accumulated funds	797	-
Balance as at 31 December	9,304	8,507
Financial assets at fair value through other comprehensive income reserve		
Balance as at 1 January	21,800	19,236
Net movements in financial assets at fair value through other comprehensive income	22,080	2,564
Balance as at 31 December	43,880	21,800
Total reserves	764,086	745,307

21.3 Movements in retained surplus

Opening balance	613,721	577,102
Prior period adjustment	-	(3,611)
AASB9 Retrospective changes		6,819
AASB15 Retrospective changes	(46,903)	
Net operating result for the year	19,338	30,174
Release of legacy provision	-	3,237
Balance as at 31 December	586,156	613,721

Notes

22. Remuneration of auditors

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

	Note	2019 \$000s	2018 \$000s
Audit of the financial statements			
Fee paid to Victorian Auditor General's Office		163	128
Total paid for audit and review		163	128
Other audit and assurance services			
Fees paid to other auditors		33	86
Total paid for other audit and assurance services		33	86

23. Reconciliation of operating result to net cash flows from operating activities

	Note	2019 \$000s	2018 \$000s
Net operating result for the year		19,338	30,174
Non cash flow items in operating result			
Depreciation and amortisation	5	76,761	72,406
Net loss on disposal of property, plant and equipment		1,480	1,343
Bad and doubtful debts expense		535	228
Unrealised income under AASB15 and AASB16		(4,862)	-
Provision releases		(2,589)	-
Transfer of Perpetual Funds to reserve		797	
Dividend income reinvested		(1,960)	(1,985)
Unrealised capital gain/(loss) on investments		205	(928)
Net cash inflow from net operating activities before change in assets and liabilities		89,705	101,239
Change in operating assets and liabilities			
(Increase)/decrease in trade and other receivables		(11,771)	(8,198)
(Increase)/decrease in inventories		26	(37)
(Increase)/decrease in other non-financial assets		(1,234)	(4,195)
Increase/(decrease) in trade and other payables		5,369	2,752
Increase/(decrease) in other liabilities		(691)	6,690
Increase/(decrease) in provision for employee benefits		2,176	3,404
Net cash provided by/(used in) from operating activities		83,580	101,655

24. Financial risk management

24.1 Risk management

The University's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price 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, where necessary, 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.

24.2 Market risk

Price risk

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

All investments are held at quoted prices.

Interest rate risk

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

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

31 December 2019	Carrying amount \$000s	Current rate %	Annual return at current rate \$000s	Interest rate risk		Price risk	
				+/-1%	+/-2%	+/-3%	+/-10%
				Result \$000s	Result \$000s	Result \$000s	Result \$000s
Listed shares	105	-	-	-	-	3	11
Cash and cash equivalents	49,903	1.43	715	499	998	-	-
Syndicate debt facility	125,000	1.85	2,313	1,250	2,500	-	-
Total increase/(decrease)	175,008		3,028	1,749	3,498	3	11

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

31 December 2018	Carrying amount \$000s	Current rate %	Annual return at current rate \$000s	Interest rate risk		Price risk	
				+/-1%	+/-2%	+/-3%	+/-10%
				Result \$000s	Result \$000s	Result \$000s	Result \$000s
Listed shares	126	-	-	-	-	4	13
Cash and cash equivalents	62,857	1.66	1,043	629	1,257	-	-
Syndicated debt facility	50,000	2.68	1,342	500	1,000	-	-
Total increase/(decrease)	112,983		2,385	1,129	2,257	4	13

Foreign exchange risk

The University has minor exposure to foreign exchange movements via foreign purchases of goods or services. The University manages material foreign exchange risk by hedging the purchases using forward exchange contracts. As at 31 December 2019, the University had no outstanding contracts (2018 \$ nil).

Notes

24. Financial risk management (cont.)

24.3 Credit risk

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

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

24.4 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 on average.

Liquidity risk is managed by the University through a daily and an annual forecast cash flow analysis. Analytical procedures such as calculating the current ratio are also used for comparisons to a predetermined satisfactory benchmark ratio range.

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

	Note	Weighted average effective interest rate (incl. fees)		Variable interest		Maturing within 1 year	
		2019 %	2018 %	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Financial assets							
Cash and cash equivalents	9	1.43	1.66	49,903	62,857	-	-
Trade and other receivables	10	-	-	-	-	-	-
Fair value through profit or loss							
Deferred Government benefit for superannuation	10	-	-	-	-	-	-
Equity instruments	11	-	-	-	-	-	-
Other financial assets		-	-	-	-	-	-
Financial assets at fair value through other comprehensive income							
Equity instruments at fair value	11	-	-	-	-	-	-
Long term managed funds	11	-	-	-	-	-	-
Total financial assets		-	-	49,903	62,857	-	-
Financial liabilities							
Trade and other payables	16	-	-	-	-	-	-
Syndicated debt facility	17	1.85	2.68	125,000	50,000	-	-
Defined benefit superannuation obligation	19	-	-	-	-	-	-
Grants and donations received in advance	20	-	-	-	-	-	-
Bonds and deposits	20	-	-	-	-	-	-
Total financial liabilities		-	-	125,000	50,000	-	-

Intentionally left blank

	Maturing 1 to 5 years		Maturing over 5 years		Non-interest bearing		Total	
	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	49,903	62,857
Trade and other receivables	-	-	-	-	39,328	20,471	39,328	20,471
Fair value through profit or loss								
Deferred Government benefit for superannuation	-	-	-	-	75,911	72,258	75,911	72,258
Equity instruments	-	-	-	-	105	126	105	126
Other financial assets	-	-	-	-	10,041	10,226	10,041	10,226
Financial assets at fair value through other comprehensive income								
Equity instruments at fair value	-	-	-	-	40,353	23,052	40,353	23,052
Long term managed funds	-	-	-	-	55,407	48,668	55,407	48,668
Total financial assets	-	-	-	-	221,145	174,801	271,048	237,658
Financial liabilities								
Trade and other payables	-	-	-	-	85,018	80,000	85,018	80,000
Syndicated debt facility	120,000	50,000	5,000	-	-	-	125,000	50,000
Defined benefit superannuation obligation	-	-	-	-	75,911	72,258	75,911	72,258
Grants and donations received in advance	-	-	-	-	1,817	4,000	1,817	4,000
Bonds and deposits	-	-	-	-	-	22	-	22
Total financial liabilities	120,000	50,000	5,000	-	162,746	156,280	287,746	206,280

Notes

25. Fair value measurement

25.1 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 cash and cash equivalents and current receivables their carrying value is assumed to approximate their fair value, and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

	Note	Carrying value		Fair value	
		2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Financial assets					
Trade and other receivables	10	115,239	92,729	115,239	92,729
Other financial assets at fair value through other comprehensive income	11	55,407	48,668	55,407	48,668
Other financial assets at fair value through profit and loss	11	10,041	10,226	10,041	10,226
Investment in equity instruments designated at fair value through other comprehensive income	11	40,353	23,052	40,353	23,052
Investment in equity instruments designated at fair value through profit and loss	11	105	126	105	126
Total financial assets		221,145	174,801	221,145	174,801
Financial liabilities					
Trade and other payables	16	85,018	80,000	85,018	80,000
Government financial assistance received in advance	20	1,817	4,000	1,817	4,000
Bonds and deposits	20	-	22	-	22
Syndicated debt facility	17	125,000	50,000	125,000	50,000
Defined benefits superannuation obligations	19	75,911	72,258	75,911	72,258
Total financial liabilities		287,746	206,280	287,746	206,280

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
- Financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- Land and buildings

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 Financial assets at fair value through other comprehensive income 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.

This applies to fair value items recognised in Notes 25.1 through 25.5.

25.2 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).

Recognised fair value measurements

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 31 December 2019.

Notes

25. Fair value measurement (cont.)

Fair value measurements at 31 December 2019					
	Note	2019 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
Recurring fair value measurements:					
Financial assets					
Other financial assets at fair value through other comprehensive income	11	55,407	55,407	-	-
Investment in equity instruments designated at fair value through other comprehensive income	11	40,353	59	-	40,294
Other financial assets at fair value through profit and loss	11	10,041	-	-	10,041
Investment in equity instruments designated at fair value through profit and loss	11	105	105	-	-
Total financial assets		105,906	55,571	-	50,335
Non-financial assets					
Land	14	338,461	-	20,683	317,779
Buildings	14	621,428	-	-	621,428
Infrastructure	14	86,812	-	-	86,812
Works of art	14	22,951	-	-	22,951
Total non-financial assets		1,069,652	-	20,683	1,048,970

Fair value measurements at 31 December 2018					
	Note	2018 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
Recurring fair value measurements:					
Financial assets					
Other financial assets at fair value through other comprehensive income	11	48,668	48,668	-	-
Investment in equity instruments designated at fair value through other comprehensive income	11	23,052	119	-	22,933
Investment in equity instruments designated at fair value through profit and loss	11	10,352	126	-	10,226
Total financial assets		82,072	48,913	-	33,159
Non-financial assets					
Land	14	338,384	-	20,683	317,702
Buildings	14	616,327	-	-	616,327
Infrastructure	14	80,846	-	-	80,846
Works of art	14	20,344	-	-	20,344
Total non-financial assets		1,055,901	-	20,683	1,035,219

Non-specialised land and works of art

Non-specialised 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.

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.

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.

Investment in Education Australia

The fair value of listed shares was determined by independent valuer ShineWing Australia Pty Ltd. Education Australia Limited (formerly IDP Education Australia Ltd) is a company owned by 38 Australian universities and holds a 50.1% shareholding in IDP Education Limited (IDP). Each of the 38 Universities (including La Trobe University) 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 2019, the ASX share price was \$17.17 resulting in a market value of \$2,153,074,800. ShineWing Australia assessed the fair market value of Education Australia as \$1,531,152,360 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 \$40.29m (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 2019 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.

Investment in AARNet and VERNet

The fair value of shares was determined by independent valuer ShineWing Australia Pty Ltd. The University owns shares in AARNet Pty Ltd (AARNet) and VERNet Pty Ltd (VERNet). AARNet is a not-for-profit company, owned by 38 Australian universities and CSIRO to operate Australia's academic and research network and meet the unique needs of the research and education sector. VERNet is an advanced fibre optic network company designed to meet the accelerating bandwidth need of the Victorian research and education sectors for the next 20 years or more.

As at 31 December 2019, AARNet had 78 ordinary shares on issue with each member University holding two ordinary shares, representing approximately 2.56% equity interest in AARNet. ShineWing Australia assessed the indicative fair value of 100% of the equity interest in AARNet to be between \$222m and \$226m with a midpoint of \$224m, and the estimated fair value of each of the Universities' equity interest being \$5,748,690.

ShineWing has also reviewed the Shareholders' Agreement to determine the University's' shareholding in VERNet. A total of 9 Universities and the Commonwealth Scientific and Industrial Research Organisation ("CSIRO") were each issued an A Class Share, and varying number of B Class Shares based on the amount of the agreed capital contribution each member made. The University members' capital contribution was funded through internally generated funds and Government funding provided to certain universities which are designated for reinvestment in VERNet (such as the Systemic Infrastructure Initiative 2005, Community Development Program funding 2005 and 2006). The Shareholders' Agreement identified La Trobe University, Monash University and Victoria University as potential members who will reinvest Government funding into VERNet; The universities each hold approximately 11.1% stake in the A Class voting shares in VERNet and various proportions of the B Class non-voting shares in VERNet. ShineWing has estimated the indicative fair value of 100% of the equity interest in VERNet (on a controlling basis) as at Valuation Date to be \$36,531,471 with the indicative fair value of each of the universities' equity interest in VERNet as at valuation date being \$4,059,052.

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.

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 11) 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 University for similar financial instruments (level 3).

Notes

25. Fair value measurement (cont.)

25.3 Valuation techniques used to derive level 2 and level 3 fair values

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 reporting 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 its 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 value 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.

25.4 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 2019 and 2018.

Level 3 Fair value measurement 2019	Land \$000s	Buildings \$000s	Infrastructure \$000s	Works of art \$000s	Shares \$000s	Total \$000s
Opening balance	317,702	616,327	80,846	20,344	33,159	1,068,378
Transfers from level 2	-	-	-	-	-	-
Additions	-	4,127	3,213	2,607	-	9,947
Transfers from work in progress	-	26,616	6,658	-	-	33,274
Revaluation increase/(decrease)	77	(1,586)	-	-	17,176	15,667
Disposals	-	(1,545)	-	-	-	(1,545)
Depreciation expense	-	(22,511)	(3,905)	-	-	(26,416)
Closing balance	317,779	621,428	86,812	22,951	50,335	1,099,305

Level 3 Fair value measurement 2018	Land \$000s	Buildings \$000s	Infrastructure \$000s	Works of art \$000s	Shares \$000s	Total \$000s
Opening balance	279,970	595,140	55,763	20,260	16,200	967,333
Transfers from level 2	-	-	-	-	-	-
Additions	-	10,836	7,453	84	10,226	28,599
Transfers from work in progress	-	32,203	20,678	-	-	52,881
Revaluation increase/(decrease)	37,732	-	-	-	6,733	44,465
Disposals	-	-	-	-	-	-
Depreciation expense	-	(21,852)	(3,048)	-	-	(24,900)
Closing balance	317,702	616,327	80,846	20,344	33,159	1,068,378

25.5 Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment.
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.
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.
Works of art	Sample Survey Valuation Methodology	Statistical calculation based on extrapolation of sample valuations.
Investments	Market approach	<p>The investment in IDP Education Ltd 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 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.</p> <p>The investments in AARNet Pty Ltd. (AARNet) and VERNet Pty Ltd (VERNet) were assessed using 'asset-based approach' in accordance with the newly effective AASB 9 Financial Instruments (AASB 9). Using this approach, the fair value of AARNet and VERNet is determined by having regard to the assets and liabilities set out in AARNet's and VERNet's management accounts as at 31 December 2019, and adjusting the assets and liabilities of the entities to reflect their fair values.</p>

Notes

26. Commitments

26.1 Capital commitments

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

	2019 \$000s	2018 \$000s
Property, plant and equipment		
Within one year	57,123	63,785
Between one to five years	201	772
Later than five years	-	-
Total	57,324	64,557

26.2 Lease commitments

(i) Operating leases

Operating lease commitments includes contracted amounts for commercial buildings, office premises and plant and equipment under non-cancellable operating leases expiring within one to twenty five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

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

	2019 \$000s	2018 \$000s
Within one year	5,370	8,553
Between one year and five years	7,615	17,756
Later than five years	245	9,053
Total future minimum lease payments	13,230	35,362

Note: Operating leases that are covered under new accounting standard AASB16 - Leases have been reported in the Statement of Financial Position under Property, Plant and Equipment and are not part of 2019 figures reflected in the table above. Therefore the figures shown in the table above are not comparable.

(ii) Short-term leases

	2019 \$000s	2018 \$000s
Within one year	208	N/A
Between one year and five years	-	N/A
Later than five years	-	N/A
Total future minimum lease payments	208	N/A

27. 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.

27.1 Summary of superannuation scheme payments

	Note	2019 \$000s	2018 \$000s
UniSuper defined benefit division accumulation super (2) (DBD)	27.2	38,765	35,739
UniSuper accumulation super (1)	27.2	14,835	13,831
Victorian superannuation board (Unfunded-Emerging)	27.3	4,467	4,877
Total		58,067	54,447

27.2 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 the Financial Statements for the Year Ended 31 December 2019 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 AASB119 Employee Benefits, which allowed for defined benefit obligations to be reported on a defined contribution basis with some additional information. AASB119 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 has advised that both the Defined Benefit Division and Accumulation 2 are defined as multiemployer defined contribution schemes in accordance with AASB119 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 2019 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 31 December 2019 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$38,765,314 (2018 \$35,738,610). 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 \$7,758,551 (2018 \$7,447,192) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2019 totalled \$nil (2018 \$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 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 \$14,834,709 (2018 \$13,831,160). There were no outstanding employer contributions as at 31 December 2019 (2018 \$nil). There are no loans to fund members.

Notes

27. Superannuation plans (cont.)

27.3 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 payable of \$3,668,000 during the 2019 year (2018 increase by \$860,000) has no financial impact on the operating result. While the net assets have not altered with these changes, both the total assets and total liabilities have increased by \$3,668,000 (2018 increase by \$860,000).

During 2019, La Trobe University's contributions to the fund totalled \$4,466,526 (2018 \$4,877,270). There were no outstanding employer contributions as at 31 December 2019 (2018 \$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.

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:

	Note	2019 \$000s	2018 \$000s
Salary related expenditure increase/(decrease) in superannuation liability		3,668	860
Miscellaneous income/(decrease) in amount receivable for superannuation		3,668	860

Amounts relate to the overall increase in the outstanding superannuation liability and the corresponding receivable from \$72,258,000 at 31 December 2018 to \$75,926,000 at 31 December 2019 as determined by the fund.

(ii) Amounts receivable from the Commonwealth Government

Current		4,890	4,645
Non-current		71,021	67,613
Total	10	75,911	72,258

(iii) Unfunded superannuation liability

Current		4,890	4,645
Non-current		71,021	67,613
Total	19	75,911	72,258

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

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, the effects of the unfunded superannuation liabilities of the University and its controlled entities were recorded in the Income Statement and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the Statement of Financial Position.

The unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by the PricewaterhouseCoopers Securities Limited ("actuaries") and relates to State Superannuation Fund based on the 31 December 2019 (valuation date), adjusted for applicable sensitivities to discount rates at Statement of Financial Position 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 Statement of Financial Position 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.

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.

Notes

28. Joint operations

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.

The Victorian Government announced machinery of Government changes effective 1 January 2019 which meant that the current Department of Economic Development, Jobs, Transport and Resources (DEDJTR) will transition into two new departments – the Department of Jobs, Precincts and Regions (DJPR) and the Department of Transport (DoT). The University makes capital and operating contributions to the state through DJPR. 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 payments 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 was a joint venture between La Trobe University and CSIRO that focused on generation and communication of freshwater ecological knowledge of floodplain ecosystems in the Murray-Darling basin and provided advice and solutions to water managers to optimise their management decisions. This joint venture was terminated on 28 February 2018.

Name of joint arrangement/ associate	Nature of relationship	Principal place of business	Ownership interest %	
			2019	2018
Biosciences Research Centre	Joint operations	La Trobe University, Melbourne	25	25

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.

	2019 \$000s	2018 \$000s
Receivables	-	996
Non-current assets	-	130
Leased assets	50,523	52,133
Total assets	50,523	53,259
Payables	-	258
Income in advance	-	510
Provisions	-	6
Total liabilities	-	774

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	10,674	8,051
Other revenue	-	22
Total revenue	10,674	8,073
Staff and related costs	(1,569)	(1,673)
Occupancy costs	(1,723)	(1,686)
Administrative costs	(1,988)	(2,218)
Depreciation	-	(7)
Amortisation expense - finance lease asset	(1,610)	(1,610)
Other categories of expenditure	(6,486)	(6,802)
Total expenditure	(13,376)	(13,996)
Net operating loss from jointly controlled operations and assets	(2,702)	(5,923)

Capital commitments and contingent liabilities arising from the University's interests in joint ventures are included in notes 26 and 29 respectively.

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.

Notes

29. Contingencies

29.1 Contingent assets

There are no contingent assets to report.

29.2 Contingent liabilities

During 2019, 12 new WorkCover claims have been raised against the University. However, 63 active claims are currently under review by the insurer. The impact of these claims on the consolidated operating results of the University cannot be reasonably estimated at this time.

The University has a number of other active insurance claims which are currently under review by the insurer. The claims are a result of the ordinary course of business. These known claims or notifications are not predicted to be of significant value or foreseen to be material to the University's financial position.

Whilst the University is reviewing the requisite information to establish the full quantum of loss, the exposure to La Trobe remains limited to the excess of \$50,000.

A contingent liability is:

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

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

30. Events occurring after the reporting date

On January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. This event will have an impact on the financial performance and liquidity of the University in 2020.

The length and extent of the spread of the virus and actions being undertaken by both the Australian Federal and State Governments will continue to determine the scale of the impact on the finances of the university.

Due to this significant uncertainty surrounding the COVID-19 outbreak and the government's response to this, it is not possible to estimate the full impact on the University's operations, financial position and cashflows at this point in time.

This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The University will continue to monitor the non-financial and financial impacts of COVID-19 on its operations and has put in place various mitigation strategies that will ensure we will remain a going concern for at least the next 12 months.

The financial statements have been prepared based upon conditions existing at 31 December 2019, and considering those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting period.

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and as such, no adjustments have been made to the financial statement balances as at 31 December 2019 for the impacts of COVID-19.'

31. Key management personnel disclosures

31.1 Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the University during the financial year:

(a) **Responsible Minister of Training and Skills, and Minister for Higher Education**

The Hon. Gayle Tierney MP, is the responsible minister for the university and her remuneration is reported in the annual report by the Department of Parliamentary Services. Other relevant interests are declared in the Register of member interests, which are completed by each member of Parliament.

(b) **Accountable officer**

The person who held the position of accountable officer: John 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 \$970,000 to \$980,000 (\$970,000 to \$980,000 in 2018).

(c) **Names of Responsible persons holding the position of Member of Council during the financial year**

1. John Brumby AO (Chancellor) (Term started 29 March 2019)
2. Professor Richard G. Larkins AC (Chancellor) (Term concluded 28 March 2019)
3. Professor Christine Bigby (Chair, Academic Board)
4. Mr Andrew Eddy
5. Ms Deborah Radford
6. Ms Yvonne von Hartel
7. Commissioner Michael Gay
8. Ms Margaret Burdeu
9. Mr Adam Furphy
10. Mr Peter McDonald
11. Dr Philip Moors AO
12. Ms Christine Christian
13. Professor Edwina Cornish AO
14. Dr Jillian Murray (Term concluded 12 September 2019)
15. Dr Miriam Bankovsky (Term started 13 September 2019)
16. Mr Nathan Croft (Term started 1 January 2019 and Concluded 31 December 2019)

31.2 Remuneration of responsible persons

	2019 \$000s	2018 \$000s
\$20,000 to \$29,999	2	1
\$40,000 to \$49,999	10	10
\$60,000 to \$69,999	1	-
\$80,000 to \$89,999	-	1
Responsible persons who received no remuneration (Community representatives)	3	2
Total numbers	16	14

The University salaries of staff member representatives are included above; staff member representatives do not receive remuneration specifically for University Council membership.

Notes

31. Key management personnel disclosures (cont.)

31.3 Remuneration of executive officers

The number of University executive officers (other than responsible persons) are shown in the table below in their relevant income bands. Executive officers are defined as senior executives reporting directly to the Vice-Chancellor with executive decision making powers.

	2019 \$000s	2018 \$000s
\$20,000 to \$29,999	3	-
\$90,000 to \$99,999	1	-
\$110,000 to \$119,999	1	1
\$130,000 to \$139,999	-	1
\$150,000 to \$159,999	1	-
\$240,000 to \$249,999	1	-
\$300,000 to \$309,999	1	-
\$310,000 to \$319,999	1	1
\$320,000 to \$329,999	-	1
\$330,000 to \$339,999	1	-
\$350,000 to \$359,999	1	-
\$360,000 to \$369,999	1	-
\$370,000 to \$379,999	1	2
\$400,000 to \$409,999	-	1
\$430,000 to \$439,999	-	1
\$460,000 to \$469,999	-	1
\$510,000 to \$519,999	1	-
\$540,000 to \$549,999	-	1
\$570,000 to \$579,999	-	1
\$590,000 to \$599,999	1	-
Total numbers	15	11
Total annualised employee equivalent (AEE)*	10.21	9.23
Total Remuneration of Executive Officers for the Year	4,789	4,062

*Annualised Employee Equivalent (AEE) is based on the time fraction worked over the reporting period.

31.4 Key management personnel compensation

	2019 \$000s	2018 \$000s
Short-term employment benefits	1,454	1,449
Post-employment benefits	78	74
Other long-term benefits	26	25
Termination benefits	-	-
Total remuneration	1,558	1,548

31.5 Executive officers compensation

	2019 \$000s	2018 \$000s
Short-term employment benefits	3,708	3,601
Post-employment benefits	417	387
Other long-term benefits	146	74
Termination benefits	-	-
Total remuneration	4,271	4,062

31.6 Other transactions with key management personnel

A Responsible Person, Peter McDonald, Member of council, is a Board member of Northern Health, which enters into partnership with La Trobe on an ongoing basis. The aggregate amounts in respect of transactions during the period of relationship were:

	Total expenses (Exclusive of GST)	
	2019 \$	2018 \$
Northern Health	1,432	1,573

Notes

32. Acquittal of Australian Government financial assistance

32.1 Education – CGS and other education grants

	Note	Commonwealth grants scheme #1		Disability support program #2		Indigenous student success program #3		Partnership and participation program	
		2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		228,998	229,182	206	282	1,260	1,107	5,057	4,877
Net accrual adjustments		626	(6,597)	-	-	-	-	-	-
Revenue for the period	2.1 (a)	229,624	222,585	206	282	1,260	1,107	5,057	4,877
Surplus / (deficit) from the previous year		-	-	-	-	27	-	-	-
Total revenue including accrued revenue		229,624	222,585	206	282	1,287	1,107	5,057	4,877
Expenses including accrued expenses		(229,624)	(222,585)	(206)	(282)	(1,123)	(1,080)	(5,057)	(4,877)
Surplus / (deficit) for the reporting period		-	-	-	-	164	27	-	-

		Superannuation Program		Total	
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		4,841	4,501	240,362	239,949
Net accrual adjustments		(710)	718	(84)	(5,879)
Revenue for the period	2.1 (a)	4,131	5,219	240,278	234,070
Surplus / (deficit) from the previous year		-	-	27	-
Total revenue including accrued revenue		4,131	5,219	240,305	234,070
Expenses including accrued expenses		(5,219)	(5,219)	(241,229)	(234,043)
Surplus / (deficit) for the reporting period		(1,088)	-	(924)	27

#1 Includes basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Allocated Places, Non Designated Courses.

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

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

32.2 Higher education loan programs (excl. OS-HELP)

Note	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Cash Payable/(Receivable) at the beginning of the year	(577)	(50)	1,729	2,335	-	98	1,152	2,383
Financial assistance received in cash during the reporting period	156,248	156,417	24,024	23,583	2,999	2,966	183,271	182,966
Cash available for the period	155,671	156,367	25,753	25,918	2,999	3,064	184,423	185,349
Revenue earned	2.1 (b) 157,734	157,500	23,317	24,300	2,879	3,064	183,930	184,864
Net accrual adjustments	(1,564)	(556)	(123)	(111)	3	-	(1,684)	(667)
Cash Payable/(Receivable) at the end of the year	(499)	(577)	2,559	1,729	117	-	2,177	1,152

32.3 Total Higher Education Provider Research Training Program expenditure

	Total domestic students		Total overseas students		Total	
	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Research Training Program Fees offsets	11,518	11,342	171	366	11,689	11,708
Research Training Program Stipends	6,922	7,405	-	108	6,922	7,514
Research Training Program Allowances	3	9	5	-	8	9
Total for all types of support ^{#4}	18,443	18,756	176	474	18,619	19,231

#4 The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses, in Note 32.4 in respect to the 2019 year.

Notes

32. Acquittal of Australian Government financial assistance (cont.)

32.4 Education Research

	Note	Research training program		Research support program		Total	
		2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		18,404	18,377	15,893	15,094	34,297	33,471
Revenue for the period	2.1 (c)	18,404	18,377	15,893	15,094	34,297	33,471
Surplus/(deficit) from the previous year		215	1,069	-	116	215	1,185
Total revenue including accrued revenue		18,619	19,446	15,893	15,210	34,512	34,656
Expenses including accrued expenses		(18,619)	(19,231)	(15,893)	(15,210)	(34,512)	(34,441)
Surplus/(deficit) for the reporting period		-	215	-	-	-	215

32.5 Other capital funding

	Note	Linkages Infrastructure	
		2019 \$000s	2018 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		-	205
Revenue for the period	2.1 (d)	-	205
Surplus/(deficit) from the previous year		254	145
Total revenue including accrued revenue		254	350
Expenses including accrued expenses		(41)	(96)
Surplus/(deficit) for the reporting period		213	254

32.6 Australian Research Council grants

(i) Discovery	Note	Projects		Fellowships		Total	
		2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s	2019 \$000s	2018 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		3,816	3,356	1,132	809	4,948	4,165
Net accrual adjustments		32	-	(107)	-	(75)	-
Revenue for the period	2.1 (e)	3,848	3,356	1,025	809	4,873	4,165
Surplus/(deficit) from the previous year		4,502	5,048	2,013	2,631	6,515	7,679
Total revenue including accrued revenue		8,350	8,404	3,038	3,440	11,388	11,844
Expenses including accrued expenses		(3,449)	(3,902)	(1,375)	(1,427)	(4,824)	(5,329)
Surplus/(deficit) for the reporting period		4,901	4,502	1,663	2,013	6,564	6,515

(ii) Linkages	Note	Projects	
		2019 \$000s	2018 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		1,465	1,784
Net accrual adjustments		(34)	278
Revenue for the period	2.1 (e)	1,431	2,062
Surplus/(deficit) from the previous year		1,204	61
Total revenue including accrued revenue		2,635	2,123
Expenses including accrued expenses		(1,107)	(919)
Surplus/(deficit) for the reporting period		1,528	1,204

Notes

32. Acquittal of Australian Government financial assistance (cont.)

32.7 Other Australian Government financial assistance

	2019 \$000s	2018 \$000s
Non-capital		
National Health and Medical Research Council	13,050	12,383
Other Australian Government financial assistance	4,427	1,175
Other Australian Government financial assistance	17,477	13,558

32.8 OS-HELP

	2019 \$000s	2018 \$000s
Cash received during the reporting period	2,895	2,210
Cash spent during the reporting period	(2,543)	(2,674)
Net cash received	352	(464)
Cash surplus/(deficit) from the previous period	1,105	1,569
Cash surplus/(deficit) for the reporting period	1,457	1,105

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

32.9 Superannuation supplementation

	2019 \$000s	2018 \$000s
Cash received during the reporting period	4,841	4,501
Cash available	4,841	4,501
Cash surplus/(deficit) from the previous period	(310)	767
Cash available for current period	4,531	5,268
Contributions to specified defined benefit funds	(4,131)	(5,578)
Cash surplus/(deficit) for this period	400	(310)

32.10 Student services and amenities fee

	Notes	2019 \$000s	2018 \$000s
Unspent/(overspent) revenue from previous period		1,717	1,893
SA-HELP revenue earned	2.3 (b)	2,879	3,064
Student services fees direct from students		5,791	5,413
Total revenue expendable in period		10,387	10,370
Student services expenses during period		(8,767)	(8,653)
Unspent/(overspent) student services revenue		1,620	1,717

33. Subsidiaries

The subsidiaries of the University are listed below.

Name of entity	Country of incorporation	Total comprehensive income/(loss) of the subsidiary		University's ownership interest in the subsidiary	
		2019 \$000s	2018 \$000s	2019 %	2018 %
Unitemps La Trobe Ltd	Australia	(316)	(194)	100	100

The financial statements of the University do not incorporate the assets, liabilities and results of the subsidiary as they are not considered to be material. Summarised financial information of the subsidiary are disclosed below:

	2019 \$000s	2018 \$000s
Income statement		
Total revenue	2,168	1,212
Total expenses	2,484	1,406
Net operating profit	(316)	(194)
Balance sheet		
Current assets	3,604	1,411
Total assets	3,604	1,411
Current liabilities	(4,095)	(1,586)
Total liabilities	(4,095)	(1,586)
Net assets	(491)	(175)

There were no cash inflows/outflows in the subsidiary during the period.

La Trobe established the Company "Unitemps La Trobe Ltd" as a public company limited by guarantee and wholly owned subsidiary of La Trobe. This is a key initiative under the Employability Program and focuses on building an in-house recruitment firm capacity. Unitemps La Trobe offers a wide variety of paid work opportunities across La Trobe campuses and externally that provides active support to students and graduates in gaining work experience. This initiative strives to achieve improved student experience around employability, leverage external partnerships and relationships for the benefit of all students and build the employability brand of our students.

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

Notes

34. Related parties

34.1 Subsidiaries

Interests in subsidiaries are set out in Note 33.

34.2 Key management personnel

Disclosures relating to Council Members and specified executives are set out in Note 31.

34.3 Transactions with related parties

The following transactions occurred with related parties:

	2019 \$000s	2018 \$000s
Amounts received on behalf of the subsidiary	2,168	1,212
Expenses incurred on behalf of the subsidiary	2,484	1,406

34.4 Outstanding balances

	2019 \$000s	2018 \$000s
Current receivables – subsidiary	(4,107)	(1,556)
Current payables – subsidiary	3,590	1,372

No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

35. Ex-gratia payment

Payments made to employees during 2019

Ex-gratia payments associated with negotiated staff departures from the University in 2019 totalled \$616,845 (2018: \$283,160).

Acknowledgement of Country

La Trobe University acknowledges that our campuses are located on the lands of many traditional custodians in Victoria. We recognise their ongoing connection to the land and value their unique contribution to the University and wider Australian society.

We are committed to providing opportunities for Indigenous Australians, both as individuals and communities through teaching and learning, research and community partnerships across all of our campuses.

La Trobe University pays our respect to Indigenous Elders, past, present and emerging and will continue to incorporate Indigenous knowledge systems and protocols as part of our ongoing strategic and operational business.

The Annual Report 2019
is available online at:
latrobe.edu.au/council/resources

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