
2018 Annual Report



LA TROBE
UNIVERSITY

All kinds of clever



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Letters of transmittal



OFFICE OF THE CHANCELLOR

21 March 2019

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 Standing 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 2018.

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard G Larkins".

Professor Richard G Larkins AC
Chancellor

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Bendigo
Albury-Wodonga
Mildura
Shepparton

Messages

Chancellor's message



The foundation Vice-Chancellor of La Trobe University, Professor David Myers, expressed the view in his inaugural address that "the true measure of a University's greatness is the total effect it has on human welfare and progress". By that standard, La Trobe University has fulfilled the aspirations of its founders as demonstrated by the diverse and substantial contributions made by the five distinguished alumni and the young achiever recognised at the wonderful evening

in which the achievements of these six individuals were celebrated. These six outstanding people are only a small sample of the University's alumni who play prominent roles in business, the professions, public service, politics, sport, philanthropy and community service. Everyone who has been associated with the University over its fifty-one years should take great pride in the real impact it has had on human welfare and progress through its education and research programs. It has transformed lives and impacted on Australia and the planet in many beneficial ways.

The composition of Council has been stable over the last twelve months with the exception that Dean D'Angelo replaced Kevin Kapeke as the elected student representative. Ms Nicole Knight left as Council Secretary having fulfilled that role superbly and Ms Rebecca Bramwell has taken up that position. The Council has functioned harmoniously and worked closely with the senior executive team led so ably by the Vice-Chancellor, Professor John Dewar. It oversaw the first year of implementation of the exciting new strategic plan. Much of the work of Council takes place through its committees. The Finance and Resources Committee oversees the financial performance of the University, the Corporate Governance, Audit and Risk Committee oversees compliance and risk management activities, the Human Resources Committee oversees staff-related matters and a range of policies affecting employment conditions and the Infrastructure and Estates Planning Committee oversees the buildings and facilities including the plans for the redevelopment of the campus. The Foundation Committee oversees the fundraising activities of the University. The Academic Board of the University reports directly to the Council at each of its meetings. The Chancellor or one of the Deputy Chancellors officiate at all the graduation ceremonies held across the campus network.

Despite the increasing financial pressure under which the University is forced to operate, I am pleased to report that the University is fulfilling its financial obligations and maintaining an active capital program. Many campus infrastructure projects are well underway with the sports park development and building of new student accommodation on the Bundoora campus. The new engineering and technology building has been completed at the Bendigo campus and a Tech School, in partnership with the Department of Education and Training has been opened. The masterplan for the Albury/Wodonga campus has been completed and extensions to the Shepparton campus are planned and we have commenced a space masterplanning review on our Mildura campus.

The Council has been delighted by the demonstration of improvement in the students' evaluation of their experience at La Trobe, the result of considerable effort by all the staff, and by evidence of improved staff engagement and experience. Council has also been very encouraged by the marked improvement in the research performance of La Trobe staff over the last 5 years.

My term as Chancellor ends on March 29, 2019. I am delighted that the Honourable John Brumby AO has been appointed as my successor. Although my term as Chancellor has been relatively short, it has been incredibly stimulating and rewarding. I thank the members of Council for their dedication and support and I wish the University well as it continues its stunning upward trajectory.

Professor Richard Larkins AC
Chancellor
La Trobe University

Vice-Chancellor's message



2018 was a year in which La Trobe University continued successfully to pursue its historic mission of combining accessibility with excellence. The year will also be remembered as a time when the building blocks were laid for the University's renewal, through funding from the Victorian Government to accelerate our plans to develop a \$5 billion University City of the Future at our Melbourne campus over the next 10 years.

Our ambitious plans set new expectations of the role universities should play in generating economic growth in their communities, and in providing an anchor for community engagement, cultural and sporting activity. In the years ahead, we will build on the considerable progress made during 2018 to increase our industry engagement and partnership activities, and our Melbourne campus will become a hub for research and innovation, stimulating the local economy and creating employment growth throughout the region.

2018 will also be remembered for the way that we reshaped learning and teaching at La Trobe to provide an outstanding student experience and give our students every opportunity to succeed, both in their University studies and in the rapidly changing world of work for which we are preparing them. This year we held our inaugural Learning and Teaching Week to reward and share good teaching practice, and we redeveloped our sector-leading Career Ready program that is providing our students with the skills and attributes needed for a successful career.

During 2018 the University also maintained its position in the top 400 universities in the world according to the three most important international rankings: the Academic Ranking of World Universities (ARWU), Times Higher Education and QS University rankings. This excellent result reflects the hard work of our world-class researchers, who performed well in the major grant rounds administered by the Australian Research Council (ARC) and the National Health and Medical Research Council (NHMRC) this year.

La Trobe researchers also received generous philanthropic support for their work in 2018, including the La Trobe Rural Health School being awarded \$3 million in funding from the VV Marshman Charitable Trust for its work to improve health and wellbeing in rural communities. The Federal Government awarded the School status as a University Department of Rural Health, and the University received funding to establish an innovative, end-to-end rural medical training program in partnership with the University of Melbourne. This reflects years of tireless lobbying by members of our regional communities, and will be a huge boost to our Rural Health School – already the largest School of its kind in Australia.

We continued to engage more closely with our alumni during the year, holding several events with alumni around the globe and with our parliamentary alumni chapters in Canberra and Melbourne. We also made great progress in our Make the Difference campaign that aims to raise funds for scholarships, research and infrastructure renewal, and exceptionally generous donors contributed very significant amounts to the campaign. The La Trobe spirit was also evident in the generosity of our staff, who in 2018 donated enough in our Staff Giving campaign to fund 10 new scholarships for students in need.

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. 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
Vice-Chancellor
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.

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.

Quick facts

- Established in 1964
- First enrolments in 1967: 558
- Student Load (EFTSL) in 2018 29,567.2 (full time equivalent)
- Staff (full time equivalent) in 2018 3,208.0
- More than 200,000 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.



Connected

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2018 in review



2018 in review



Outstanding student experience

- The Net Promoters Score, a measure used to monitor the student experience exceeded the target set for 2018
- During 2018, there were 1492 Customer Service Champions recognised including special recognition for the 1000th champion in July
- La Trobe student Jontee Brown won the 2018 Bendigo Young Citizen Award
- La Trobe law student Samuel Taylor was awarded the Supreme Court Prize for best academic performance
- International student Harsha Iruvaram became La Trobe's 200,000th student to graduate from La Trobe University
- Bendigo student Tejas Deshmukh was named International Student of the Year (Regional) at the Victorian Government International Education Awards
- Two La Trobe PhD students – Georgia Atkin-Smith and Emilia Sterjova were profiled in the Herald Sun's 'top 25' under 25 years old feature
- La Trobe hosted its first postgraduate expo
- Twenty students from a range of disciplines combined their skills to solve a program for Bendigo, as part of the highly innovative CityStudio program
- After representing Australia at the Commonwealth Games in 2018, Master of Teaching student, Kelsey Griffin, won the La Trobe Sports person of the Year Award, to recognise both her academic and sporting achievements.

Student employability

- Australian employers rated La Trobe University graduates second among Victorian universities and eighth nationally overall satisfaction in Employer Satisfaction Survey for 2017
- La Trobe was rated ninth in Australia for graduate employment in the QS Graduate Employability Rankings
- La Trobe dentistry student won a \$68,000 scholarship to practise in rural Victoria.

2018 in review

Research excellence

- La Trobe's Professor Chris Sobey published world first research that found injecting human amniotic cells into stroke patients reduced brain injury and aided recovery
- A space camera La Trobe engineers helped develop was launched into space
- La Trobe led an international study that linked birth during the pollen season to increased risk of asthma
- La Trobe Distinguished Professor Jenny Graves was part of an international team of scientists who successfully completed the full sequencing of the koala genome
- La Trobe was awarded \$2.5million for a Centre of Research Excellence in Aphasia, a communication disorder that affects one third of stroke patients
- La Trobe embedded biotech Hexima successfully trialled a new plant-based treatment for fungal infections
- A team of La Trobe researchers, including Professor Marilyn Anderson, published research demonstrating the potential to produce cheaper medicines on a large scale within edible plants
- La Trobe led an international clinical trial that showed eating oily fish can reduce symptoms of childhood asthma

Unrivalled partner of choice

- The Federal Government announced Australia's first Research Hub for Medicinal Agriculture would be located at La Trobe's Melbourne campus
- The Federal Government announced La Trobe would lead a pilot program on behalf of the Department of Veterans' Affairs to train 20 PTSD assistance dogs
- La Trobe partnered with the University of Melbourne to create a new end-to-end rural medical program designed to solve Victoria's rural doctor shortage
- La Trobe unveiled plans for a \$5billion 'University City of the Future' at its Melbourne campus to drive economic growth and job creation in Melbourne's north
- A new agreement was signed with Cann Group Limited, a leading developer and supplier of medicinal cannabis in Australia
- Associate Professor Clare Wright partnered with Hollywood producer and scriptwriter to develop a TV pilot on her Stella Prize-winning book, The Forgotten Rebels of Eureka
- Carlton Football Club and La Trobe University launched the Carlton College of Sport, a unique learning program offering a Higher Education Diploma in Sport Coaching and Development
- La Trobe University's Olga Tennison Autism Research Centre received Victorian Government funding to provide specialist training for all maternal and child Health (MCH) nurses to help them identify the early signs of Autism Spectrum Disorder (ASD)
- La Trobe partnered with Supply Nation to increase opportunities for indigenous businesses
- Researchers from La Trobe's Technology and innovation Lab partnered with the City of Greater Bendigo to establish the city's first open source Internet of Things network.

One University, many opportunities

- La Trobe received \$3 million from the Violet Vines Marshman Charitable Trust to invest in pioneering rural health research, leading to the establishment of the VV Marshman Rural Health Initiative
- Minister James Merlino visited Bendigo to open the new Bendigo Tech School, a state of the art facility for local secondary school students, located on one level of La Trobe's new Engineering and Technology Building
- A regional Victorian launched a high-tech medical product into the Indian market after his success in the first intake of La Trobe's Accelerator Program, an initiative that rewards promising start-ups
- Researchers from La Trobe's Anthrozoology Research Group Dog Lab used dogs to detect evidence of Greater Gliders, as part of a broader project aimed at protecting vulnerable species.

2018 in review

Operational excellence

- La Trobe became the first Australian University to receive a six star rating in the Green Star Communities accreditation
- La Trobe was again granted an Employer of Choice for Gender Equality citation
- Pro Vice-Chancellor, Student Success, Professor Jessica Vanderlelie won the Emerging Leader Award at the Australian Financial Review Higher Education Awards, while La Trobe's Accelerator Program won the Community Engagement Award
- An innovative IT course developed through a partnership with online learning provider Didasko won an award at the prestigious Educational Publishing Awards
- La Trobe achieved its highest ever position in a decade in the Times Higher Education World Rankings, moving into the top 350
- La Trobe become the first University in Australia to sign the global Tobacco-Free Finance Pledge
- A La Trobe Law School program that involves students giving free legal advice asylum seekers was highly commended at the Business Higher Education Round Table (BHERT) Awards.
- In 2018, ASK La Trobe was able to maintain (and in some instances better) KPI's during both Peak and Non-Peak periods. Ask La Trobe was part of the Student Services and Administration major change activity.

Learning and Teaching at La Trobe

- International Student Load for 2018 commencing enrolments exceeded target by 152 enrolments (4.5% up on target, and up 6.4% on 2017)
- in the Student Experience Survey (SES) 2018, Overall Student Satisfaction improved by 2.8% in undergraduate courses, and 3.9% in postgraduate. Student Satisfaction with Teaching Quality in 2018
 - improved by 3.1% in undergraduate courses, and by 4.4% in postgraduate courses (see Appendix 3 for more information)
- La Trobe Higher Education Academy Fellows - 10 La Trobe Academics recognised for their teaching excellence and leadership not only within La Trobe and the Australian higher education sector, but by the world's leading body on teaching excellence, the UK Higher Education Academy. Professor Paula Baron and Professor Nicki Lee were appointed Principal Fellows of the Academy, an outstanding personal achievement for both
- Top 50 Public Sector women - Professor Kerri-Lee Krause, Deputy Vice-Chancellor (Academic) was named in the Top 50 Public Sector Women in Victoria list for 2018. The list honours women who have achieved leadership positions within the Victorian Public Sector, highlights their work and achievements, and promotes them as role models for other women
- Deputy Chair Higher Education Standards Panel - Professor Kerri-Lee Krause appointed Deputy Chair of the Higher Education Standards Panel
- La Trobe appoints Inaugural Pro Vice-Chancellor Indigenous, Professor Dennis McDermott to lead Indigenous Strategy and Education at La Trobe's metropolitan and regional campuses
- key appointment: Inaugural Pro Vice-Chancellor Indigenous, Professor Dennis McDermott (commenced 4 February 2019)
- The inaugural Learning and Teaching Week (October 26 to 2 November).

Nanyak Tamboree

During 2018, Nanyak Tamboree was formally adopted for the Eco-Corridor Neighbourhood.

The name, respecting, sharing and looking after the waterway' was selected following consultation with Aunty Joy and the Wurundjeri Land Council to find out some appropriate Wurundjeri language names followed by a survey with staff and students.

Nanyak Tamboree (The Eco-Corridor Neighbourhood) is a biodiverse waterway corridor which links La Trobe University to the wider community and environment connecting with Darebin Creek, running through the Bundoora campus to the Wildlife Sanctuary, the agricultural reserve and to the north.

Our core objectives



Our strategy

Our new strategy has been developed following extensive discussion and consultation about the type of University we want to be.

A discussion paper released in May 2017 (*Future Ready 4.0: La Trobe University's next Strategic Plan; A strategy to reshape our University in a period of ceaseless change*⁴) clearly positioned this strategy within the context of significant changes in the higher education landscape, including the challenges associated with digital disruption and the transformation to a knowledge economy.

Universities evolve and change, and the discussion paper suggested that the University of the future – “University 4.0”⁵ – will overlay, but not replace, the traditional role of universities as a place for knowledge generation, transmission and critique.

Four features will come to define the University of the future, institutions which will:

- provide customised, on-demand learning offered in multiple modes, with a smooth and effective hand off between those modes
- offer a mix of degrees and shorter cycle qualifications and credentials
- provide life-long career management for students and alumni, which will include the ability to ‘top up’ standard University qualifications to address skills gaps throughout a working life
- become physical sites for co-location and collaboration with industry and other partners for research and innovation, including as brokers of relationships between young entrepreneurs and potential mentors, supporters and funders.

In response to over 1,000 individual comments from the wider University community following release of the discussion paper, a draft strategy was released in August 2017. This articulated our mission and vision, our values and culture, and our core objectives and enablers, including goals and targets.

The consultation process on the draft strategy confirmed that in our 50th anniversary year we should keep faith with our past, while charting a new direction towards a more flexible and agile University. Accordingly, this strategy builds on the most effective aspects of *Future Ready*, while laying the basis for La Trobe to rise to contemporary challenges and become recognised for our deep engagement with our partners and communities.

This strategy identifies four core objectives (outstanding student experience; student employability; research excellence; and partner of choice) and three enablers (one University with many communities; operational excellence; and revenue growth), as represented in the diagram below.

By **core objectives**, we mean the main goals against which we will measure our success as a University delivering our mission and vision.

By **enablers**, we mean the physical and human assets, financial resources and community connections that underpin the delivery of our core objectives, mission and vision.



4 latrobe.edu.au/_data/assets/pdf_file/0007/797236/DISCUSSION-PAPER-FINAL-4.05.17.pdf

5 The idea of “University 4.0” has been developed from the work of Professor Ronald Barnett, Emeritus Professor at the Institute of Education, University of London, who describes the evolution of the University in phases: the metaphysical University that first emerged in medieval times and eventually evolved into the tradition of a liberal arts education; the research University that emerged in post-industrial societies and included the great post-war expansion of universities in Australia; and the entrepreneurial University, serving many diverse functions and communities but first and foremost concerned with optimising its self-interest. “University 4.0” references Professor Barnett’s description of the ‘ecological University’ or the ‘University for others’ – outward looking, deeply connected to industry and the communities around it, and committed to serving the needs of its students.

Outstanding student experience



To meet the needs of our diverse student body, La Trobe must offer a consistently high-quality student experience that is engaging and academically successful; and is designed with our values and culture in mind to lead to a fulfilling career of choice.

La Trobe students will be creative and independent thinkers from diverse walks of life, cultures and backgrounds, and will include those with a passion for innovation and challenging the status quo. We will equip them with an identifiably modern, globally relevant education, and they will develop the high level professional skills and attributes they require to thrive in the world of work.

Quality enhancement

The quality of the student experience is everyone's business, and we will adopt an evidence-based approach to continuously measure and improve it. A new standards-based quality framework has been developed to monitor learning and career outcomes, and includes the quality of administrative and support services that students receive. This applies to all courses and learning activities, regardless of how or where they are delivered.

Other examples of quality enhancement can be highlighted below.

- La Trobe hosts first Student Success Summit for Victoria with over 150 attendees from across the state's universities
- 19,300 high school students from router metropolitan and regional Victoria engaged through our Schools Partnerships Program
- Proactive student advice provided to over 15,000 students identified as at risk or requiring support
- sLearning Hubs established at all campuses with provision of online and face-to-face student learning support including English Language, Writing, Math, Study Skills, Tertiary Enabling Program
- 2.6% improvement in satisfaction of Student Support as measured by the Student Experience Survey
- 12% improvement in students reporting feeling prepared for study as reported by the Student Experience Survey
- Over 350 students working in partnership with the university to improve the student experience.
- 12 Students represent La Trobe at the UN World Peace Summit in Bangkok

A respectful, safe and secure learning community

We care about every member of our University and are strongly committed to equity and diversity. 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.

We have made sure help is easy to find, and that victims of discrimination, bullying, sexual assault and harassment are supported. We have created a University culture we can be proud of.

Engaged staff, engaged students

We recognise that one of the ways to improve the student experience is to improve the staff experience. La Trobe recruits and retains excellent academic and professional staff, and has been establishing conditions to be an employer of choice. This includes targeted professional learning opportunities for staff to equip them to respond to the complex needs of our students.

Outstanding student experience

We prioritise the sharing of good practice and collegial approaches to scholarly curriculum improvement across disciplines, and our quality framework provides staff with tailored information to monitor the quality of their subjects and courses. The academic promotion policy and procedures are being reviewed to ensure that all aspects of academic work are recognised and rewarded, including the importance of the impact of our research and teaching activities.

Contemporary academic programs

We continually update our courses so that they are interesting, relevant and accessible for students.

Our courses already give students exciting opportunities to engage with internationally recognised academic staff and professional practitioners, and to undertake internships, placements and Work Integrated Learning programs that make them more employable. We regularly review our undergraduate and postgraduate courses to ensure they are relevant, competitive and aligned with industry and global needs. Our commitment to research-informed teaching and course design reflects our cutting-edge research in key focus areas.

Our students increasingly expect to engage with their studies flexibly, including through online and micro-credential options in addition to more traditional degree structures. To meet the changing needs of our students, we have been reviewing and refreshing the La Trobe Online Strategy. Priority is given to expanding our postgraduate coursework offerings and to adding flexibility to enrolment periods. Coursework learning is further improved by building quality assessment and timely feedback into course design.

Diversity

We ensure that our staffing profile reflects the diversity of our student body and our communities, and that our graduates can engage effectively with people from different backgrounds, abilities and cultures. We educate global citizens through cross-cultural curriculum, outbound mobility, language teaching and a wide range of employability experiences. We continue to promote the education of all La Trobe students in Indigenous culture, history and knowledge.

Educational Innovation

The future of University learning involves co-creation between the University, its students and its educational, industry and community partners. We complement our academic programs with an innovation arm that encourages creative educational experiments and digitally disruptive learning design in areas such as personalised learning, advanced student analytics and big data.

To be relevant to the needs of our students who will enter rapidly changing labour markets, we give priority to innovative learning design that fosters creativity, entrepreneurship and solution driven outcomes supported with contemporary technologies and systems support. This equips La Trobe graduates to be adaptive future leaders and agents of change.

Outstanding Student Achievements

- **Marianne Haines** – 2018 Origin Foundation John Monash Scholar. Marianne will use the scholarship to undertake a PhD at the University of Calgary where she will specialise in energy bioengineering and photobioreactor technology. Marianne believes that effective science communication and engagement are critical to inspiring our next generation of scientists, especially young women who are underrepresented in STEM fields
- **Cora Best** – won the Marilyn Godley Scholarship for an Indigenous undergraduate student, hosted by Graduate Women Victoria.

What we are working on

1. Fostering a culture that is underpinned by evidence-based, data-driven approaches to improve quality and practice across all aspects of the student lifecycle, including face-to-face and online learning, administrative support services, and interactions with partners, peers and industry.
2. In partnership with student leaders, we embed principles of respect, safety and security across the La Trobe learning community.
3. Implementing a staff engagement and development strategy to promote good practice and scholarly, evidence-based course improvements that are recognised and rewarded.
4. Designing an innovative academic program, including an online program, that is relevant and responsive to the needs of students, industry and the community and that prioritises academic support to improve the progression and completion rates of all students.
5. Promoting a culture of sustainability, innovation, diversity and inclusion by recognising and rewarding educational champions of change and improvement.

Goal

To deliver a consistently high quality experience for all students.

2022 Target

La Trobe to be top 12 in Australia and top in Victoria for high quality student experience and learning outcomes (as measured by student success, retention and completion rates for all students; and the Student Experience Survey and Postgraduate Research Experience Questionnaire).

Student employability

Students come to La Trobe in search of an education that results in fulfilling career outcomes. Improving the employability outcomes of all our graduates – both for domestic or international students – is crucial to the University's future. It attracts outstanding students and contribute to deeper industry partnerships.

Employment outcomes for La Trobe students currently approximate national averages.¹ We have very strong results at our regional campuses where students benefit from our deep connections with local education and health services, and local industry, government and non-government agencies.

In an increasingly competitive and continually evolving labour market, we need to improve students' employment prospects by empowering them to develop the skills and capabilities that employers tell us will be important in the future workforce. A large proportion of today's graduates will change jobs up to 17 times in a lifetime, work part time, or hold multiple part-time jobs, which means that it will be critical for them to have broad, flexible work-relevant skills.

To work effectively in this complex environment, the La Trobe 'graduate of choice' will be equipped with the 'Essentials': a global mind-set, innovation and entrepreneurship, and sustainability thinking. We improve graduate research employability through co-creating courses with industry, such as the Industry PhD.

Increasingly, our students and alumni come to rely on La Trobe to provide a range of education and training opportunities to ensure their skills and qualifications remain current and relevant within the workplaces of the future.

La Trobe is a trusted talent adviser, offering life-long career management for students and alumni. This goes beyond 'careers advice' and empowers students to equip themselves with the skills they need before and after graduation. This includes topping up standard University qualifications with short cycle qualifications and provides a range of opportunities for developing new skills.

What we are working on

1. Developing:

- a stocktake of good student employability practices and outcomes to date
- a refreshed Graduate Capabilities statement that reflects contemporary capabilities such as entrepreneurship
- a plan to embed the Career Ready Advantage Capability Framework across La Trobe and our offerings through partner institutions
- employability capabilities, defined with industry and alumni input, that are embedded in all courses and include agreed targets in each College
- a program of targeted staff development to enable the integration of employability capabilities in the curriculum, building on existing good practice in Work Integrated Learning.

2. Partnering with employers and alumni to implement the Career Ready Advantage, focussing on industry-relevant skills (cognitive skills, flexibility, social intelligence and career management skills) and personal attributes (resilience, curiosity, passion and empathy).

3. Further developing and implementing our regional employability advantage strategy, aligned with key courses in the regions.
4. Make employability a central part of the concept of the 'La Trobe Graduate of Choice', incorporating a refreshed approach to the La Trobe Essentials.
5. We are recognised as a trusted talent adviser to identify and respond to emerging skills gaps in the new world of work by, for example, topping up standard University qualifications with short cycle qualifications.

Goal

To continually improve graduate employability outcomes.

2022 Target

La Trobe to be top 12 in Australia and top in Victoria for graduates in full time employment (as measured by the Graduate Outcomes Survey).

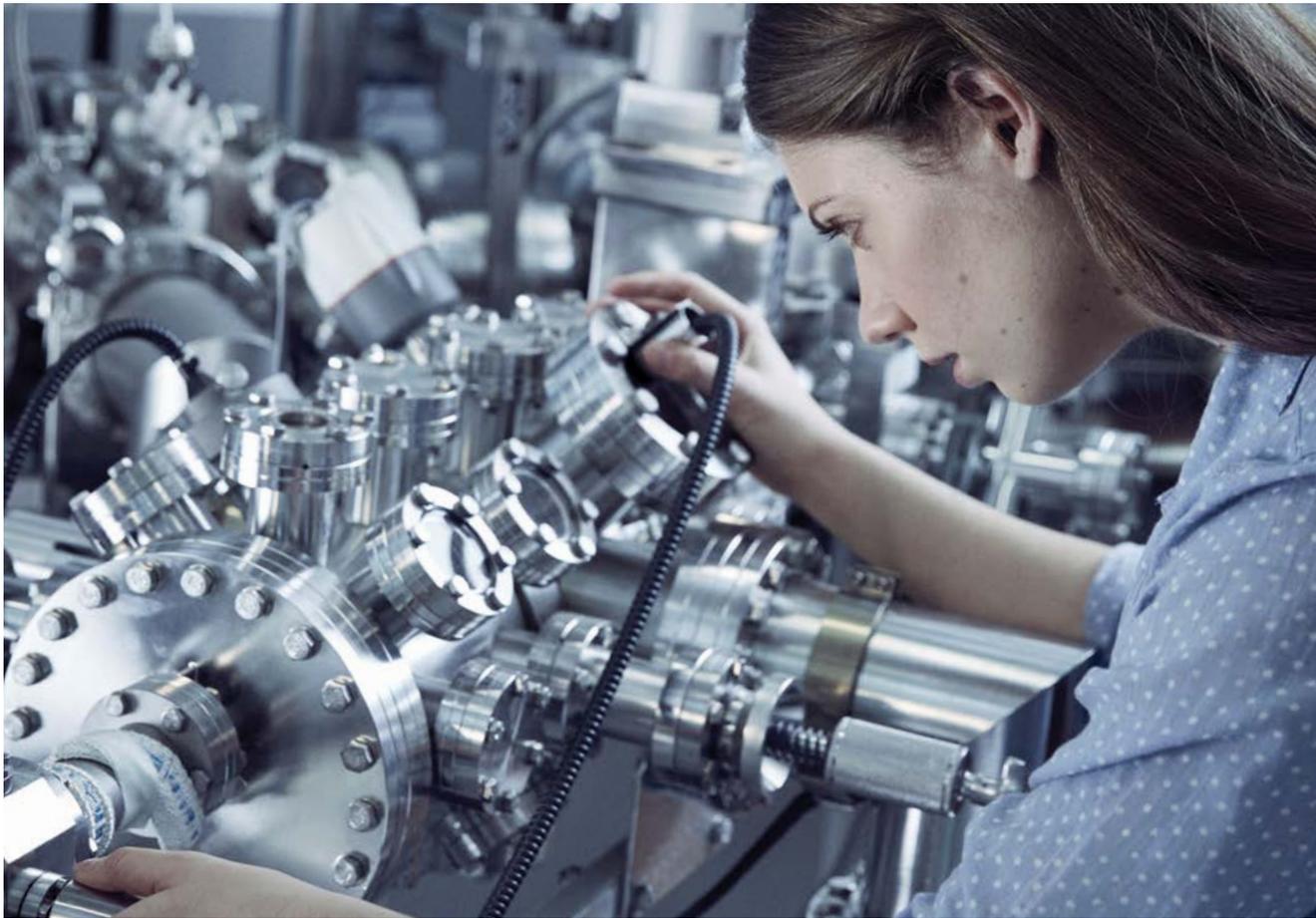
¹ In the Graduate Outcomes Survey, 68% of La Trobe's undergraduates who had completed their studies were in full-time employment in 2016 (compared with the national average of 71%). For postgraduate coursework, 85% of La Trobe's graduates were in full time employment in 2016 (compared with the national average of 85%).



Career Ready

- Over 6300 students actively engaged in the Career Ready Advantage Award
- 37 Outstanding academic staff named as La Trobe Employability Champions in recognition of their outstanding efforts to support student employability.
- Students participated in Work Integrated Learning Experiences through 311 subjects in 2018.
- Over 300 employers participated in on campus careers events across all campuses.
- Ranked 6th nationally for undergraduate overall employment in the medium Term (3+ years on GOS-L.)
- Lifetime Careers Support offered to all 200,000 alumni of the university
- Partnership with LinkedIn Learning provides free access to all our staff, students and alumni to the world largest professional development platform.

Research excellence



La Trobe has a proud record of globally recognised excellence in many of our disciplines. Maintaining our research reputation is essential to our future and is everyone's business.

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 and performance in sport exercise and rehabilitation; building equity, wellbeing and social inclusion in our communities; and creating a more just and sustainable future for human societies.

Our previous strategic plan, *Future Ready*, helped to focus our research efforts, and we are now seeing the results in new partnerships; increases in publications, citations and reputation; and a rising position in global rankings.

We have made great progress, but more needs to be done. The research environment remains intensely competitive and our rate of improvement will need to increase. We need to increase the number of researchers that are doing research that is of high quality, is reaching new audiences, and is making more of a difference locally and globally.

Competition and a constrained funding environment require us to be clever in how we deploy and coordinate our research effort.

We are continually concentrating on partnerships, collaborations, and opportunities with the highest potential to further develop and support researchers at all stages of their careers, and across all campuses.

We provide high quality research training and higher degree research student experiences, delivering efficient professional support services. We also minimise the administrative burden on researchers and graduate researchers, and provide easy access to transparent information to identify opportunities and evaluate progress.

Future Ready's goals were achieved by giving our staff targeted support. The next leap forward will require increases in research quantity and quality to gain greater international recognition. We have a successful record of local collaboration in research, and now is the moment to increase the level of international collaboration in our research effort.

Research excellence

This global perspective helps us to achieve greater influence and impact.

Our commitment to being the partner of choice also underpins our research success (see Unrivalled Partner of Choice on page 15).

What we are working on

- 1. Research culture** – fostering an aspirational, ambitious research culture, focused on achieving excellence. We are building a community of researchers who are astute, ethical and engaged with their communities. We are encouraging and developing connected researchers, from graduate researchers and candidates to leading researchers and research groups. We are developing our research talent here, as well as recruiting world class researchers. We are developing our support systems, staff and processes to reduce the administrative burden, releasing time for research. Our research culture is encouraging excellence and connection regardless of campus or partner location.
- 2. Integrated research support** – continuing to target investment in research via our Research Focus Areas (RFAs) and complementary schemes. Our RFAs have been very successful in driving multi-disciplinary research, and we are reviewing and refocusing the RFAs to deliver our strategic mission and vision. We continue to provide the appropriate incentives to align our efforts with our strategic goals. With focused investment, we are making a difference through research in critical areas of importance to develop sustainable communities, systems, cities and regions, and addressing the major issues of our times.
- 3. Engagement and impact** – ensuring our research makes a difference by working with our communities and partners, and by utilising the research expertise that exists on all our campuses. We are focusing on becoming the partner of choice.



Jenny Graves receives the Prime Minister's Prize for Science from Minister Michealia Cash and former Prime Minister Malcolm Turnbull. Credit: Prime Minister's Prizes for Science.

- 4. Equity and diversity** – fostering a culture of recruiting, developing and promoting staff and students from diverse backgrounds. We continue the Science Australia Gender Equity/ Athena Swan initiative to bring equity and diversity to all areas of research and research leadership. We have a system of support that is best practice in the higher education sector.
- 5. Regional research strategy** – further development and implementation of our regional research strategy, which outlines the areas of research focus for each of our campuses, the expectations we have of our staff, and the support we provide them.
- 6. Internationalisation** – increasing international collaboration to widen our sources of support, extending the reach and impact of our research, and broadening our base of research talent. We add to and nurture our existing international collaborations and provide incentives for international co-publication, co-supervision of graduate researchers, and co-funding of projects.

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.

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 and number 13 in Australia in Category 2-4 Research Income per capita, with the third fastest growth rate of this income in Australia³
- linked with TAFE institutions to deliver dual enrolment programs across our regions
- 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.

As a partner of choice we engage deeply with the end-users of our research to address industry and community needs. We work collaboratively to solve problems, co-create, and capture the value we create. We also consult with clients who can benefit from our expertise.

We 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.

We provide co-location opportunities on our larger campuses for industry partners. The development of our 42-hectare Research and Development Precinct at Bundoora provides a focus for industry and researchers to co-locate and collaborate in key areas of research strength such as agribusiness, data analytics 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** – We will co-fund a \$150M investment to bring world-class sporting facilities and infrastructure to the Melbourne Campus that uniquely combines research and education with community participation and elite sport.
- 2. Research and Innovation Precinct** We will transform 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 our 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.



Back-to-back grand final winning Melbourne City Football Club W-League team, long-term partners of La Trobe.

- 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, building on cutting-edge examples such as the autonomous bus and the smart campus initiative.
- 6. TAFE Partnerships** – Continuing to innovate through partnerships with TAFEs and other local organisations to provide unique education programs that meet the needs of under-served communities.

Goal

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

2022 Target

Double partnership revenue from research and education by 2022.³

³ Doubling of revenue will be from a baseline of 2017. In delivering this KPI, a number of management performance indicators have been identified, including: Category 2-4 Research Income; third party partnership revenue (as % of underlying revenue); Research Impact (ERA); research partner of choice (measured by HERDC research funding); proportion of HDR enrolments with 50%+ funding from industry; number of active alumni participating in mentoring programs; Category 3-4 income; and cornerstone partner on the Research and Innovation Precinct.

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 & Risk Committee

Corporate Governance and Audit Committee has been established to assist Council effectively discharging 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 review of findings into fraud and corruption issues
- **Risk** – ensure appropriate risk management framework and internal controls are in place
- **OH&S** – 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:

- Provide leadership to the Council in carrying out its responsibilities and functions under the *La Trobe University Act*
- 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
- Chair University Council meetings
- Serve 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.

Deputy Vice Chancellor (Academic)

- La Trobe Learning and Teaching with overall responsibility for the design, delivery, quality and evaluation of learning and teaching and assessment
- Student Success, including support for student transition, engagement and employability
- Indigenous Strategy and Education;
- Quality and Standards
- the Library
- La Trobe International, including the Confucius Institute
- La Trobe Online
- The Centre for Educational Equity and Diversity Research
- Public Scholarship
- Business Innovation.

Deputy Vice Chancellor (Research)

- Research Development
- Industry Engagement
- Research Services
- Graduate Research School
- La Trobe Asia
- Research Focus Areas

Vice President (Administration)

- College Support
- Customer Experience

- Community Engagement
- Human Resources
- Infrastructure & Operations
- Marketing & Recruitment
- Planning & Governance
- Finance

Vice President (Development)

- City of the Future

Chief of Staff

- Operational, Strategy & Policy Support to VC
- Alumni and Advancement
- La Trobe Art Institute

Pro-Vice Chancellor (SHE)

- School of Allied Health
- School of Engineering & Mathematical Sciences
- School of Life Sciences
- School of Molecular Science
- School of Nursing & Midwifery
- School of Psychology & Public Health
- La Trobe Rural School
- College Coursework, Academic Partnerships & Research
- College Executive group & professional staff

Pro-Vice Chancellor (ASSC)

- La Trobe Business School
- School of Education
- School of Humanities & Social Sciences
- La Trobe Law School
- Centre for China Studies
- Centre for Study Inland
- Charles La Trobe University
- College Coursework Academic Partnerships & Research
- College Executive Group & Professional Staff

Pro-Vice Chancellor (Regional)

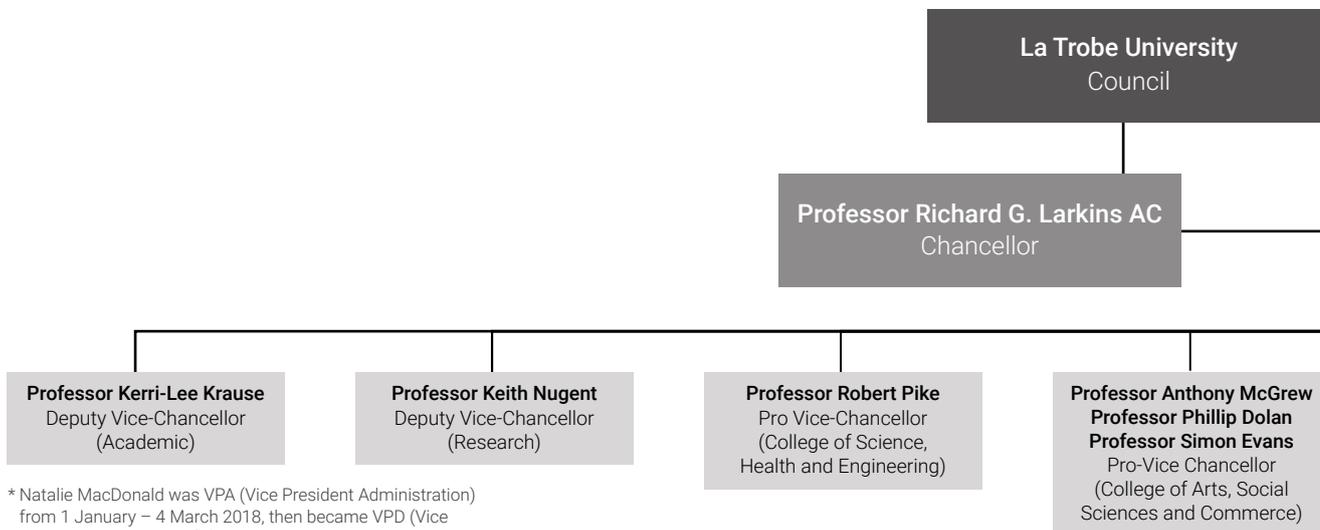
- Albury/Wodonga, Bendigo, Mildura, and Shepparton campuses
- Community engagement
- Regional Research

Chief Financial Officer

- Leading and directing financial planning, strategy, policy and accountability
- Providing quality and efficient financial services to the organisation

Organisational chart

Senior Officers 2018



* Natalie MacDonald was VPA (Vice President Administration) from 1 January – 4 March 2018, then became VPD (Vice President Development) from 5 March onwards. Robyn Harris was Acting VPA from 5 March – 30 June 2018, then VPA from 1 July – 31 December 2018.

University Council membership

Professor Richard G Larkins AC

Ex Officio (Chancellor)

Governor-in-Council appointment (concluded 27/2/2017)

Appointed to Council: 14/10/2014

Appointed Chancellor: 28/2/2017

Member of all Council sub committees

Professor John Dewar

Ex officio (Vice Chancellor)

Commenced as Vice-Chancellor in January 2012.

Member of all Council sub committees

Professor Christine Bigby

Ex officio (Chair, Academic Board)

Elected from 1 March 2016.

Re-elected 28 Feb 2018 – 28 Feb 2020

Member of Finance and Resources Committee, Infrastructure & Estates Committee

Mr Peter McDonald

Council appointment

Appointed to Council: 10/09/2012

Reappointed to Council: 01/01/2018

Chair Finance and Resources Committee
Member Corporate Governance & Audit Committee

Mr Adam Furphy

Council appointment

Appointed to Council: 13/02/2017

Member Foundation Board

Ms Christine Christian

Council appointment

Appointed to Council: 13/02/2017

Chair Corporate Governance Audit & Risk Committee (part year)
Member (full year)

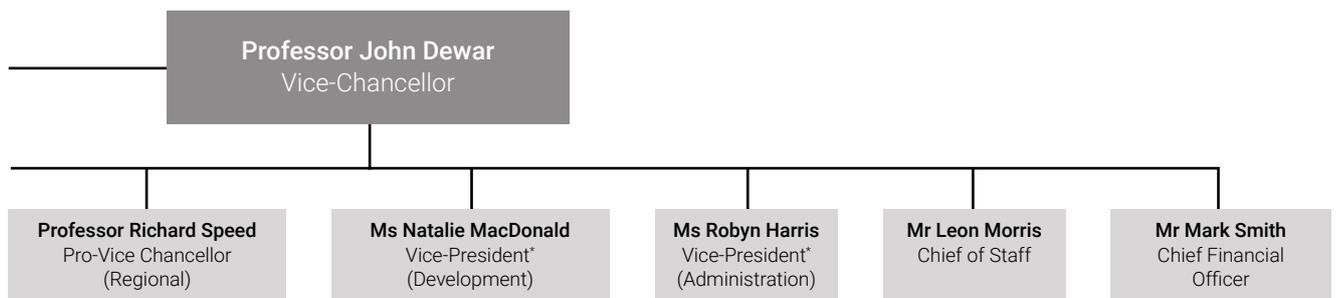
Dr Philip Moors AO

Council appointment, Deputy Chancellor

Appointed to Council: 01/03/2013

Reappointed to Council: 01/01/2016

Chair Infrastructure & Estates Committee
Member Nominations Committee



**Professor Edwina Cornish
AO**

Council appointment

Appointed to Council: 10/07/2017

Member Human Resources Committee

Ms Margaret Burdeau

Ministerial appointment

Appointed to Council: 04/04/2017

Member Corporate Governance Audit & Risk Committee & Infrastructure & Estates Committee (part year)

Mr Andrew Eddy

Governor in Council Appointment, Deputy Chancellor

Appointed to Council: 19/10/2010

Reappointed: 21/01/2016

Chair Human Resources Committee
Member Finance & Resources Committee & Nominations Committee

Ms Deborah Radford

Governor in Council appointment, Deputy Chancellor

Appointed to Council: 14/10/2014

Reappointed to Council: 12/04/2017

Chair Corporate Governance & Audit Committee (part year)
Chair Foundation Committee
Member Finance & Resources Committee & Nominations Committee

Ms Yvonne von Hartel

Governor in Council appointment

Appointed to Council: 14/10/2014

Re appointed to Council: 12/04/2017

Member Infrastructure & Estates Committee & Nominations Committee

Commissioner Michael Gay

Governor in Council appointment

Appointed to Council: 02/05/2017

Member Human Resources Committee & Infrastructure & Estates Committee (part year)

Mr Dean D'Angelo

Elected student member

Appointed to Council: 1/01/2018 to begin 31/12/2018

Dr Jillian Murray

Elected staff member

Appointed to Council: 12/09/2016

Member Human Resources Committee (part year)

Operating framework

Governance and accountability

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

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

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

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

Relevant minister

The responsible minister in the Victorian Government during 2018 was the Minister for Training and Skills and the Minister for Higher Education, the Hon. Gayle Tierney MP.

The role of the Minister for Finance was abolished effective 29 November 2018, and responsibilities allocated to the Assistant Treasurer. Please note, where we have made reference to the Minister for Finance in this Annual Report, this change must be taken into account.

Objectives, functions, powers and duties

Objectives

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

- (a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard

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

Powers and duties

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

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

La Trobe's Code of Conduct

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

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

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

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

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

Trust and respect

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

We will:

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

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

We will:

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

Honesty and fairness

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

We will:

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

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

We will:

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

About the Code

La Trobe University:

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

Key statistics

Students	2015	2016	2017	2018
Total students (persons)	35,718	37,056	38,639	39,215
Commencing enrolments	14,611	15,638	15,578	15,124
Rural/remote *	8,702	8,883	8,795	8,841
Non-English speaking background *	817	801	838	763
Low socio-economic status *	5,439	5,754	5,824	6,033
Students with a disability *	1,979	2,133	2,254	2,360
Indigenous *	242	232	281	296
Student load (EFTSL)				
Total student load (includes International)	27,971.9	28,824.1	29,586.1	29,567.2
Undergraduate	22,547.9	23,351.3	24,217.2	24,066.0
Postgraduate coursework	4,353.5	4,441.2	4,360.0	4,540.9
Research higher degree	1,070.5	1,031.7	1,008.9	960.3
International	5,940.2	6,388.0	6,764.1	7,138.0
Work contract (FTE)				
Full-time staff	1,888.0	1,994.0	2,187.0	2,170.0
Part-time staff	450.7	477.5	512.3	536.4
Casual staff	748.9	611.4	546.9	501.7
Classification (FTE)				
Academic	1,488.3	1,370.2	1,435.4	1,474.1
Professional	1,599.4	1,712.6	1,810.8	1,734.0
Gender (persons)				
Female	4,117	4,649	4,340	4,259
Male	2,427	2,577	2,561	2,421
Function (FTE)				
Teaching only	449.4	168.3	322.1	316.2
Research only	233.7	243.4	297.1	317.0
Teaching and Research	744.6	750.3	812.3	836.8
Other	1,659.9	1,920.7	1,814.8	1,738.0
Teaching and Learning Performance				
Market share of Victorian Tertiary Admission Centre first preferences	12.1%	12.3%	11.8%	11.7%
Retention rate [^]	80.3%	78.8%	78.3%	Available Q4 2019
Overall graduate satisfaction (% agreement) (Course Experience Questionnaire) [^]	La Trobe: 78.4% National: 83.4%	La Trobe: 74.0% National: 80.6%	La Trobe: 74.2% National: 79.4%	La Trobe: 76.0% National: 79.7%
Percent of graduates in full time employment (Graduate Destination Survey) [^]	La Trobe: 65.9% National: 68.8%	La Trobe: 67.9% National: 70.9%	La Trobe: 70.7% National: 71.8%	La Trobe: 68.8% National: 72.9%
Percent of graduates in full time study (Graduate Destination Survey) [^]	La Trobe: 21.0% National: 19.7%	La Trobe: 23.3% National: 21.8%	La Trobe: 20.2% National: 20.7%	La Trobe: 19.3% National: 19.4%
Research Performance				
Research income (Higher Education Research Data Collection)	\$70,003,868	\$70,749,490	\$73,872,095	Available Q4 2019
Research publications (Higher Education Research Data Collection equivalent, count) [‡]	2,426	2,755	2,524	Available Q4 2019
Research higher degree load (EFTSL)	1,070.5	1,031.7	1,008.9	960.3
Research degree completions	205	202	221	239

Notes

EFTSL Equivalent full-time student load

FTE Full-time equivalent

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

[†] Methodology change resulted in minor variations in commencing enrolments figures

* Includes domestic students only

[^] The Federal Government Department of Education and Training introduced a New Normal Retention Rate calculation in publications distributed in 2017, also now expressed as a percentage

[^] The Graduate Outcomes Survey figures are final 2014 to 2017 and 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 2017 – December 2018

	December 2017						December 2018							
	All employees			Fixed term and casual			All employees			Fixed term and casual				
	Number (Headcount)	FTE	Ongoing	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE	Ongoing	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
Gender														
Women Executives	35	34.8	10	1	11.0	24	23.8	39	38.7	10	3	12.9	26	25.8
Women (total staff)	4,340	1,958.2	930	395	1193.1	3,074	765.1	4,259	1,965.9	919	389	1,181.1	3,017	784.9
Men Executives	50	49.8	19		19.0	31	30.8	48	48.0	15		15.0	33	33.0
Men (total staff)	2,561	1,288.0	730	98	794.3	1,746	493.7	2,421	1,242.2	673	83	729.3	1,677	512.9
Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Age														
15-24	920	125.9	12	2	12.9	910	113.0	855	122.2	16	3	17.8	840	104.4
25-34	1,822	695.8	258	50	290.7	1,523	405.1	1,769	668.2	233	57	271.2	1,493	397.1
35-44	1,602	942.9	507	154	607.0	966	335.9	1,568	928.0	497	139	587.9	960	340.2
45-54	1,288	814.3	484	150	588.0	674	226.3	1,310	835.9	459	154	567.8	714	268.2
55-64	960	580.8	360	115	436.6	499	144.2	931	566.2	347	99	413.3	499	152.9
Over 64	309	86.4	39	22	52.2	248	34.2	247	87.4	40	20	52.4	188	35.0
Total employees	6,901	3,246.2	1,660	493	1,987.4	4,820	1,258.8	6,680	3,208.0	1,592	472	1,910.4	4,694	1,297.7

Note: The 2017 figure reported in the 2017 Annual Report differs due to or as a result of timing and figure rounding differences.

Human resources

To support the achievement of the La Trobe University Strategic Plan 2018-2022, a Human Resources (HR) Strategy was launched in 2018. Framed by the University's strategic priorities of 'Our People' and 'Our Culture' and drawing on staff feedback, the four priorities of the HR Strategy are: Our People, Our Leaders, Our Performance and Our Culture. A key outcome of the HR Strategy is to position La Trobe as an employer of choice. Some HR focus areas during 2018 are outlined below.

Culture, Diversity and Inclusion

Human Resources has worked in partnership with the University to lead the design and delivery of key strategic plans which include the 2018-2022 Culture Strategy, Diversity and Inclusion Plan and the Gender Equality Blueprint. In addition, the University has again been awarded the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOGE) citation.

The Culture Strategy was supported in its implementation through an innovative program of work across the University that embedded the La Trobe University Cultural Qualities through The Way We Work – a behaviours role modelling program.

Gender Equality initiatives included research on the La Trobe University approach to workplace flexibility and parental leave through the 2018 Working out Work survey and finalisation of the SAGE Athena Swan application for submission for Bronze medal accreditation. The University also launched transgender transition guides and gender-neutral language information educative materials in support of gender diversity for our staff and students.

Leadership & Capability

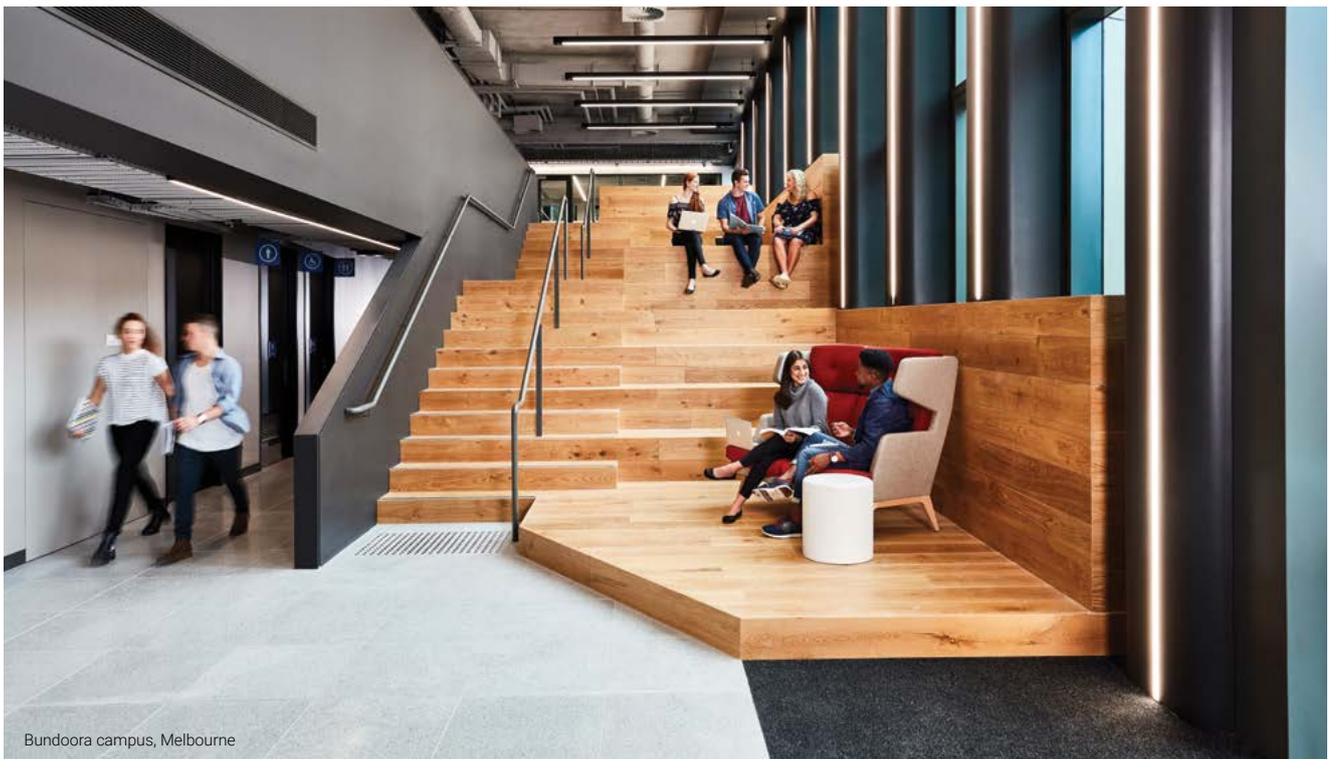
Over 2018 the HR Division implemented a range of development programs to build staff capability and cultivate courageous leaders who live the cultural qualities and work collaboratively to guide their teams towards La Trobe's vision. A total of 720 participants took part in 62 initiatives such as Leadership Foundations, Team Communication, Navigating Complexity and Emotional Intelligence for Senior Leaders.

Academic Workload Planning

A new model for Academic Workload Planning (AWP) was implemented in line with the 2018 Collective Agreement. This new model has been designed to improve the way we recognise and allocate workload by providing greater transparency in the calculation and reporting of workloads. To support the implementation of this model, new AWP guidelines and parameters were established, with targeted training provided to Heads of School and Heads of Department.

Collective Agreement 2018

During 2018, HR continued to realise achievements from the Collective Agreement 2018 by moving to implement initiatives in line with the University's Strategic Plan. Amongst these initiatives are a refreshed and streamlined change management approach, better ways of recruiting talent into the University and smooth implementation of all salary increases and entitlements provided by the Collective Agreement.



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 (AIMS). 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 on active prevention through improved risk management practises, improved data gathering and reporting and the delivery of targeted programs to continue building resilience.

Entity statement for 2018

- Number of reported hazards for the year per 100 full time equivalent staff members is 5.3 Number of reported incidents (all categories) for the year per 100 full time equivalent staff members is 14.7
- The number of lost time standard claims for the year per 100 full time equivalent staff members is 0.15
- The average cost per claim for the year (including payments to date and an estimate outstanding claim costs) is \$73,573
- There are no reported fatalities

Equivalent data for 2017

- Number of reported hazards for the year per 100 full time equivalent staff members is 6.0 Number of reported incidents (all categories) for the year per 100 full time equivalent staff members is 13.5
- The number of lost time standard claims for the year per 100 full time equivalent staff members is 0.30
- The average cost per claim for the year (including payments to date and an estimate outstanding claim costs) is \$64,188
- There are no reported fatalities

Equivalent data for 2016

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

Indemnity Details

Professional Liability: The University maintains Professional Liability cover for its Council Members and senior officers through UniMutual Limited: AFS Licence Number 241142. The protection period is 1 November 2017 to 31 October 2018 (LTU 18 PL) and 1 November 2018 to 31 October 2019 (LTU 19 PL). The University retains the first \$100,000 for each and every claim, with cover limited to \$30,000,000 for each and every claim but limited to \$120,000,000 in the aggregate for the protection period (the \$120,000,000 aggregate is a combined single limit across professional liability, malpractice and general clinical trials). Extension to the standard cover is endorsed for infringement of rights of intellectual property or breach of confidentiality.

Directors and officers liability protection

The University maintains Directors & Officers liability protection for its Council Members and senior officers through Chubb Insurance Company of Australia (AFS Licence Number 239778). Cover has been in place with this provider since 1 November 2011. The protection period is 31 October 2017 to 31 October 2018 (Policy Number 93306133) and 31 October 2018 to 31 October 2019 (Policy Number 93306133). The University retains the first \$20,000 for each and every claim. Cover is limited to \$20,000,000 for any one claim and \$20,000,000 in the aggregate for the period of cover

Sustainability reporting

Indicator	Unit	Total Data 2018	Total Data 2017	
Energy				
E1	Total Energy Usage Segmented by Primary Source (including GreenPower)	Megajoules	412,578,830.96	594,779,939.30
	Natural Gas	Megajoules	259,691,120.00	503,057,479.30
	Purchased Grid Electricity	Megajoules	148,144,400.00	89,052,480.00
	Renewables (Onsite Solar PV)	Megajoules	3,997,410.96	1,717,660.0
	Stationary Diesel	Megajoules	109,200.00	389,600.00
	Stationary LPG	Megajoules	636,700.00	562,720.00
E2	Greenhouse Gas Emissions Associated with Energy Use, Segmented by Primary Source and Offsets	tCO ² -e	63,001.88	57,263.97
	Natural Gas	tCO ² -e	14,394.68	27,884.50
	Purchased Grid Electricity	tCO ² -e	48,558.30	29,316.80
	Stationary Diesel	tCO ² -e	8.05	26.52
	Stationary LPG	tCO ² -e	40.85	36.15
E3	Percentage of Electricity Purchased as Green Power	% of total electricity consumption	0%	0%
E4	Units of Office Energy Used (Megajoules per FTE/EFTPL)	FTE	24,997.40	29,377.06
		EFTPL	2,446.79	2,884.64
E5	Units of Office Energy Used per Unit of Office Space	Megajoules/m ²	1,315.23	2,028.97
Waste				
Ws1	Total Units of Waste Disposed of by Destination	Kilograms	2,789,335.40	2,088,488.00
	Landfill (Inc. C&D waste)	Kilograms	1,954,120.90	1,637,438.90
	Commingled Recyclables	Kilograms	307,190.00	139,670.00
	Paper/Cardboard Recyclables	Kilograms	198,980.00	136,291.00
	Metal Recyclables	Kilograms	26,160.00	18,510.00
	E-Waste Recyclables	Kilograms	11,610.00	3,560.00
	Printer Toner Cartridge Recyclables	Kilograms	Inc. in E-Waste Recyclables	599.10
	Fluorescent Tube Recyclables	Kilograms	8,040.00	4,540.00
	Furniture Recyclables	Kilograms	NA	1,469.60
	Chemical Waste Recyclables	Kilograms	9,454.50	10,979.40
	Green Waste Recyclables	Kilograms	272,640.00	76,480.00
	Grease Trap/Triple Interceptor Recyclables	Kilograms	NA	28,550.00
	Battery Recyclables	Kilograms	1,140.00	190.00
	White Goods (Fridge/Freezer) Recyclables	Kilograms	Inc. in E-Waste Recyclables	1,000.00
	Organic Recyclables	Kilograms	6,900.00	10,090.00
	Polystyrene Recyclables		2,030.00	520.00
	Timber Recyclables	Kilograms	5,480.00	16,510.00
Ws2	Units of Office Waste Disposed of (kg per FTE/EFTPL by destination)	FTE	169.00	103.15
		EFTPL	16.54	10.13
Ws3	Recycling rate	% of total waste	30%	22%
Ws4	Greenhouse Gas Emissions associated with waste disposal	tCO ² -e	2,344.95	1,964.93

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.

Indicator		Unit	Total Data 2018	Total Data 2017
Paper				
P1	Total units of A4 Equivalent Copy Paper Used	Reams	26,122.5	27,677.0
P2	Units of A4 Equivalent Copy Paper Used (Reams per FTE/EFTPL)	FTE	1.58	1.37
		EFTPL	0.15	0.13
P3	Percentage of Recycled Content of Copy Paper Purchased	%	98%	99%
Water				
W1	Total Units of Metered Water Consumption by Water Source	Kilolitres	401,441.21	356,862.53
	Potable Water	Kilolitres	312,214.60	303,970.85
	Recycled Water	Kilolitres	3,955.76	3,707.82
	Recycled Water	Kilolitres	85,270.85	49,183.86
W2	Units of Metered Water Consumed in Offices (Kilolitres per FTE/EFTPL)	FTE	24.32	17.63
		EFTPL	2.38	1.73
Transportation				
T1	Total Energy Consumption Segmented by Vehicle Type	Megajoules	6,021,600.00	6,286,687.00
	Diesel	Megajoules	2,573,600.00	2,616,707.00
	ULP	Megajoules	3,446,300.00	3,619,040.00
	LPG	Megajoules	1,700.00	32,940.00
T2	Total Vehicle Travel Associated with Entity Operations Segmented by Vehicle Type	Kilometres	2,093,813.13	2,245,717.00
	Diesel	Kilometres	833,416.63	847,379.00
	ULP	Kilometres	1,259,594.00	1,371,460.50
	LPG	Kilometres	802.50	26,877.50
T3	Total Greenhouse Gas Emissions from Vehicle Fleet Segmented by Vehicle Type	tCO ² -e	480.65	457.02
	Diesel	tCO ² -e	190.70	193.92
	ULP	tCO ² -e	289.85	259.50
	LPG	tCO ² -e	0.10	3.60
T4	Greenhouse Gas Emissions from Vehicle Fleet per 1,000km Segmented by Vehicle Type	tCO ² -e/1,000km	0.23	0.21
	Diesel	tCO ² -e/1,000km	0.23	0.23
	ULP	tCO ² -e/1,000km	0.23	0.19
	LPG	tCO ² -e/1,000km	0.14	0.14
T5	Total Distance Travelled by Air	Kilometres	28,384,938.60	33,503,508.28
T6	Employees regularly (>75% of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home by locality type.	% of total employees	32%	32%
Greenhouse Gas Emissions				
G1	Total Greenhouse Gas Emissions Associated with Energy Use	tCO ² -e	63,001.88	57,263.97
G2	Total Greenhouse Gas Emissions from Vehicle Fleet	tCO ² -e	480.65	405.29
G3	Total Greenhouse Gas Emissions from Air Travel	tCO ² -e	6,306.90	7,455.68
G4	Total Greenhouse Gas Emissions Associated with Waste Disposal	tCO ² -e	2,344.95	1,964.93
G5	Greenhouse Gas Emissions Offsets Purchased	tCO ² -e	6,841.55	7,914.00

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 2017 Data

Amendments have been made to some 2017 data where more complete data sets have become available since the figures were originally collated.

Sustainability reporting

Energy

Having achieved relatively modest energy reductions in 2016 and 2017, the 2018 usage profile shows a significant 31% decrease overall. This is the result of a number of factors, including the cogeneration plant being decommissioned and the focus and investment in energy efficiency and solar projects starting to yield results.

Further significant investment in solar photovoltaics (PV) on our regional campuses has seen the University increase to 3,135 individual panels, yielding a total generating capacity of 806 kWp or 3,997,410.96 MJ generated, which represents a 57% increase in electricity generated by renewables since the last reporting period. These regional systems are now generating between 5-33% of individual campus needs.

There was a decrease in Stationary Diesel in 2018 as a result of the landscaping function being outsourced, and LPG saw a further increase on 2017 levels due to continued usage of a backup chiller in one area of the campus. Although significant in their own right, these factors do not impact the overall energy result in a major way.

With the cogeneration plant being retired, there was an expected reduction in gas usage and increase in grid sourced electricity. These results were 48% and 66% respectively, which despite the positive results in overall usage have a negative effect by increasing our emissions profile for the year.

An energy strategy for the organisation was completed in 2018 to inform a more comprehensive approach to energy avoidance, security, efficiency and alternative technologies and the approach to this will result in further significant work in this area in the coming years.

Waste

Waste is showing a further increase of 34% compared to 2017 data. Similar to reporting in 2017, this significant change in results is believed to be attributable to improved service inclusions and data collection in our new cleaning and waste contract. The contract commenced in 2017 and these 2018 results reflect the first full year of data under this arrangement.

Within this increase, we are seeing some good trends emerge on the recycling side, achieving an overall recycling rate of 30%. Although overall waste generation is greater, and the landfill component of this is up by 19%, we are diverting more from landfill. 2018 data shows commingled recycling up by 55% and there are similar good trends for Paper/Cardboard, Metal and E-Waste with these showing 32%, 29% and 69% increases respectively.

If this data remains consistent or improves through the next reporting period, the University will be on track to meet its 2022 recycling target but will still need to improve significantly to meet the landfill reduction target of 40%.

Organic food collection has been integrated as part of the new service but there is more work to do here to improve the systems and educate tenants about the importance of separating these materials from general waste. The Infrastructure & Operations Division will be working together with tenants on this to achieve improvements.

Green waste has also been integrated into the new contract and has seen a 72% improvement on the 2017 period with 272,640 kg diverted. This success can be attributed to clear

process through one landscape provider and suitable space and infrastructure in place to support better management of this waste stream.

As can be seen above, most recycling streams are improving but the University still has work to do to reduce overall waste generation and the landfill component in particular. Campaigns and initiatives to encourage staff and students to avoid waste will be the main focus here.

Paper

The University continues to do well on paper reduction with an overall reduction of 6% on the significant 2017 result of 24%. These results are attributable to ongoing changing behaviours around on-screen reading and the new printer system rolled out across the University.

Despite the reduction in overall usage to 26,122.5 reams, due to slight reductions in staff and student load this year the FTE and EFTPL usage figures are higher than in 2017 at 1.58 kg/FTE and 0.15kg/EFTPL.

The amount of 100% postconsumer recycled content paper purchased and used has decreased slightly from 99% to 98% this year.

Water

Overall water usage is up this year, but this is largely attributable to an increase in surface water extracted from the University moat system, under licence from Melbourne Water. This is showing an increase of 42% reflecting the better metering now in place here.

Potable and recycled water usage is up slightly by 3% and 6%. These trends will need to be monitored to see if they are reflective of less efficient practices or attributable to metering and data improvements.

Transport

Vehicle related impacts continue to improve as the fleet is transitioned to petrol and hybrid cars. 2018 has seen a reduction in fuel usage for diesel, petrol and LPG and an overall decrease in kilometres travelled reflecting a 7% improvement here.

Air travel is showing a reduction of 15% this year. The travel booking system introduced in 2017 is likely to still be impacting results here. This will need to be further monitored next year to see what the ongoing trend is.

Staff travelling to work by sustainable means remains consistent at 32% for 2018. Improvements to public and active transport options are being pursued by the University to help achieve our target of reducing single-occupant vehicle travel.

Greenhouse Gas Emissions

Energy emissions have increased by 10% this year. Despite some good results on energy reduction as a whole, the decommissioning of the cogeneration plant has resulted in increased grid electricity use which is more emissions intensive than gas and has had a negative impact on the organisational profile overall. Ongoing efficiency gains and the new energy strategy should start to correct this upward trend in the coming years.

Risk management **statement**



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MELBOURNE CAMPUSES
Bundoora
Collins Street CBD
Franklin Street CBD

REGIONAL CAMPUSES
Bendigo
Albury-Wodonga
Mildura
Shepparton

21 March 2019

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 1st January 2018 to 31st December 2018 and complies with the Victorian Government Risk Management Framework.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Ramage'.

Paul Ramage
Executive Director Planning
& Governance
La Trobe University

A handwritten signature in black ink, appearing to read 'John Dewar'.

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 2018, the University received 12 applications under the Victorian FOI legislation.

Of these applications, three were provided with the full documents requested, three were provided in part with edited documents which withheld personal information that did not pertain to the applicant, three discontinued their application and one application had information released outside of the FOI process.

Information privacy

Privacy and Data Protection Act 2014

During 2018, the University received five privacy complaints under the Privacy and Data Protection Act 2014 (Victoria).

Whistleblowers, grievances and complaints

Investigation of Complaints

The Ombudsman Statute 2009 empowers the University Ombudsman to conduct mediations and investigate grievances and complaints by staff and students.

The Ombudsman is not subject to the direction of the University Council or the Vice-Chancellor.

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

The Ombudsman usually receives complaints only after a party 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 2018, the Ombudsman dealt with 245 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. The University complied with all provisions of the *Building Act 1993* In 2018, the I&O Division delivered 32 projects that were valued over \$50,000 each and included:

- 2 major projects including refurbishment and services upgrades
- 5 capital projects comprising of refurbishments and engineering upgrades
- 15 capital maintenance projects comprising of engineering upgrades, building services upgrades and sustainability project
- 10 minor works projects comprising of refurbishments

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

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

I&O is independently audited by internal and external customers to ensure compliance with legislation obligations.

Mechanisms are in place for continual inspecting, reporting, scheduling, rectifying and maintaining existing buildings.

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

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 (commonly known as 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

Compliance with *Carers Recognition Act 2012*

We have taken all practicable measures to comply with our responsibilities under Victoria's *Carers Recognition Act 2012*. We have promoted the principles of that Act by maintaining and promoting optimal carer's leave and flexible working policies enabling carers to balance work and their carer role. All staff receive orientation and ongoing training in appropriate, respectful and non-discriminatory workplace conduct. All staff, and family of staff, are offered counselling services through the University's Employee Assistance Program and Staff Wellbeing Program.

Key initiatives and projects undertaken by the University

Project Name	Total Project Budget \$000s	2018 Actual Spend \$000s
Backlog liability audit priorities 2018 Minor maintenance works focusing on hazardous materials removal, installation of new carpet, and repainting.	5,250	97
Biological Sciences 1 123-126 Exercise Science training lab Converted 2 existing wet labs into Exercise Science program training labs.	884	500
BMS, AHU and pump VSD optimisation The installation of Air handling Units and Variable Speed Drives.	815	584
Cogen-Attenuation Project Decommissioning of the Cogeneration Plant.	7,413	1,781
David Myers Building Refurb Student Services Refurbishment of existing space, enable the Student Services Team to collocate in a single area, and free up space in other areas of the University for further development.	1,971	1,071
La Trobe Secure The continued installation of CCTV cameras and access control throughout various spaces including residential colleges and teaching spaces. Various upgrades to CCTV throughout Melbourne Campus.	2,663	455
Large Scale Solar Installation of 101kWp solar carport at Albury-Wodonga Campus.	1,494	252
Library Roof Repair Removal and replacement of existing roof, gutters and stormwater infrastructure where applicable, temporary removal, storage and stocktake of the current reference stock and design of a staged refurbishment of Level 3.	4,600	3,721
Physical Sciences 1 SEMS L2 Cisco Lab Conversion of office space on level 2 of Physical Sciences 1 building into a new CISCO Lab and the refurbishment of several offices.	1,647	1,644
Secure External Lighting (Stage 1) Upgrade of public lighting on its Melbourne Campus.	4,846	2,663
Secure Uni Ops Centre Construction of a new University Operation centre, which includes new Incident Room and the relocation of University Security Control Room.	1,776	446

External reporting obligations

La Trobe University consultants 2018

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 2018:

- There were 72 separate consultancy agreements in 2018 over \$10,000 totalling \$5,130,751 (ex. GST).
- The website location to view details of 2018 consultancies over \$10,000 is: latrobe.edu.au/council/resources
- There were 22 separate consultancy agreements in 2018 under \$10,000 totalling \$95,447 (ex. GST).

Statement on compulsory non-academic fees, subscriptions and charges

Tertiary Education (Amendment) Act 1994

Compulsory Fees
Student Services and Administration Fee – 2018

Study Load	2018	2017
Albury-Wodonga Campus		
Full-time	\$298	\$294
Part-time	\$229	\$220
Bendigo Campus		
Full-time	\$298	\$294
Part-time	\$229	\$220
Bundoora Campus		
Full-time	\$298	\$294
Part-time	\$229	\$220
City campus		
Full-time	\$298	\$294
Part-time	\$229	\$220
Mildura Campus		
Full-time	\$298	\$294
Part-time	\$229	\$220
Shepparton Campus		
Full-time	\$298	\$294
Part-time	\$229	\$220

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 – 2018

Campus	\$
Albury-Wodonga	132,373
Bendigo	1,117,370
Bundoora	6,727,932
City	277,283
Mildura	110,008
Shepparton	111,964
Sydney	131
Total	8,477,061

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 – as at 18 October 2018

Significant Commercial Activity	Bendigo Surplus Property Divestment	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
<p>Council approval under section 8(3)(h) of the Act and significant commercial activities of controlled entities.</p>	<p>Council approved that the Bendigo Surplus Property Divestment PCG commence divestment of 11 properties in Friswell Ave Flora Hill, 32 Garsed Street Bendigo and 131 Edwards Road Flora Hill. 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 & 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 authorized the sale of property not less than valuations of Lot 1 (land) \$1,260,000; Lot 3 (land) \$1,630,000; and Lot 2 (building and land) \$2,030,000.</p> <p>Hesse Estate 5 Friswell Avenue Council meeting No.479 held on 30 July 2018 approved the sale of the property to Oakbridge Developments for \$2.8M. Settles 31 Oct 18.</p>	<p>Victoria Police (R&D Park - former VABC) Council approved the proposed lease to Victoria Police (Meeting 441, 15 September 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. Option exercised and expires 30 Nov 21. Further option available to 30 Nov 2025. The reviewed commencing rental is \$1,270,687 p.a.</p>	
<p>Other commercial activities considered sufficiently important or of interest</p>			<p>Note: The Guidelines were Gazetted in early 2011 in accordance with Part 6 of the La Trobe University Act 2009. A number of Commercial Activities (Leases) were transacted prior to that date.</p> <p>These include:</p> <ul style="list-style-type: none"> • Optus Tower, Melbourne, Expiry 2024, passing rent \$24,045. • Telstra Tower, Melbourne, Exp 2025, passing rental \$20,000 • Optus Tower II, Melbourne, Expiry 2019, passing rental \$24,950 • Optus Tower, Wodonga, Expires 2025, passing rental \$12,410 <p>Other:</p> <ul style="list-style-type: none"> • Telstra Tower, Mildura, Expires 2023, passing rental \$16,000.

Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
<p>Healthscope (ACN108807370 Pty Ltd)</p> <p>Council approval to four year lease commencing 7 July 2015 (Meeting 445 - 15 December 2014). Commencing rental \$208,000. Companion agreements executed to operate concurrently include Education Agreement and Facilities Management Agreement.</p>			
<p>Ivanhoe Grammar School Terraces 1 & 2, Agreement for Lease; 10 years (from PC) with 2 options of 5 years, \$50,000 p.a.</p>	<p>LUMC</p> <p>Lifecare Physiotherapy – 1 Jul 15 4 yrs \$35,000 p.a.</p> <p>La Trobe Pharmacy – 1 Jul 15, 4 yrs, \$60,000 p.a.</p> <p>Melbourne’s Northern Economic Wedge Inc – 1 Feb 16, 3 yrs, \$16,000 p.a. net of subsidy</p> <p>Cornerstone Computing P/L - 14 Feb 18, 2 yrs \$44,585 p.a.</p> <p>Ecowise P/L - 30 Sept 2018, 1 yr, \$71,309 p.a.</p> <p>Hexima & (sub-Licence to CANN Group), Glasshouse RD4B - 10 Dec 2018, 10 years, nil rent.</p>	<p>Department of Economic Development, Jobs, Transport & Resources (DEDJTR), Glasshouse RD4A - 1 August 2016, 3 years, \$126,668 p.a.</p> <p>Jersey Aust. - 10 Apr 17, 5 mths & overholding, \$923 pcm</p> <p>Specialisterne Centre Aust - 1 Aug 17, 1 yr, \$11,436 p.a.</p> <p>Synergy Prosthetics - 4 Aug 18, 1 yr, \$12,485 p.a.</p> <p>Unisuper - 1 Nov 18, 2 yr, \$30k p.a.</p> <p>Akaal Pharma - 1 Jan 19, 1 yr, \$13,080 p.a.</p> <p>Out of Box Solutions - 16 July 2018, 6mths, \$6,000 p.a.</p>	<p>Reltek Systems Building RD2, Suite 14 Reverted to Monthly Tenancy as Smarty Pantz Dog Training - 5 Feb 18, monthly agreement \$100 p.m.</p> <p>Solvay Interlox P/L - 1 Dec 17, 1 yr \$62,370 p.a. LDE Precision Engineering - 1 Jan 19, 1 yr, \$4,720 p.a.</p> <p>Telstra Tower LIMS1 - 1 Mar 16, 10 yrs \$20,000 p.a.</p> <p>VACCA, 14 March 2016, 2 years & overholding, \$17604 p.a.</p> <p>Department of Economic Development, Jobs Transport & Resources (DEDJTR); Glasshouse RD4C - Ground Lease, 1 March 2017, 10 years, \$7,000 p.a.</p>

Financial review

Register of significant commercial activities – as at 18 October 2018

Significant Commercial Activity	Bendigo Surplus Property Divestment	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
Participation – University involvement in this activity:	The University is the vendor to the property transaction(s)	La Trobe is Lessor. The University and Forensics have scientific collaboration including a number of supervised post graduates.	Lessor only.
University staff or council member that occupy a board seat in connection with this activity and Directors' and Officers' liability insurance or other insurance arrangements that apply to the activity:	Not applicable.	Nil	Nil
Results of any assessment undertaken (if any) to determine whether the activity is meeting its purposes and objectives	Approval of a Business Case. A Project Control Group constituted by the Vice-Chancellor was the responsible body for overseeing the sales. The PCG has been superseded by Project Steering Committee (Bendigo Transformation) chaired by the VP (Admin) who will oversee any further divestment activities of Bendigo land including the parcels identified above. No assessment to determine the activity is meeting its objectives is warranted.	This was largely a consolidation exercise of existing leases but rental return was enhanced by increasing net lettable areas and taking up vacancies in building. The rental is subject to annual increments and periodic market reviews.	No
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.	As per lease expiry unless option exercised or overholding.

| Independent (stand alone)
Commercial Leases |
|---|---|---|---|
| Lessor only. | Lessor only. | Lessor only. | Lessor only. |
| Nil | Nil | Nil | Nil |
| No | No | No | No |
| As per lease expiry unless
option exercised or
overholding. |

University disclosure index table

Item No.	Source	Summary of reporting requirement	Page(s)
Report of operations			
Charter and purpose			
1	FRD 22H	Manner of establishment and the relevant Minister.	20
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	4-15, 20-21
3	FRD 22H	Nature and range of services provided including communities served.	5-15
Management and structure			
4	FRD 22H	Organisational structure and chart, detailing members of the governing Council, Audit Committee, Chancellor, senior officers and their responsibilities.	18-19
Financial and other information			
5	FRD 03A	Accounting for Dividends.	69, 76-77
6	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements.	63
7	FRD 10A	Disclosure Index.	38-40
8	FRD 17B	Long Service leave and annual leave for employees.	70, 84
9	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements.	44-47
10	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators.	25
11	FRD 22H	Workforce data for current and previous reporting period, including a statement on employment and conduct principles, and that employees have been correctly classified in the workforce data collections.	21-23
12	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods.	44-47
13	FRD 22H	Significant changes in financial position.	45-46
14	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	31, 44
15	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	104
16	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982.	30
17	FRD 22H	Statement of compliance with building and maintenance provisions of the Building Act 1993.	30
18	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance.	44-47, 54
19	FRD 22H	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target.	22
20	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	N/A
21	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform.	30
22	FRD 22H	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	31
23	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act.	31

Item No.	Source	Summary of reporting requirement	Page(s)
24	FRD 22H and FRD 24D	Summary of Environmental Performance.	26-28
25	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 <ol style="list-style-type: none"> 1. Consultant engaged 2. Brief summary of project 3. Total project fees approved (excluding GST) 4. Expenditure for reporting period (excluding GST) 5. 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. 	32
26	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	33
27	FRD 22H	An entity shall disclose the following in the report of operations: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX). 	44
28	FRD 25C	Victorian Industry Participation Policy Disclosures.	44
29	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004.	N/A
30	FRD 119A	Transfers through contributed capital.	N/A
31	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.	29, 48-51
32	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions, the Standing Directions, the instructions, the applicable Australian Accounting Standards and the FMA.	52
33	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.	53

Financial report

Financial statements required under standing directions / *Financial Management Act 1984*

34	SD 5.2.2(a), 5.2.2(b) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, 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; • Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	52-53, 60
35	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. 	62

University disclosure index table

Item No.	Source	Summary of reporting requirement	Page(s)
36	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 	48-51
Other requirements as per financial reporting directions in notes to the financial statements			
37	FRD 11A	Disclosure of ex-gratia payments	114
38	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	105-107
39	FRD 102A	Inventories	N/A
40	FRD 103G	Non-financial physical assets	78-80
41	FRD 105B	Borrowing costs	72
42	FRD 106B	Impairment of assets	62
43	FRD 107B	Investment properties	N/A
44	FRD 109A	Intangible assets	80
45	FRD 110A	Cash flow statements	58
46	FRD 112D	Defined benefit superannuation obligations	99-101
47	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	102-103, 113
48	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	60-114
Compliance with other legislation, subordinate instruments and policies			
49	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2018	32
50	PAEC	Financial and other information relating to the University's international operations	N/A
51	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 	34-37, 113

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
2018 Reporting Period

Financial statements

for year ended 31 December 2018



OFFICE OF THE CHANCELLOR

21 March 2019

Financial statements for year ending 31 December 2018

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 2018;
- (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 Standing 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 2018 Reporting Year by Australian Higher Education Institutions as issued by the Department of Education and Training;
- (c) At the date of this certification, there are reasonable grounds to believe that La Trobe University and the consolidated entity will be able to pay its debts as and when they fall due; and
- (d) The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and La Trobe University has complied fully with the requirements of applicable legislation, contracts, agreements and various programme guidelines that apply to the Australian Government financial assistance identified in these financial statements. In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

Yours sincerely

Handwritten signature of Professor Richard G Larkins AC.

Professor Richard G Larkins AC
Chancellor

Handwritten signature of Professor John Dewar.

Professor John Dewar
Vice-Chancellor

Handwritten signature of Mark Smith.

Mark Smith
Chief Financial Officer

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Franklin Street CBD

REGIONAL CAMPUSES
Bendigo
Albury-Wodonga
Mildura
Shepparton

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Corporate governance statement

Report of operations

Report of operations

La Trobe University recorded an Operating surplus of \$30.2m for the year ended 31 December 2018 (2017 surplus \$29.0m) representing an operating margin of 4.6% (2017: 4.0%).

Reconciliation of Operating result to underlying result from normal operations:

	2018 \$000s	2017 \$000s
Total revenue	803,998	770,809
Total expenses	773,824	741,764
Operating result	30,174	29,045
LESS		
Capital development grants	3,400	4,125
ADD		
Termination benefits	6,908	6,189
Loan breakage costs	3,528	-
Underlying result from normal operations	37,210	31,109

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.

Significant matters of note during 2018:

- Total Revenue (not including Deferred government superannuation contributions) of \$803.9m increased by \$33.2m (4.31%). The increase was driven across all income areas. The key drivers were the improvement of teaching revenues by \$15.6m and other income by \$11.1m.
- The operating result is up on 2017 by \$1.1m primarily due to revenue upside described above.
- Cash and cash equivalents were \$62.9m at 31 December 2018, an increase of \$10.8m on 2017 (20.8% increase).
- University's land at Bundoora campus was independently valued by Egan National Valuers as at 31 December 2018.

The University undertakes market valuations of its land, buildings and infrastructure every three years. During the intermitting years the University complies with the process as outlined in FRD103G Non-Financial Physical Assets and undertakes a managerial review of the movement of land and buildings values using indices as published by the Valuer General.

Key investment initiatives and projects for 2019:

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 2019 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.

Victorian Industry Participation Policy

In compliance with this policy, La Trobe has reviewed the VIPP guidelines for all state-based grants received and has assessed the value of those grants within the threshold. The program is not applicable to the University.

La Trobe University ICT Expenditure 2018

Financial Reporting Direction FRD22H

	Business as usual (BAU) \$000s	Non-Business as usual (Non-BAU) \$000s	Total \$000s
CAPEX	7,759	1,518	9,277
OPEX	49,276	622	49,898
Total	57,035	2,139	59,175

Corporate governance statement

Key performance indicators

Key performance indicators

31 December 2018

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

Year	Current asset ratio	Debt service coverage ratio	Debt to equity ratio %	Underlying operating margin %
2018	0.7	11.9	3.7	4.6
2017	0.6	9.5	4.1	4.0
2016	0.8	14.7	4.6	5.1
2015	1.0	2.2	4.8	8.9
2014	1.0	4.7	9.8	8.0

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 0.7 in 2018. Although the ratio is below 1.0 at 31 December 2018, the University has \$62.9m of cash on hand and minimal debt payable in next 12 months.

Debt service coverage ratio

The debt service coverage ratio (based on EBITDA) increased to 11.9 in 2018. 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 decreased in 2018 to 3.7% (from 4.1% in 2017).

Underlying operating margin

The underlying operating margin has increased in 2018 to 4.6% (2017 4.0%). 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 2018

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

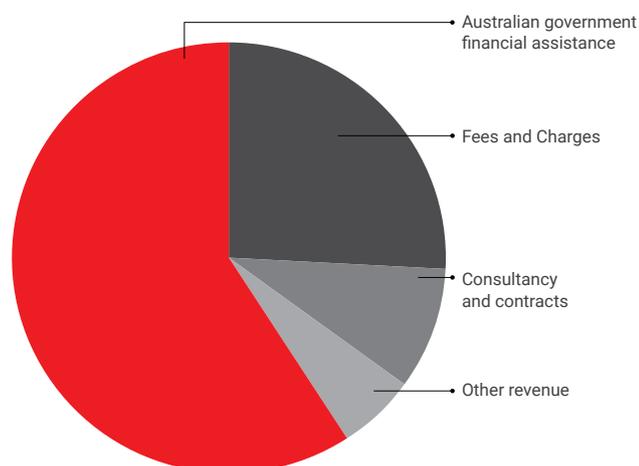
- outstanding student experience,
- research excellence,
- student employability and
- partner of choice for industry, education and the community.

	2018 Actual	2018 Budget	2017 Actual
International student revenue as a % of underlying revenue	22%	22%	20%
Research revenue	79.3m	78.7m	75.4m
Underlying revenue per staff dollar	1.90	1.88	1.85
Underlying operating margin	4.6%	5.0%	4.0%

Income and expenditure graphs

for the year ended 31 December 2018

Income



Total operating revenues

Operating revenues were \$803.9m (2017 \$770.8m), an increase of 4.3% when compared to 2017. The increase was primarily driven by improvements in Fees and charges \$18.1m, Investment income \$3.4m, Consultancy and contracts \$4.8m and Other revenue \$5.5m.

■ Australian government financial assistance

Australian government financial assistance (excluding Fee-Help) decreased by \$2.1m (0.47%) compared to previous year increase of \$11.3m (2.5%). This is mainly due to decreases in Commonwealth funding which is due to a slight decrease in the average load per Commonwealth Supported Places (CSP) student.

■ Fees and charge

Fees and charges increased by \$18.1m (10.0%) compared to previous year increase of \$15.1m (9.1%), mainly due to an increase in EFTSL for international fee paying students in addition to pricing increases.

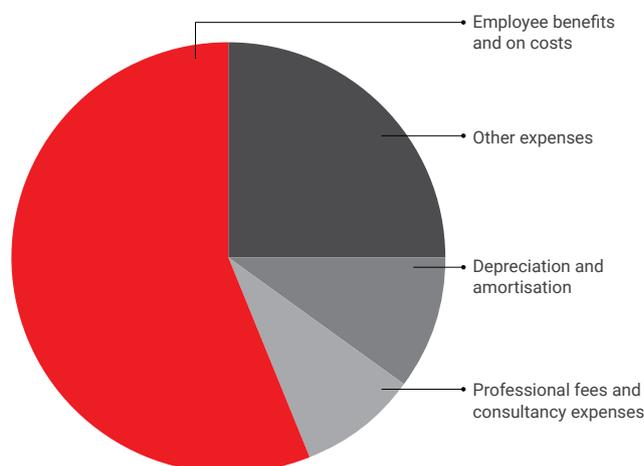
■ Consultancy and contracts

Consultancy and contracts increased by \$4.9m or 8.1% (2017 \$4.7m, 8.6%) due to additional research, industry and partnership contract related revenue.

■ Other revenue

Other revenue increased by \$5.5m (15.2%) compared to previous year increase of \$4.0m (12.6%), primarily due to the finalisation of the Murray-darling Freshwater Research Centre financials (joint venture was terminated Feb 2018).

Expenditure



Total expenditure

Total expenditure from continuing operations, excluding deferred superannuation contributions, is \$773.8m, which represents an increase of \$32.1m (4.3%) compared to previous year increase of \$43.9m (6.3%).

■ Employee benefits and on costs

Expenditure on salaries increased by \$4.5m (1.1%) compared to previous year increase of \$35.9m (9.3%).

■ Other expenses

Other expenses have increased by \$11.7m (6.6%) compared to previous year increase of \$14.3m (14.6%) mainly due to higher Rental, hire and other leasing fees and increased Telecommunication costs.

■ Depreciation and amortisation

Depreciation and amortisation has increased by \$3.7m (5.45%) compared to previous year decrease of \$0.2m (-0.3%).

■ Professional fees and consultancy expenses

Includes expenditure on Professional fees, Consulting and contractor costs, which increased by \$10.3m (17.7%) compared to previous year decrease of \$9.2m (-13.7%).

Consolidated five-year financial summary

31 December 2018

	2018 \$000s	2017 \$000s	2016 \$000s	2015 \$000s	2014 \$000s
Income statement					
Total revenue and income from continuing operations	803,998	770,809	735,273	715,823	672,385
Total expenses including tax and joint venture expenses	(773,824)	(741,764)	(697,794)	(652,455)	(654,208)
Operating result	30,174	29,045	37,479	63,368	18,177
Abnormal items*	7,036	2,064	6,071	8,495	35,815
Underlying surplus after tax and abnormal items	37,210	31,109	43,550	71,863	53,992
Balance sheet					
Current assets	122,916	110,748	125,974	142,058	167,658
Non-current assets	1,557,055	1,480,412	1,463,905	1,396,844	1,343,861
Total assets	1,679,971	1,591,160	1,589,879	1,538,902	1,511,519
Current liabilities	187,336	178,203	160,533	142,975	165,132
Non-current liabilities	133,607	127,606	135,149	139,712	193,328
Total liabilities	320,943	305,809	295,682	282,687	358,460
Total net assets	1,359,028	1,285,351	1,294,197	1,256,215	1,153,059
Reserves	745,307	708,249	746,140	745,637	700,511
Accumulated funds	613,721	577,102	548,057	510,578	452,548
Total equity	1,359,028	1,285,351	1,294,197	1,256,215	1,153,059
Net cash provided by operating activities	101,655	119,805	119,876	87,149	103,276
Net cash (used in) investing activities	(88,650)	(105,106)	(106,924)	(83,515)	(73,341)
Cash flow provided by (used in) investing activities	(2,184)	(7,869)	(3,844)	(51,880)	(8,304)
Net increase / (decrease) in cash and cash equivalents held	10,821	6,830	9,108	(48,246)	21,631

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

- consolidated entity and university statements of financial position as at 31 December 2018
- consolidated entity and university income statements and statements of comprehensive income for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes to the financial statements, including significant accounting policies
- certification by Chancellor, Vice-Chancellor and the Chief Finance Officer.

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

- giving a true and fair view of the financial position of the university and the consolidated entity as at 31 December 2018 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

I confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Council of the university, would be in the same terms if given to the Council as at the time of this auditor's report.

Council's responsibilities for the financial report

The Council of the university is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, *Part 7 of the Financial Management Act* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council
- conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the university and the consolidated entity to cease to continue as a going concern.

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

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

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

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

MELBOURNE
25 March 2019



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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 2018, 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.

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

MELBOURNE
25 March 2019

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Statement by Principal Accounting and Chief Financial Officers

31 December 2018



OFFICE OF THE CHIEF FINANCIAL OFFICER

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REGIONAL CAMPUSES

Bendigo
Albury-Wodonga
Mildura
Shepparton

21 March 2019

Statement by Principal Accounting Officer and Chief Financial Officer

In my opinion:

- (a) The financial report of La Trobe University and its controlled subsidiaries present a true and fair view of the financial transactions of the University and its controlled subsidiaries during the financial year ended 31 December 2018 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2018 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 Standing 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 2018 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.

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

Mark Smith
Chief Financial Officer and Principal Accounting Officer
Melbourne

ABN 64 804 735 113
CRICOS Provider 00115M

Statement by the Chancellor and the Accountable Officer

31 December 2018



OFFICE OF THE CHANCELLOR

21 March 2019

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 2018 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2018 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 Standing 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 2018 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.

Handwritten signature of Professor Richard G Larkins AC in black ink.

Professor Richard G Larkins AC
Chancellor

Handwritten signature of Professor John Dewar in black ink.

Professor John Dewar
Vice-Chancellor and Accountable Officer

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Income statement

for the year ended 31 December 2018

	Note	2018 \$000s	2017 \$000s
Australian government financial assistance			
Australian government grants	2	287,531	291,307
HELP – Australian government payments	2	184,864	180,237
State and local government financial assistance	3	8,673	8,454
HECS-HELP student payments*		9,164	9,431
Fees and charges*	4	199,023	180,921
Investment income	5	7,788	3,892
Consultancy and contracts	6	65,164	60,306
Other revenue	7	41,791	36,261
Total income from continuing operations		803,998	770,809
Employee related expenses [†]	8	423,799	419,302
Depreciation and amortisation	9	72,406	68,667
Repairs and maintenance	10	14,080	12,938
Borrowing costs	11	2,140	2,761
Professional fees and consultancy expenses		68,336	58,077
Loss on disposal of assets		1,343	552
Bad and doubtful debts		228	254
Deferred superannuation expense [†]	8	860	308
Other expenses [^]	12	190,632	178,905
Total expenses from continuing operations		773,824	741,764
Net operating result		30,174	29,045

* In 2017, Commonwealth Supported Places (CSP) 'Fee waiver discount' to students was inadvertently reported under 'Fees and charges' and should have been reported under 'HECS-HELP student payments'. This mis-statement has been corrected and as a result the fee discount of \$12 thousand is now reflected as part of HECS-HELP Student payments. There is no impact on Total revenue reported by the University in the 2017 financial statements.

† In accordance with the 2018 financial reporting guidelines provided by the Department of Education, the 'Deferred Superannuation expense' is now shown as separate line item in the Income statement and as a result has been excluded from the 'Employee related expenses' line item.

^ In accordance with the 2018 financial reporting guidelines provided by the Department of Education, the 'Scholarships, grants and prizes' expenses are now included as part of 'Other expenses'. In 2017, 'Buildings and grounds - occupancy expenses' were shown as a separate line item. These expenses are now included as part of 'Other expenses' line item.

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

Statement of comprehensive **income**

for the year ended 31 December 2018

	Note	2018 \$000s	2017 \$000s
Net operating result		30,174	29,045
Items that may be reclassified to profit or loss			
Gain / (loss) on financial instruments at fair value through other comprehensive income	23.2	2,564	7,129
Items that will not be reclassified to profit or loss			
Gain / (loss) on revaluation of property, plant and equipment	17.1	37,731	(44,642)
Total other comprehensive income for the year		40,295	(37,513)
Total comprehensive income for the year		70,469	(8,468)

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

Statement of financial position

As at 31 December 2018

	Note	2018 \$000s	2017 \$000s
Assets			
Current assets			
Cash and cash equivalents	13	62,857	52,036
Trade and other receivables	14	28,632	20,829
Inventories		98	61
Other financial assets	15	-	10,510
Other non-financial assets	16	31,329	27,312
Total current assets		122,916	110,748
Non-current assets			
Trade and other receivables	14	68,816	67,666
Other financial assets	15	82,072	69,686
Property, plant and equipment	17	1,377,555	1,306,738
Intangible assets	18	28,434	36,322
Deferred loan origination costs		178	-
Total non-current assets		1,557,055	1,480,412
Total assets		1,679,971	1,591,160
Liabilities			
Current liabilities			
Trade and other payables	19	81,104	74,740
Borrowings	20	-	8,089
Provisions	21	81,386	74,439
Other liabilities	22	24,846	20,935
Total current liabilities		187,336	178,203
Non-current liabilities			
Borrowings	20	50,000	44,095
Provisions	21	74,337	77,020
Other liabilities	22	9,270	6,491
Total non-current liabilities		133,607	127,606
Total liabilities		320,943	305,809
Net assets		1,359,028	1,285,351
Equity			
Reserves	23.1	745,307	708,249
Retained surplus	23.3	613,721	577,102
Total equity		1,359,028	1,285,351

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

Statement of changes in equity

for the year ended 31 December 2018

2018	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2018		577,102	708,249	1,285,351
Prior period adjustment		(3,611)	-	(3,611)
AASB 9 Retrospective changes	1.8	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 / (loss) on financial instruments at fair value through other comprehensive income		-	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

2017

Balance at 1 January 2017		548,057	746,140	1,294,197
Net operating result for the year		29,045	-	29,045
Gain on value of available-for-sale financial assets		-	7,129	7,129
Gain / (loss) on revaluation of property, plant and equipment		-	(44,642)	(44,642)
Deferred government superannuation (contributions)		-	(308)	(308)
Deferred superannuation expense		-	308	308
Total comprehensive income		29,045	(37,513)	(8,468)
Transfers		-	(378)	(378)
Sub-total		29,045	(37,891)	(8,846)
Balance at 31 December 2017		577,102	708,249	1,285,351

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 2018

	Note	2018 \$000s	2017 \$000s
Cash flows from operating activities			
Australian government grants		449,418	450,547
State government grants		8,673	8,454
HECS-HELP student payments		9,164	9,443
OS-HELP (net)		24,300	21,331
Receipts from student fees and other customers		308,087	282,995
Dividend income received		519	42
Interest income received		1,428	1,693
Payments to suppliers and employees (inclusive of GST)		(697,794)	(651,939)
Interest paid		(2,140)	(2,761)
Net cash provided by operating activities	25	101,655	119,805
Cash flows from investing activities			
Proceeds from sale of financial assets		15,296	90,778
Proceeds from sale of property, plant and equipment		3,383	657
Payments for property, plant and equipment		(102,329)	(119,444)
Payments for financial assets		(5,000)	(77,097)
Net cash used in investing activities		(88,650)	(105,106)
Cash flows from financing activities			
Proceeds from borrowings	20.4	50,000	-
Repayment of borrowings	20.4	(52,184)	(7,869)
Net cash used in financing activities		(2,184)	(7,869)
Net increase / (decrease) in cash and cash equivalents held		10,821	6,830
Cash and cash equivalents at beginning of financial year		52,036	45,206
Cash and cash equivalents at end of financial year	13	62,857	52,036

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

Notes to and forming an integral part of the financial **statements** for the year ended 31 December 2018

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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 with the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report consists 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*, the applicable Standing Directions and Financial Reporting Directions issued by the Minister for Finance and Australian Accounting Standards.
- (c) Other State/Commonwealth government legislative requirements
- (d) *Australian Charities and Not-for-profits Commission Act 2012*
- (e) *Australian Research Council Act 2001*
- (f) *Corporations 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 21st March 2019.

Note, at its meeting on the 9 April 2018, Council agreed to transfer the responsibility of reviewing the annual financial statements of the University and any subsequent follow up of external audit adjustments from the Corporate Governance Audit and Risk Committee to the Finance and Resources Committee.

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 17. 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.

(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.

Notes

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 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 each of the University's entities are measured using the currency of the primary economic environment in which the entity operates (AUD). The consolidated 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.

1.6 Rounding of amounts

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

1.7 New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2018 reporting periods. La Trobe University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	1 January 2019	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. The application of this new accounting standard may require La Trobe University to transfer \$28m from accumulated surplus to liabilities.
AASB 1058 Income for not-for-profit entities	1 January 2019	The objective of this standard is to establish the principles applicable to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the financial treatment for receipt of volunteer services.	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing of recognition of revenue will change.
AASB 16 Leases	1 January 2019	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	<p>The assessment has indicated that as most operating leases will come on Statement of financial position, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors. The application of standard will result in an impact on the balance sheet which is estimated to be an increase of \$23M in liabilities with a corresponding increase in assets resulting in an additional recognition of \$1M in accumulated surplus.</p>

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018 reporting period. In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

1.8 AASB 9 : Financial Instruments – Retrospective changes

AASB9 *Financial Instruments* replaces AASB139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The University has applied AASB9 retrospectively, with the exception of hedge accounting, with an initial application date of 1 January 2018. The University has not restated the comparative information, which continues to be reported under AASB139. Differences arising from the adoption of AASB9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of adoption of AASB9 are described as follows:

	Ref	1 January 2018 \$000s
Classification and measurement	i)	6,819

The nature and effect of the changes as a result of adoption of AASB9 are described as follows:

Assets		
Investment in other financial assets	i)	6,819
Total assets		6,819
Total liabilities		-
Total adjustment on equity		
Retained earnings		6,819

The nature of these adjustments are described below:

i) Classification and measurement

Under AASB9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the University's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the University's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB9 did not have a significant impact on the University. The University continued measuring at fair value all financial assets previously held at fair value under AASB139.

(a) Equity investments in non-listed companies classified as AFS financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through OCI beginning 1 January 2018. The University elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

(b) Listed equity investments classified as AFS financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

As a result of the change in classification of the University's listed equity investments, the AFS reserve of \$0 related to those investments that were previously presented under accumulated OCI, was reclassified to retained earnings as at 1 January 2018. The remaining amount of AFS reserve of \$19.2 mill was reclassified to the fair value reserve of financial assets at fair value through OCI.

The University has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the University's financial liabilities.

In summary upon the adoption of AASB9, the University had the following required or elected reclassifications as at 1 January 2018.

	AASB 139 measurement category \$000s	AASB 9 measurement category	
		Fair value through profit or loss \$000s	Fair value through OCI \$000s
Available for sale			
Listed equity investments	126	126	-
Non-listed equity investments	33,278	10,226	23,052
Other financial assets	48,668	-	48,668
Total available for sale	82,072	10,352	71,720

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

2.1 Commonwealth grants scheme and other grants

	Note	2018 \$000s	2017 \$000s
Commonwealth grants scheme		222,585	229,780
Indigenous student success program		1,107	1,007
Higher Education Participation and Partnership program		4,877	4,917
Disability performance funding		282	326
Promotion of excellence in learning and teaching		-	20
Other		5,219	4,388
Total commonwealth grants scheme and other grants	34.1	234,070	240,438

2.2 Higher education loan programs

HELP payments		157,500	155,647
FEE – HELP payments		24,300	21,331
SA-HELP payments		3,064	3,259
Total higher education loan programs	34.2	184,864	180,237

2.3 Education research

Research Training Program		18,377	18,164
Research Support Program		15,094	13,546
Total education research grants	34.4	33,471	31,710

2.4 Other capital funding*

Linkages – Infrastructure		205	-
Total other capital funding	34.5	205	-

* In 2017, this note inadvertently reported grants received from State government, which should have been reported under Note 3. This mis-statement has been corrected and the balance of \$4,1m is now shown in Note 3, under 'State and local government financial assistance' received by the University. Because of this re-allocation, there is no impact on Total revenue reported by the University in 2017 financial statements.

2.5 Australian research council

	Note	2018 \$000s	2017 \$000s
(i) Discovery			
Discovery - Projects		3,356	4,720
Discovery - Fellowships		809	2,131
Total Discovery		4,165	6,851
(ii) Linkages			
Linkages - Projects		2,062	603
Total Linkages		2,062	603
Total Australian Research Council	34.6	6,227	7,454

2.6 Other Australian government financial assistance

Non-capital			
National Health & Medical Research Council		12,383	11,225
Other Australian government financial assistance		1,175	480
Total other Australian government financial assistance	34.7	13,558	11,705
Total Australian government financial assistance		472,395	471,544

2A Reconciliation

Australian government grants	287,531	291,307
HELP payments	157,500	155,647
FEE – HELP payments	24,300	21,331
SA-HELP payments	3,064	3,259
Total HELP payments	184,864	180,237
Total Australian government financial assistance	472,395	471,544

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

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and specific criteria have been met for each of the University activities as described below. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in notes 2 through 7.

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

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

3. State and local government financial assistance

	2018 \$000s	2017 \$000s
Capital – other*	3,400	4,125
Non-capital – health funding	5,273	4,329
Total State and local government financial assistance	8,673	8,454

* 'Capital - other' is the State government grant received by the University during the year. This grant was inadvertently reported in Note 2 under Australian government financial assistance. Because of this re-allocation, there is no impact on Total revenue reported by the University in 2017 financial statements.

State and local government financial assistance is recognised as revenue at the fair value of the consideration received when the University obtains control of the right to receive the grant; it is probable that economic benefits will flow to the University and it can be reliably measured.

4. Fees and charges

	2018 \$000s	2017 \$000s
Course fees and charges		
Fee-paying onshore overseas students	152,081	136,044
Fee-paying offshore overseas students	6,352	5,730
Continuing education	18,132	16,466
Fee-paying domestic postgraduate students	4,508	4,702
Fee-paying domestic undergraduate students	11	2
Course and conference fees	298	339
Total course fees and charges	181,382	163,283
Other non-course fees and charges		
Parking fees	3,080	2,918
Student services and amenities fees from students	5,413	5,041
Other services	9,148	9,679
Total other fees and charges	17,641	17,638
Total fees and charges	199,023	180,921

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) are treated as Income in advance in liabilities. Conversely, Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

5. Investment income

	2018 \$000s	2017 \$000s
Dividends from equity instruments designated at fair value through OCI	5,413	2,070
Dividends from equity investments	19	42
Interest income on bank deposits	1,282	1,769
Realised gain on investments	1	154
Net fair value gains (losses) on financial assets designated at fair value through profit or loss	1,073	(143)
Total investment income	7,788	3,892

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.

6. Consultancy and contracts

	2018 \$000s	2017* \$000s
Consultancy	3,795	2,834
Contracts	61,369	57,472
Total consultancy and contracts	65,164	60,306

* Prior year data restated to reallocate \$20m to 'Contract research' which was inadvertently reported as part of 'Consultancy' revenue. There is no impact on 'Total consultancy and contract research' revenue reported in 2017.

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

7. Other revenue

	2018 \$000s	2017 \$000s
Sale of goods	1,324	1,946
Other trading revenue	2,918	2,417
Accommodation revenue	21,127	22,325
Donations and bequests	1,072	1,939
Scholarships and prizes	2,673	1,462
Other revenue	12,677	6,172
Total other revenue	41,791	36,261

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

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

8. Employee related expenses

	2018 \$000s	2017 \$000s
Academic		
Salaries	167,953	164,008
Contributions to superannuation and pension schemes:		
Contributions to funded schemes	25,644	24,492
Contributions to unfunded schemes	2,696	2,230
Payroll tax	9,657	9,267
Workers' compensation	732	1,593
Long service leave	8,363	5,734
Annual leave	(1,909)	(667)
Allowances	5,526	5,024
Other	456	486
Termination benefits	1,131	2,213
Total academic	220,249	214,380
Non-academic		
Salaries	154,506	156,499
Contributions to superannuation and pension schemes:		
Contributions to funded schemes	23,502	24,458
Contributions to unfunded schemes	2,555	2,284
Payroll tax	9,029	9,384
Workers' compensation	909	1,144
Long service leave	7,250	6,060
Annual leave	(4,417)	(3,923)
Allowances	4,278	4,521
Other	161	519
Termination benefits	5,777	3,976
Total non-academic	203,550	204,922
Total employee related expenses	423,799	419,302
Deferred superannuation expense	860	308
Total employee related expenses, including deferred government employee benefits for superannuation	424,659	419,610

Note: Salaries include the ex-gratia payment of \$283,160 (2017: \$496,041) as disclosed under note 37.

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.

9. Depreciation and amortisation

	2018 \$000s	2017 \$000s
Depreciation		
Buildings - owned	21,852	21,727
Buildings - leased	1,610	1,610
Leasehold improvements	2,931	3,056
Infrastructure	3,048	3,475
Plant and equipment	11,714	11,235
Furniture, fixtures and office equipment	3,397	2,810
Motor vehicles	159	252
Computer hardware	6,107	4,696
Library collection	8,527	7,809
Total depreciation	59,345	56,670
Amortisation		
Intangible assets	13,061	11,997
Total amortisation	13,061	11,997
Total depreciation and amortisation	72,406	68,667

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:

	2018 (%)	2017 (%)
Fixed asset class		
Buildings	2.2 average	2.1 average
Leasehold improvements*	8-12	8-12
Infrastructure	5	5
Plant and equipment	5-10	5-10
Furniture, fixtures and fittings	10	10
Motor vehicles	6.67-10	6.67-10
Computer equipment	33	33
Library collections	10	10

* Based on life of lease

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

	2018 (%)	2017 (%)
Software	17	17
Online digital content	25	N/A
Loan origination costs	14	N/A

10. Repairs and maintenance

	2018 \$000s	2017 \$000s
Buildings	6,283	5,198
Plant and equipment	7,797	7,740
Total repairs and maintenance	14,080	12,938

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.

11. Borrowing costs

	2018 \$000s	2017 \$000s
Interest expense	2,140	2,761
Total borrowing costs expensed	2,140	2,761

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.

12. Other expenses

	2018 \$000s	2017 \$000s
Advertising, marketing and promotional expenses	9,993	11,547
Scholarships, grants and prizes	25,745	26,666
Buildings and grounds – occupancy expenses*	43,510	39,703
Computer expenses	8,505	9,413
Telecommunications	17,973	13,243
Non-capitalised equipment	3,369	2,457
Loan breakage costs	3,528	-
Teaching partners - payments	12,959	15,157
Non-salary expense recoveries and research support expenses	8,765	6,082
Student amenities	4,140	4,052
Bank and investment management charges	2,389	1,947
Publications	8,432	8,668
Staff training and development	3,530	3,513
Travel, accommodation and entertainment	10,910	10,745
Research participant payments	13,554	11,471
Miscellaneous expenses	13,330	14,241
Total other expenses	190,632	178,905

* Please refer to footnote number 3 in the Income statement.

13. Cash and cash equivalents

	2018 \$000s	2017 \$000s
Cash at bank and on hand	47,609	51,846
Short-term deposits at call	15,248	190
Total cash and cash equivalents	62,857	52,036

13.1 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	62,857	52,036
Balance as per statement of cash flow	62,857	52,036

Cash on hand is non-interest bearing. Cash at bank earns a weighted average interest rate of 1.72% (2017: 1.66%).

13.2 Deposits at call

The deposits are at floating weighted average interest rates of 2.68% (2017: 2.48%). These deposits have average maturity of 90 days.

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

14. Receivables

	Note	2018 \$000s	2017 \$000s
Current			
Trade receivables		20,194	14,207
Allowance for expected credit losses (2017:Provision for doubtful debts)		(926)	(798)
Deferred Government benefit for superannuation	29.3	4,645	4,712
GST receivable		4,719	2,708
Total current receivables		28,632	20,829
Non-current			
Trade receivables		1,203	980
Deferred Government benefit for superannuation	29.3	67,613	66,686
Total non-current receivables		68,816	67,666
Total trade and other receivables		97,448	88,495

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

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

	2018 \$000s	2017 \$000s
At 1 January	798	778
Provision for impairment recognised/(relieved) during the year	305	208
Receivables written off during the year as uncollectible	(104)	(148)
Impaired receivables collected	(73)	(40)
Total movements in the allowance for expected credit losses of trade receivables	926	798

The movement in the provision for doubtful debts has been included in 'bad and doubtful debts' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of further recovery.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

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

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

15. Other financial assets

15.1 Financial assets – current

	2018 \$000s	2017 \$000s
Current		
Held to maturity investments		
Term deposits	-	10,079
Fair value through profit or loss		
Units in unit trusts	-	94
Listed shares	-	337
Total current financial assets	-	10,510

15.2 Financial assets – non-current

	2018 \$000s	2017 \$000s
Non-current		
Other financial assets at fair value through other comprehensive income	48,668	-
Other financial assets at fair value through profit and loss	10,226	-
Investment in equity instruments designated at fair value through other comprehensive income	23,052	-
Investment in equity instruments designated at fair value through profit and loss	126	-
Available-for-sale shares at cost	-	2,514
Available-for-sale shares at fair value	-	16,330
Available-for-sale financial assets at fair value [^]	-	50,842
Total non-current financial assets	82,072	69,686

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

15. 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 in 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 Loans 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

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

The 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.

Impairment of debt instruments other than receivables

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

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

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

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

16. Other non-financial assets

	2018 \$000s	2017 \$000s
Current		
Prepayments	31,329	27,078
Property, plant and equipment in joint operations	-	234
Total current other non-financial assets	31,329	27,312

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.

17. Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Land at valuation	338,384	302,358	-	-	338,384	302,358
Buildings at valuation	638,655	595,615	(22,328)	(475)	616,327	595,140
Leased buildings at cost	64,404	64,404	(12,271)	(10,661)	52,133	53,743
Buildings-leasehold improvements at valuation	38,491	38,387	(5,706)	(2,775)	32,785	35,612
Infrastructure at valuation	83,900	55,769	(3,054)	(6)	80,846	55,763
Plant and equipment at cost	138,538	140,528	(80,439)	(79,152)	58,099	61,376
Furniture, fixtures and office equipment at cost	35,334	31,030	(15,591)	(12,276)	19,743	18,754
Motor vehicles at cost	1,377	2,734	(950)	(1,581)	427	1,153
Computer hardware at cost	38,710	32,692	(30,236)	(25,911)	8,474	6,781
Library collection at cost	219,815	210,795	(170,718)	(162,191)	49,097	48,604
Works of art at valuation	20,344	20,260	-	-	20,344	20,260
Work in progress at cost	100,896	107,194	-	-	100,896	107,194
Total property, plant and equipment	1,718,848	1,601,766	(341,293)	(295,028)	1,377,555	1,306,738

Land at Bundoora campus was independently valued by Egan National Valuers with a valuation date of 31 December 2018.

17.1 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 equipment	Furniture, fixtures and office equipment	Motor vehicles	Computer hardware	Library collection	Works of art	Works in progress	Total
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	99,367
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)	(1)
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	1,377,555
Year ended 31 December 2017													
Balance at the beginning of year	296,724	575,529	55,353	26,025	86,836	63,306	16,363	2,027	6,793	45,594	14,219	115,018	1,303,787
Additions	269	16,216	-	1,721	8,817	7,147	1,829	5	1,363	10,819	505	67,369	116,060
Disposals - written down value	-	-	-	-	-	(264)	(207)	(627)	(8)	-	-	-	(1,106)
Transfers within PPE	312	29,769	-	4,546	20,545	2,422	3,579	-	3,329	-	-	(64,502)	-
Transfers to Intangibles	-	-	-	-	-	-	-	-	-	-	-	(10,691)	(10,691)
Revaluation increase/(decrease)	5,053	(4,647)	-	6,376	(56,960)	-	-	-	-	-	5,536	-	(44,642)
Depreciation expense	-	(21,727)	(1,610)	(3,056)	(3,475)	(11,235)	(2,810)	(252)	(4,696)	(7,809)	-	-	(56,670)
Closing net book amount	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

(a) Land, buildings, infrastructure and works of art are shown at fair value 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 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.

(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.

University's land at Bundoora campus was independently valued by Egan National Valuers as at 31 December 2018.

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.

18. Intangible assets

	2018 \$000s	2017 \$000s
Computer software development and Online digital content		
Cost	103,079	99,572
Accumulated amortisation and impairment	(74,645)	(63,250)
Net carrying value	28,434	36,322
Total intangible assets	28,434	36,322
Movement of intangible assets		
Opening net book amount	36,322	34,353
Additions – Computer software development costs	2,964	3,378
Transfers from Work-in-progress	2,761	10,691
Disposals	(552)	(103)
Amortisation charge	(13,061)	(11,997)
Closing net book amount	28,434	36,322

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 its useful life of 5 or 10 years. Software is treated as an intangible asset in accordance with AASB 138 *Intangible Assets*. The expenditure that is capitalised comprises all directly attributable costs, including the base cost of the software, consulting services and internal labour costs. Costs associated with the research phase of a software implementation, such as feasibility studies and proof of concept, cannot be treated as an asset/ capitalised and are expensed in the year in which they are incurred.

19. Trade and other payables

	2018 \$000s	2017 \$000s
Current		
Trade creditors	53,841	33,961
Accrued expenses	17,118	31,559
Salary related creditors	8,579	6,905
OS-HELP liability to government	1,104	1,568
Other payables	462	747
Total current trade and other payables	81,104	74,740

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.

20. Borrowings

	Note	2018 \$000s	2017 \$000s
Current			
Secured debenture loans**		-	2,520
Secured commercial bills**		-	1,069
Secured fixed rate loan**		-	4,500
Total current secured borrowings		-	8,089
Non-current			
Secured debenture loans**		-	7,039
Secured commercial bills**		-	1,431
Secured fixed rate loan**		-	35,625
Syndicate debt facility*		50,000	-
Total non-current secured borrowings		50,000	44,095
Total borrowings		50,000	52,184

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

** The debenture loans, fixed rate loan and commercial bills had fixed interest rates and terms. They were secured by a charge over the University's revenue via a security trust deed.

20.1 Assets pledged as security

The carrying amounts of assets pledged as security for loan facility are:

Current			
Cash and cash equivalents	13	-	52,036
Trade receivables	14	-	13,409
Total current assets pledged as security		-	65,445
Non-current			
Trade receivables	14	-	980
Total non-current assets pledged as security		-	980
Total assets pledged as security		-	66,425

The University's security trust deed for \$150,000,000 towards the previous borrowings was released on 30 Oct 2018. The new syndicate debt facility is unsecured.

20.2 Financing arrangements

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

	2018	2017
	\$000s	\$000s
Credit standby arrangements – Total facilities		
Debenture loans	-	27,300
Commercial bills	-	11,700
Fixed rate loan	-	45,000
Syndicate debt facility	170,000	-
Used at balance date		
Debenture loans	-	9,559
Commercial bills	-	2,500
Fixed rate loan	-	40,125
Syndicate debt facility	50,000	-
Unused at balance date		
Debenture loans	-	17,741
Commercial bills	-	9,200
Fixed rate loan	-	4,875
Syndicate debt facility	120,000	-

Debenture loans were taken to redevelop Argus building in the city. This building has since been sold. The loans carried an interest rate of 6.51% p.a. These loans were fully repaid in 2018 and were replaced with a new syndicate facility.

Commercial bills were taken to fund the construction of the Victorian Agribiosciences Centre (VABC) building in the Research and Development Park. The loans carried an interest rate of 6.12% p.a. These loans were fully repaid in 2018 and were replaced with new syndicate facility.

Fixed rate loan was taken to finance the construction of La Tobe Building in Melbourne. The loan carried an interest rate of 6.84% p.a. This loan was fully repaid in 2018 and was replaced with new syndicate facility.

A new 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 & C), interest only and repayable in 3, 5 & 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 2.68% 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.

20.3 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:

Within one year	-	8,089
Between one and five years	50,000	26,470
Later than five years	-	17,625
Total borrowings	50,000	52,184
Current borrowings	-	8,089
Non-current borrowings	50,000	44,095
Total borrowings	50,000	52,184

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

20.4 Reconciliation of liabilities arising from financing activities

Particulars	2017 \$000s	Cash flows \$000s	Non-cash changes \$000s	2018 \$000s
Long-term borrowings				
Secured debenture loans	9,559	(9,559)	-	-
Secured commercial bills	2,500	(2,500)	-	-
Secured fixed rate loan	40,125	(40,125)	-	-
Syndicate debt facility	-	50,000	-	50,000
Total long-term borrowings	52,184	(2,184)	-	50,000

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.

21. Provisions

	Notes	2018 \$000s	2017 \$000s
Current provisions expected to be settled within 12 months			
Employee benefits			
Defined benefit superannuation obligations	29.3	4,645	4,712
Annual leave		19,380	15,920
Long service leave		6,901	5,785
Employment on-cost provisions		6,734	4,659
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		8,046	12,558
Long service leave		27,603	23,143
Employment on-cost provisions		8,077	7,662
Total current provisions		81,386	74,439
Non-current provisions			
Employee benefits			
Long service leave		5,541	8,508
Employment on-cost provisions		1,183	1,826
Defined benefit superannuation obligations	29.3	67,613	66,686
Total non-current provisions		74,337	77,020
Total provisions		155,723	151,459

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 Minister of Finance.

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) Defined benefit superannuation obligations

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 immediately.

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

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

Contributions to other independent defined contribution superannuation funds are recognised as an expense as they become payable.

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) 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.

(v) 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.

22. Other liabilities

	2018 \$000s	2017 \$000s
Current		
Fees and charges received in advance	19,494	16,139
Grants received in advance	4,000	2,677
Bonds and deposits	22	319
Lease revenue received in advance	221	221
Others	1,109	1,579
Total current other liabilities	24,846	20,935
Non-current		
Lease revenue received in advance	6,270	6,491
Funds held on behalf of Trusts	3,000	-
Total non-current other liabilities	9,270	6,491
Total other liabilities	34,116	27,426

23. Reserves and retained surplus

23.1 Reserves

	2018 \$000s	2017 \$000s
Property, plant and equipment revaluation reserve	712,411	674,680
General reserve	2,589	5,826
Perpetual funds	8,507	8,507
Financial assets at fair value through other comprehensive income reserve	21,800	19,236
Total reserves	745,307	708,249

- 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.
- ii) The General reserve was established to provide a source of funds for future development. The purposes for which these funds are reserved for includes, but is not limited to: capital development, maintenance and asset acquisition and replacement programs.
- iii) Perpetual funds include trusts, endowments and bequests that must be held in perpetuity with only the income earned being available for expenditure consistent with the donor's intentions.
- iv) The 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.

23.2 Movements

	2018 \$000s	2017 \$000s
Property, plant and equipment revaluation reserve		
Land		
Land as at 1 January	271,437	266,383
Revaluation increment/(decrement)	37,731	5,054
Land as at 31 December	309,168	271,437
Buildings		
Buildings as at 1 January	348,300	346,572
Revaluation increment/(decrement)	-	1,728
Buildings as at 31 December	348,300	348,300
Other asset classes		
Other asset classes as at 1 January	54,943	106,367
Revaluation increment/(decrement)	-	(51,424)
Other asset classes as at 31 December	54,943	54,943
Balance as at 1 January	674,680	719,322
Revaluation increase / (decrease) (net)	37,731	(44,642)
Balance as at 31 December	712,411	674,680
General reserve		
Balance as at 1 January	5,826	6,204
Transfer from MDFRC*	-	(378)
Release of legacy provision	(3,237)	-
Balance as at 31 December	2,589	5,826
Perpetual funds		
Balance as at 1 January	8,507	8,507
Transfers from accumulated funds	-	-
Balance as at 31 December	8,507	8,507
Financial assets at fair value through other comprehensive income reserve		
Balance as at 1 January	19,236	12,107
Net movements in Financial assets at fair value through other comprehensive income	2,564	7,129
Balance as at 31 December	21,800	19,236
Total reserves	745,307	708,249

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

23.3 Movements in retained surplus

Opening balance	577,102	548,057
Prior period adjustment	(3,611)	-
Retrospective changes	6,819	-
Net operating result for the year	30,174	29,045
Release of legacy provision	3,237	-
Balance as at 31 December	613,721	577,102

24. 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:

	2018 \$000s	2017 \$000s
Audit of the financial statements		
Fee paid to Victorian Auditor General's Office	128	125
Total paid for audit and review	128	125
Other audit and assurance services		
Fees paid to other auditors	86	56
Total paid for other audit and assurance services	86	56

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

	Note	2018 \$000s	2017 \$000s
Net operating result for the year		30,174	29,045
Non cash flow items in operating result			
Depreciation and amortisation	9	72,406	68,667
Net loss on disposal of property, plant and equipment		1,343	552
Bad and doubtful debts expense		228	254
Dividend income reinvested		(1,985)	(2,070)
Unrealised capital gain/(loss) on investments		(928)	(87)
Net cash inflow from net operating activities before change in assets and liabilities		101,239	96,361
Change in operating assets and liabilities			
(Increase) / decrease in trade and other receivables		(8,198)	6,303
(Increase) / decrease in inventories		(37)	97
(Increase) / decrease in other non-financial assets		(4,195)	(647)
Increase / (decrease) in trade and other payables		2,752	14,332
Increase / (decrease) in other current liabilities		6,690	(450)
Increase / (decrease) in provision for employee benefits		3,404	3,809
Net cash provided by / (used in) from operating activities		101,655	119,805

26. Financial risk management

26.1 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.

26.2 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 to interest rate risk and price risk.

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	-	-
Syndicate debt facility	50,000	2.68	1,342	500	1,000	-	-
Total increase/(decrease)	112,983		2,385	1,129	2,257	4	13

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 2017	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	337	-	-	-	-	10	34
Cash and cash equivalents	52,036	1.66	864	520	1,041	-	-
Total increase/(decrease)	52,373		864	520	1,041	10	34

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 2018, the University had no outstanding contracts (2017 \$ nil).

26.3 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.

26.4 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.

26.5 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	
		2018 %	2017 %	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assets							
Cash and cash equivalents	13	1.66	1.66	62,857	52,036	-	-
Trade and other receivables	14	-	-	-	-	-	-
Held to maturity investments							
Term deposits over 90 days	15	-	2.48	-	-	-	10,079
Fair value through profit or loss							
Deferred government benefit for superannuation	14	-	-	-	-	-	-
Units in unit trusts	15	-	-	-	-	-	-
Listed shares	15	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income							
Equity instruments at fair value	15	-	-	-	-	-	-
Long term managed funds	15	-	-	-	-	-	-
Total financial assets		-		62,857	52,036	-	10,079
Financial liabilities							
Trade and other payables	19	-	-	-	-	-	-
Debentures loans	20	-	6.51	-	-	-	2,520
Commercial bills	20	-	6.12	-	-	-	1,069
Fixed rate loan	20	-	6.84	-	-	-	4,500
Syndicate debt facility	20	2.68	-	50,000	-	-	-
Defined benefit superannuation obligation	21	-	-	-	-	-	-
Bonds and deposits	22	-	-	-	-	-	-
Total financial liabilities		-		-	-	-	8,089

	Maturing 1 to 5 years		Maturing over 5 years		Non-interest bearing		Total	
	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	62,857	52,036
Trade and other receivables	-	-	-	-	20,471	14,389	20,471	14,389
Held to maturity investments								
Term deposits over 90 days	-	-	-	-	-	-	-	10,079
Fair value through profit or loss								
Deferred government benefit for superannuation	-	-	-	-	72,258	71,398	72,258	71,398
Units in unit trusts	-	-	-	-	-	94	-	94
Listed shares	-	-	-	-	126	337	126	337
Financial assets at fair value through other comprehensive income								
Equity instruments at fair value	-	-	-	-	33,278	18,844	33,278	18,844
Long term managed funds	-	-	-	-	48,668	50,842	48,668	50,842
Total financial assets	-	-	-	-	174,801	155,904	237,658	218,019
Financial liabilities								
Trade and other payables	-	-	-	-	80,000	73,172	80,000	73,172
Debentures loans	-	7,039	-	-	-	-	-	9,559
Commercial bills	-	1,431	-	-	-	-	-	2,500
Fixed rate loan	-	22,500	-	13,125	-	-	-	40,125
Syndicate debt facility	50,000	-	-	-	-	-	50,000	-
Defined benefit superannuation obligation	-	-	-	-	72,258	71,398	72,258	71,398
Bonds and deposits	-	-	-	-	22	319	22	319
Total financial liabilities	50,000	30,970	-	13,125	152,280	144,889	202,280	197,073

27. Fair value measurement

27.1 Fair value measurements

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

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

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

	Note	Carrying value		Fair value	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assets					
Trade and other receivables	14	92,729	85,787	92,729	85,787
Other financial assets – Term deposits	15	-	10,079	-	10,079
Units in unit trusts	15	-	94	-	94
Listed shares	15	-	337	-	337
Other financial assets at fair value through other comprehensive income	15	48,668		48,668	
Other financial assets at fair value through profit and loss	15	10,226		10,226	
Investment in equity instruments designated at fair value through other comprehensive income	15	23,052		23,052	
Investment in equity instruments designated at fair value through profit and loss	15	126		126	
Available-for-sale shares at fair value	15		16,330		16,330
Available-for-sale financial assets at fair value	15		50,842		50,842
Total financial assets		174,801	163,469	174,801	163,469
Financial liabilities					
Trade and other payables	19	80,000	73,172	80,000	73,172
Government financial assistance received in advance	22	4,000	2,677	4,000	2,677
Bonds and deposits	22	22	319	22	319
Debentures loans	20	-	9,559	-	9,559
Commercial bills	20	-	2,500	-	2,500
Fixed rate loan	20	-	40,125	-	40,125
Syndicate debt facility	20	50,000	-	50,000	-
Defined benefits superannuation obligations	21	72,258	71,398	72,258	71,398
Total financial liabilities		206,280	199,750	206,280	199,750

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 27.1 through 27.5.

27.2 Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

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

(i) Recognised fair value measurements

Fair value measurements recognised in the Statement of financial position are categorised into the following levels at 31 December 2018.

27. Fair value measurement (cont.)

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	15	48,668	48,668	-	-
Investment in equity instruments designated at fair value through other comprehensive income	15	23,052	119	-	22,933
Investment in equity instruments designated at fair value through profit and loss	15	10,352	126	-	10,226
Total financial assets		82,072	48,913	-	33,159
Non-financial assets					
Land	17	338,384	-	20,683	317,702
Buildings	17	616,327	-	-	616,327
Infrastructure	17	80,846	-	-	80,846
Works of art	17	20,344	-	-	20,344
Total non-financial assets		1,055,901	-	20,683	1,035,219
Fair value measurements at 31 December 2017	Note	2017 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
Recurring fair value measurements:					
Financial assets					
Units in unit trusts	15	94	94	-	-
Listed shares	15	337	337	-	-
Shares at fair value	15	16,330	130	-	16,200
Available-for-sale financial assets	15	50,842	50,842	-	-
Total financial assets		67,603	51,403	-	16,200
Non-financial assets					
Land	17	302,358	-	22,388	279,970
Buildings	17	595,140	-	-	595,140
Infrastructure	17	55,763	-	-	55,763
Works of art	17	20,260	-	-	20,260
Total non-financial assets		973,521	-	22,388	951,133

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.

An independent valuation of the University's specialised land at Bundoora was performed by Egan National Valuers. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2018.

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. The University owns shares in Education Australia Ltd. IDP Education Ltd jointly owned by listed job search company SEEK and Education Australia, which represents 38 Australian universities. Each of the 38 Universities owns an equivalent amount of shares in Education Australia. IDP Education Ltd listed on the Australian Stock Exchange (ASX) in November 2015 under the ASX code "IEL". As at 31 December 2018, the ASX share price was \$9.87 resulting in a market value of \$1,237,673,167. ShineWing Australia assessed the fair market value of Education Australia as \$943,653,217 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 \$24.83 million (level 3).

IDP Education Ltd shares held by Education Australia are traded in an active market. As such the valuation of these shares has been determined by an appropriately skilled independent third party. The basis of the valuation is to include the cash balance in Education Australia and ASX share price of IDP Education Limited at 31 December 2018 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.

As at 30 November 2018, 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 \$229m and \$233m with a midpoint of \$231m, with the estimated fair value of each of the Universities' equity interest being \$5,923,077.

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 have estimated the indicative fair value of 100% of the equity interest in VERNet (on a controlling basis) as at Valuation Date to be \$36,618,054 with the indicative fair value of each of the Universities' equity interest in VERNet as at Valuation Date being \$4,068,673.

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 15) 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).

27. Fair value measurement (cont.)

27.3 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 their assessment of the fair value of each property, taking into account the most recent independent valuations. The University determines the property's value within a range of reasonable fair value estimates.

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

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

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

27.4 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 2018 and 2017.

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

Level 3 Fair value measurement 2017	Land \$000s	Buildings \$000s	Infrastructure \$000s	Works of art \$000s	Shares \$000s	Total \$000s
Opening balance	282,150	575,529	86,836	-	10,714	955,229
Transfers from level 2	-	-	-	14,219	-	14,219
Additions	-	16,216	8,817	505	-	25,538
Transfers from work in progress	-	29,769	20,545	-	-	50,314
Revaluation increase/(decrease)	(2,180)	(4,647)	(56,960)	5,536	5,486	(52,765)
Disposals	-	-	-	-	-	-
Depreciation expense	-	(21,727)	(3,475)	-	-	(25,202)
Closing balance	279,970	595,140	55,763	20,260	16,200	967,333

27.5 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 would be via a trade sale (due to the transaction would likely involve a material number of shares). Together with the complexity in the Shareholders Agreement to execute a sale of the shareholding, results in difficulty to realise the value of the investment. The Board of Education Australia has not initiated any action that would allow a University Shareholder to realise their investment in Education Australia.</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 <i>Financial Instruments</i>. 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 October 2018 and 30 November 2018 respectively, and adjusting the assets and liabilities of the entities to reflect their fair values.</p>

28. Commitments

28.1 Capital commitments

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

Property, plant and equipment		
Within one year	63,785	65,143
Between one to five years	772	2,400
Later than five years	-	-
Total	64,557	67,543

28.2 Lease commitments

Operating leases

Operating lease commitments includes contracted amounts for commercial buildings, office premises, motor vehicles 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:

	2018 \$000s	2017* \$000s
Within one year	8,553	8,989
Between one year and five years	17,756	10,021
Later than five years	9,053	12,892
Total future minimum lease payments	35,362	31,902

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

* Prior year number has been restated to include Motor Vehicle lease commitments. As a result, the total lease commitments as of 31 December 2017 increased by \$ 1,224,000.

29. 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.

29.1 Summary of superannuation scheme payments

	Note	2018 \$000s	2017 \$000s
UniSuper defined benefit division accumulation super (2) (DBD)	29.2	35,739	35,154
Unisuper accumulation super (1)	29.2	13,831	13,875
Victorian superannuation board (Unfunded-Emerging)	29.3	4,877	4,852
Total		54,447	53,881

29.2 UniSuper Limited

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

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

UniSuper offers eligible members the choice of two schemes known as the Defined benefit plan or Investment choice 58 Notes to and Forming an Integral Part of the Financial Statements for the Year Ended 31 December 2017 Plan where the contribution rate is 21% of member's salary, of which the member contributes 7% and the University 14%. Employees appointed to positions classified between Higher Education Worker (HEW) levels 1-4 have the option of contributing at half rates (i.e. 3.5% from the employee and 7% from the University).

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

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

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

The employer contribution rate for 2018 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 2018 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$35,738,610 (2017 \$35,154,245). 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 \$7,447,192 (2017 \$7,730,911) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2018 totalled \$nil (2017 \$nil). There are no loans to fund members.

UniSuper Accumulation Super (1)

UniSuper also offers a cash accumulation productivity scheme known as the Award Plus Plan (APP). University employees have no requirement to contribute to the scheme. The University contributes the equivalent of 3% of base salary in respect of those employees who were members of the Defined benefit plan or the Investment choice plan. Casual and non-permanent employees who do not qualify for membership of the DBD will have a minimum contribution 9.5% of their annual salary contributed by the University to the APP prescribed under the *Superannuation Guarantee Charge Act 1992*.

The employer contribution rate is 3% of employee salaries where the staff member is a member of the DBD. Where UniSuper Accumulation Super (1) is the only scheme the current contribution rate is 9.5%. Employer contributions for the year totalled \$13,831,160 (2017 \$13,874,937). There were no outstanding employer contributions as at 31 December 2018 (2017 \$nil). There are no loans to fund members.

29.3 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 \$860,00 during the 2018 year (2017 increase by \$308,000) has no financial impact on the operating result. While the Net assets has not altered with these changes, both the Total assets and Total liabilities have increased by \$860,000 (2017 increase by \$308,000).

During 2018, La Trobe University's contributions to the Fund totalled \$4,877,270 (2017 \$4,851,539). There were no outstanding employer contributions as at 31 December 2018 (2017 \$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	2018 \$000s	2017 \$000s
Salary related expenditure increase/(decrease) in superannuation liability		860	308
Miscellaneous income / (decrease) in amount receivable for superannuation		860	308

Amounts relate to the overall increase/decrease in the outstanding superannuation liability and the corresponding receivable from \$71,398,000 at 31 December 2017 to \$72,258,000 at 31 December 2018 as determined by the Fund.

(ii) Amounts receivable from the Commonwealth government

Current		4,645	4,712
Non-current		67,613	66,686
Total	14	72,258	71,398

(iii) Unfunded superannuation liability

Current		4,645	4,712
Non-current		67,613	66,686
Total	21	72,258	71,398

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 (Education), the effects of the unfunded superannuation liabilities of the University and its controlled entities were recorded in the Income statement and the Statement of financial position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the 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 2018 (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.

30. Joint operations

Name of joint arrangement/associate	Nature of relationship	Principal place of business	Ownership interest	
			2018 %	2017 %
Biosciences Research Centre	Joint operations	La Trobe University, Melbourne	25	25
Murray-Darling Freshwater Research Centre [#]	Joint operations	La Trobe University, Wodonga and Mildura	-	50

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.

[#] The joint operation "Murray-darling freshwater research centre" was terminated on 28 Feb 2018.

	2018 \$000s	2017 \$000s
Cash	-	-
Receivables	-	1,760
Prepayments	-	15
Inventory	-	-
Non-current assets	-	220
Leased assets	52,133	53,743
Total assets	52,133	55,738
Payables	-	626
Income in advance	-	880
Provisions	-	149
Non-current liabilities	-	69
Total liabilities	-	1,725

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	7,887	11,562
Other revenue	187	35
Total revenue	8,074	11,598
Staff and related costs	(1,649)	(3,155)
Occupancy costs	(1,686)	(1,051)
Administrative costs	(2,218)	(2,918)
Depreciation	(7)	(33)
Amortisation expense-finance lease asset	(1,610)	(1,610)
Other categories of expenditure	(6,826)	(4,865)
Total expenditure	(13,996)	(13,633)
Net operating loss from jointly controlled operations and assets	(5,923)	(2,035)

Capital commitments and contingent liabilities arising from the University's interests in joint ventures are included in notes 28 and 31 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.

30.1 Joint operations and associates

Biosciences Research Centre

On 29th April 2009, the University entered into a joint operation with the State, through the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) formerly known as the Department of Environment and Primary Industries (DEPI) to construct, manage and operate a biosciences research centre ("BRC") on the Bundoora campus.

The BRC is:

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

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

The agreement set out the minimum required payments of the University to contribute \$50m (NPV to 1 October 2007) to DEDJTR over the 25 year Project Agreement (which represented the University's 25% share of the cost to design, construct and operate AgriBio for 25 years). The University accounted for its 25% ownership interest in the building as a leased asset at amortised cost. Amortisation is charged on a straight line basis over the expected lease term of 25 years (incorporating the residual value of the building after the expiration of the 25 years). The University's 25% share of the lease obligation is accounted for as a lease liability.

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

The minimum payments were structured to grow over time (inline with expected growth in research block grant revenue. The payment to be made is 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 Feb 2018.

31. Contingencies

31.1 Contingent assets

There were no contingent assets to report.

31.2 Contingent liabilities

During 2018, 15 new WorkCover claims have been raised against the University. However, 78 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 December 2017 storm damage was assessed at \$150,000 and remains un-finalised at this time. 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 freezer failure in January 2018 at La Trobe Institute of Molecular Science (LIMS) facility has led to the loss of research samples and holds a current estimate value of \$303,000. The exposure to La Trobe is limited to the excess of \$60,000 or 20% excess contribution for an alarmed freezer.

A Controlled Environment claim for the Animal House dated 5 September 2018 is expected to remain active up to 18 months from the date of the loss, following a recent splitting of the room and lighting. The expected loss is around \$400,000 for both the Consumables and Research re-creation. The exposure to La Trobe is limited to the excess of \$80,000 or 20% excess contribution.

In 2018, several Australian Universities reported inconsistencies in their application of superannuation payments. La Trobe is undertaking a specialist review of its own superannuation mechanisms. There is significant uncertainty with respect to the extent of La Trobe's obligations, and as such, La Trobe cannot reliably estimate if there is any present superannuation shortfall obligation. In accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets*, where the amount of the obligations cannot be measured with sufficient reliability, no provision can be recognised in the financial statements in 2018. The University seeks to conclude its review as soon as practicable and commence implementation of any findings of the review within the 2019 financial year.

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:

- i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- ii) the amount of the obligation cannot be measured with sufficient reliability.

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

32. Events occurring after the reporting date

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

33. Key management personnel disclosures

33.1 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 for Training and Skills and the Minister for Higher Education

The Hon. Gayle Tierney MP, is the responsible minister for the University and her remuneration is reported by the Department of Premier and Cabinet.

(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 (\$930,000 to \$940,000 in 2017).*

* The movement from last year is entirely due to the inclusion of annual leave and long service leave balances as a part of reporting requirements. As a result, prior year salary banding have also been restated to include movement in annual leave and long service leave under this note.

Names of Responsible persons holding the position of Member of council during the financial year:

1. Professor Richard G. Larkins (AC Chancellor)
2. Professor Christine Bigby (Chair, Academic Board)
3. Mr Andrew Eddy
4. Ms Deborah Radford
5. Ms Yvonne von Hartel
6. Commissioner Michael Gay
7. Ms Margaret Burdeu
8. Mr Adam Furphy
9. Mr Peter McDonald
10. Dr Philip Moors
11. Ms Christine Christian
12. Professor Edwina Cornish
13. Dr Jillian Murray
14. Mr Dean D'Angelo (Term started 1 January 2018)

33.2 Remuneration of responsible persons

	2018 \$000s	2017 \$000s
\$10,000 to \$19,999	-	1
\$20,000 to \$29,999	1	1
\$30,000 to \$39,999	-	3
\$40,000 to \$49,999	10	7
\$70,000 to \$79,999	-	1
\$80,000 to \$99,999	1	-
Responsible Persons who received no remuneration (Community representatives)	2	4
Total numbers	14	17

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

33.3 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.

	2018 \$000s	2017 \$000s
\$30,000 to \$39,999	-	1
\$110,000 to \$119,999	1	-
\$130,000 to \$139,999	1	-
\$150,000 to \$159,999	-	1
\$180,000 to \$189,999	-	1
\$220,000 to \$229,999	-	1
\$240,000 to \$249,999	-	1
\$310,000 to \$319,999	1	-
\$320,000 to \$329,999	1	-
\$350,000 to \$359,999	-	2
\$370,000 to \$379,999	2	-
\$400,000 to \$409,999	1	-
\$430,000 to \$439,999	1	-
\$440,000 to \$449,999	-	1
\$460,000 to \$469,999	1	1
\$540,000 to \$549,999	1	1
\$570,000 to \$579,999	1	-
\$580,000 to \$589,999	-	1
Total numbers	11	11
Total annualised employee equivalent (AEE)	9.23	7.97
Total Remuneration of Executive Officers for the Year	4,062	3,601

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

33.4 Key management personnel compensation

	2018 \$000s	2017 \$000s
Short-term employment benefits	1,449	1,388
Post-employment benefits	74	58
Other long-term benefits	25	19
Termination benefits	-	-
Total remuneration	1,548	1,465

33.5 Executive officers compensation

	2018 \$000s	2017 \$000s
Short-term employment benefits	3,601	3,108
Post-employment benefits	387	366
Other long-term benefits	74	127
Termination benefits	-	-
Total remuneration	4,062	3,601

33.6 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)	
	2018 \$	2017 \$
Northern Health	1,573	1,248

34. Acquittal of Australian government financial assistance

34.1 Education - CGS and other education grants[#]

	Note	Commonwealth grants scheme ^{#1}		Disability support program ^{#2}		Indigenous student success program ^{#3}		Partnership and participation program	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		229,182	229,780	282	326	1,107	1,007	4,877	4,875
Net accrual adjustments		(6,597)	-	-	-	-	-	-	42
Revenue for the period	2.1	222,585	229,780	282	326	1,107	1,007	4,877	4,917
Surplus/(deficit) from the previous year		-	-	-	-	384	-	-	-
Total revenue including accrued revenue		222,585	229,780	282	326	1,491	1,007	4,877	4,917
Expenses including accrued expenses		(222,585)	(229,780)	(282)	(326)	(1,080)	(623)	(4,877)	(4,917)
Surplus/(deficit) for the reporting period		-	-	-	-	411	384	-	-

	Note	Promotion of Excellence in Learning and Teaching		Superannuation Program		Total	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	20	4,501	4,788	239,949	240,796
Net accrual adjustments		-	-	718	(400)	(5,879)	(358)
Revenue for the period	2.1	-	20	5,219	4,388	234,070	240,438
Surplus/(deficit) from the previous year		-	-	-	-	384	-
Total revenue including accrued revenue		-	20	5,219	4,388	234,454	240,438
Expenses including accrued expenses		-	(20)	(5,219)	(4,388)	(234,043)	(240,054)
Surplus/(deficit) for the reporting period		-	-	-	-	411	384

#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 & 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.

34. Acquittal of Australian government financial assistance (cont.)

34.2 Higher education loan programmes (excl. OS-HELP)

Note	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total		
	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	
Cash Payable/(Receivable) at the beginning of the year	(50)	(2,575)	2,335	260	98	(111)	2,383	(2,426)	
Financial assistance received in cash during the reporting period	156,417	157,538	23,583	23,273	2,966	3,466	182,966	184,277	
Cash available for the period	156,367	154,963	25,918	23,533	3,064	3,355	185,349	181,851	
Revenue earned	2.2	157,500	155,647	24,300	21,331	3,064	3,259	184,864	180,237
Net accrual adjustments	(556)	(634)	(111)	(133)	-	(2)	(667)	(769)	
Cash Payable/(Receivable) at the end of the year	(577)	(50)	1,729	2,335	-	98	1,152	2,383	

34.3 Total Higher Education Provider Research Training Program expenditure

	Total domestic students		Total overseas students		Total	
	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Research Training Program Fees offsets	11,342	11,129	366	515	11,708	11,644
Research Training Program Stipends	7,405	7,115	108	172	7,514	7,288
Research Training Program Allowances	9	3	-	-	9	3
Total for all types of support ^{#4}	18,757	18,248	474	688	19,231	18,935

#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 34.4 in respect to the 2018 year.

34.4 Education Research

	Note	Research training program		Research support program		Total	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		18,377	18,164	15,094	13,546	33,471	31,710
Revenue for the period	2.3	18,377	18,164	15,094	13,546	33,471	31,710
Surplus/(deficit) from the previous year		1,069	-	116	-	1,185	-
Total revenue including accrued revenue		19,446	18,164	15,210	13,546	34,656	31,710
Expenses including accrued expenses		(19,231)	(17,095)	(15,210)	(13,430)	(34,441)	(30,525)
Surplus/(deficit) for the reporting period		215	1,069	-	116	1,400	1,185

34.5 Other capital funding

	Note	Education Investment Fund		Linkages Infrastructure		Total	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-	205	-	205	-
Revenue for the period	2.4	-	-	205	-	205	-
Surplus/(deficit) from the previous year		(39,564)	(39,564)	145	145	(39,419)	(39,419)
Total revenue including accrued revenue		(39,564)	(39,564)	350	145	(39,214)	(39,419)
Expenses including accrued expenses		-	-	(96)	-	(96)	-
Surplus/(deficit) for the reporting period		(39,564)	(39,564)	254	145	(39,310)	(39,419)

34. Acquittal of Australian government financial assistance (cont.)

34.6 Australian research council grants

(i) Discovery	Note	Projects		Fellowships		Indigenous Researchers Development		Total	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		3,356	4,657	809	2,131	-	-	4,165	6,788
Net accrual adjustments		-	63	-	-	-	-	-	63
Revenue for the period	2.5(i)	3,356	4,720	809	2,131	-	-	4,165	6,851
Surplus/(deficit) from the previous year		5,048	5,133	2,631	3,208	25	25	7,704	8,366
Total revenue including accrued revenue		8,404	9,853	3,440	5,339	25	25	11,869	15,217
Expenses including accrued expenses		(3,902)	(4,805)	(1,427)	(2,708)	-	-	(5,329)	(7,513)
Surplus/(deficit) for the reporting period		4,502	5,048	2,013	2,631	25	25	6,540	7,704

(ii) Linkages	Note	International		Projects		Total	
		2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s	2018 \$000s	2017 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-	1,784	515	1,784	515
Net accrual adjustments		-	-	278	88	278	88
Revenue for the period	2.5(ii)	-	-	2,062	603	2,062	603
Surplus/(deficit) from the previous year		13	13	61	621	74	634
Total revenue including accrued revenue		13	13	2,123	1,224	2,136	1,237
Expenses including accrued expenses		-	-	(919)	(1,163)	(919)	(1,163)
Surplus/(deficit) for the reporting period		13	13	1,204	61	1,217	74

34.7 Other Australian government financial assistance

	2018 \$000s	2017 \$000s
Non-capital		
National Health and Medical Research Council [^]	12,383	11,225
Other Australian government financial assistance	1,175	480
Other Australian government financial assistance	13,558	11,705

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

34.8 OS-HELP

	2018 \$000s	2017 \$000s
Cash received during the reporting period	2,210	1,695
Cash spent during the reporting period	(2,674)	(2,287)
Net cash received	(464)	(592)
Cash surplus/(deficit) from the previous period	1,569	2,161
Cash surplus/(deficit) for the reporting period	1,105	1,569

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

34.9 Superannuation supplementation

	2018 \$000s	2017 \$000s
Cash received during the reporting period	4,501	4,788
University contribution in respect of current employees	-	-
Cash available	4,501	4,788
Cash surplus / (deficit) from the previous period	767	366
Cash available for current period	5,268	5,154
Contributions to specified defined benefit funds	(5,578)	(4,387)
Cash surplus/(deficit) for this period	(310)	767

34.10 Student services and amenities fee

	Notes	2018 \$000s	2017 \$000s
Unspent/(overspent) revenue from previous period		1,893	1,905
SA-HELP revenue earned	2.2	3,064	3,259
Student services fees direct from students	4	5,413	5,041
Total revenue expendable in period		10,370	10,205
Student services expenses during period		(8,653)	(8,312)
Unspent/(overspent) student services revenue		1,717	1,893

35. 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	
		2018 \$000s	2017 \$000s	2018 %	2017 %
Unitemps La Trobe Ltd	Australia	(194)	25	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:

	2018 \$000s	2017 \$000s
Income statement		
Total revenue	1,212	163
Total expenses	1,406	138
Net operating profit	(194)	25
Balance sheet		
Current assets	1,411	163
Total assets	1,411	163
Current liabilities	(1,586)	(138)
Total liabilities	(1,586)	(138)
Net assets	(175)	25

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

La Trobe established the Company "Unitemps Latrobe 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.

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

36. Related parties

36.1 Subsidiaries

Interests in subsidiaries are set out in note 35.

36.2 Key management personnel

Disclosures relating to Council Members and specified executives are set out in note 33.

36.3 Transactions with related parties

The following transactions occurred with related parties:

	2018 \$000s	2017 \$000s
Amounts received on behalf of the subsidiary	1,212	163
Expenses incurred on behalf of the subsidiary	1,400	138

36.4 Outstanding balances

	2018 \$000s	2017 \$000s
Current receivables - subsidiary	(1,556)	122
Current payables - subsidiary	1,372	164

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.

37. Ex-gratia payment

Payments made to employees during 2018

Ex-gratia payments associated with negotiated staff departures from the University in 2018 totalled \$283,160 (2017: \$496,041).



Notes

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 2018
is available online at:

latrobe.edu.au/council/resources

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