

Annual Report 2012

Governance and Financial Reporting

Part B

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11 March 2013

Minister of Higher Education and Skills
2 Treasury Place
EAST MELBOURNE VIC 3002

Dear Minister,

In accordance with the requirements of regulations under the Financial Management Act 1994,
I am pleased to submit for your information and presentation to Parliament the La Trobe University
Annual Report for the year ending 31 December 2012.

The Annual Report was approved by the La Trobe University Council on 11 March 2013.

Yours sincerely,

Adrienne E Clarke AC
Chancellor

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 8 March 1967.

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

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

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

RELEVANT MINISTER

The responsible minister in the current Victorian Government is the Minister for Higher Education and Skills, the Hon Peter Hall MLC.

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 to 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.

MEMBERSHIP OF COUNCIL 2012



PROFILE

Adrienne E Clarke AC

Chancellor

BSc(Hons), PhD Melbourne

Distinguished career in education, research and innovation and public service; Laureate Professor, School of Botany (The University of Melbourne); Board Member; Advisory Position – The Nature Conservancy, Australian Advisory Board.

Appointed to Council: 24/08/2010

Meetings attended in 2012: ten (10)



PROFILE

Emeritus Professor John McKenzie AM FAA

Council appointment (Deputy Chancellor)

BSc(Hons), PhD La Trobe

Experience in leadership, research, teaching, mentoring and interaction with industry and the community.

Appointed to Council: 01/01/2009

Appointed Deputy Chancellor: 13/02/2010

Meetings attended in 2012: nine (9)



PROFILE

Professor John Dewar

ex officio (Vice-Chancellor)

BCL, MA Oxon, PhD Griffith

Commenced as Vice-Chancellor in January 2012.

Meetings attended in 2012: nine (9)



PROFILE

Professor Simon Crowe

ex officio (Chair, Academic Board)

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

Appointed to Council: February 2012

Meetings attended in 2012: ten (10)



PROFILE

Mr Tony De Domenico

Governor-in-Council appointment

Fellow of Australian Institute of Management

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

Appointed to Council: 8/09/2009

Reappointed: 13/06/2012

Meetings attended in 2012: nine (9)



PROFILE

Mr Andrew Eddy

Governor-in-Council appointment

BComm Melbourne

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

Appointed to Council: 19/10/2010

Meetings attended in 2012: nine (9)



PROFILE

Mr Richard Guy OAM

Governor-in-Council appointment
BAppSc Melb, MSc London

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

Appointed to Council: 10/02/2009
Meetings attended in 2012: seven (7)



PROFILE

Ms Jennifer Williams

Governor-in-Council appointment
BEC La Trobe, MSc WashingtonDC; FAICD

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

Appointed to Council: 01/01/2009
Meetings attended in 2012: eight (8)



PROFILE

Ms Jamila Gordon

Council appointment
BBus&IT La Trobe; AssocDipAcc Bendigo TAFE; Graduate of the Australian Institute Company Directors (GAICD)

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

Appointed to Council: 01/10/2009
Meetings attended in 2012: eight (8)



PROFILE

Mr William Kelty AC

Council appointment
BEC La Trobe

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

Appointed to Council: 02/06/08
Meetings attended in 2012: eight (8)



PROFILE

Mr Graeme McMahon

Council appointment (part year)

Substantial business experience, formerly CEO of major airline, formerly President of Essendon Football Club.

Council member: 1998 – 2004
Re-appointed to Council: August 2007
Resigned from Council: 14 August 2012
Meetings attended in 2012: three (3)



PROFILE

Mr Peter McDonald

Council appointment (part year)

BA, MA of Professional Accounting; Fellow, CPA Australia; Fellow, Australian Health Services Financial Management Association; Member, Australian Institute of Company Directors

Appointed to Council: 13/09/2012
Meetings attended in 2012: three (3)

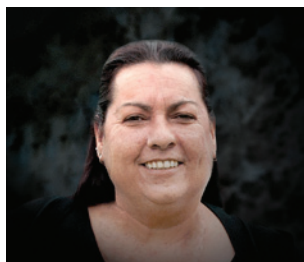


PROFILE

Mr Jeff Rosewarne

Ministerial appointee member
Currently, Secretary – Department of Primary Industries.

Appointed to Council: 01/01/2012
Meetings attended in 2012: seven (7)



PROFILE

Ms Nellie Green

Elected general staff member
BAppSc (Indigenous Community Management & Development) Curtin
Awarded an Indigenous Staff Scholarship from DEEWR 2011.

Appointed to Council: 05/09/2011
Meetings attended in 2012: eight (8)



PROFILE

Professor Marilyn Anderson

Elected professorial staff member
BSc Hons Melb; PhD in Biochemistry La Trobe; Founding Scientist and Chief Science Officer; Fellow of the Australian Academy of Science (FAA)

Appointed to Council: 12/05/2011
Meetings attended in 2012: nine (9)



PROFILE

Dr Adrian Jones

Elected by academic staff – non-professorial representative (Replacing Mrs Ann Kuypers)
BA (Melbourne), MA (La Trobe), MA (Harvard) and PhD (Harvard)
Associate Professor History Program.

Appointed to Council: 01/07/2012
Meetings attended in 2012: five (5)



PROFILE

Mrs Ann Kuypers

Elected by academic staff – non-professorial representative (part year)
GradCert(Periop) RCN, GradDip(ClinEd) La Trobe; RN; MRCNA; MACORN;
Lecturer Nursing and Midwifery, Albury-Wodonga campus.

Appointed to Council: 1/01/2010
Term concluded: 30/06/2012
Meetings attended in 2012: three (3)



PROFILES

Ms Joane Jonathan

Elected by postgraduate students
Postgraduate student
Appointed to Council: 1/01/2012
Meetings attended in 2012: seven (7)



PROFILE

Mr Adrian McMillan

Elected by undergraduate students
Undergraduate student
Appointed to Council: 1/01/2012
Meetings attended in 2012: eight (8)

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.

If the La Trobe University community – the students, staff and alumni – can do that, then together we will continue to make a real difference to the citizens of Victoria and to the wider world.

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

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

Trust and respect

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

We will:

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

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

We will:

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

Honesty and fairness

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

We will:

- behave honestly and with integrity in our dealings with our colleagues and community
- comply with any relevant legislative, industrial or administrative requirements

- act with care and diligence in the course of our employment 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, co-operation 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.

Risk Management

DETAILS OF INDEMNITY FOR MEMBERS OF COUNCIL AND SENIOR OFFICERS

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

Professional Liability Protection

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

The protection period is 1 November 2011 to 31 October 2012 (Protection number: ULLTU12, and 1 November 2012 to 31 October 2013 (ULLTU13). The University retains the first \$100,000 for each and every claim.

Cover is limited to \$20,000,000 for each and every claim but limited to \$80,000,000 in the aggregate for the protection period (the \$80,000,000 aggregate is a combined single limit across professional liability, malpractice and general clinical trials).

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

Directors and Officers Liability Protection

The protection period is 1 November 2011 to 31 October 2012 (Policy number: 93306133) and 1 November 2012 to October 2013 (Policy number: 93306133). Previously this protection has been maintained with Unimutual from 2 January 2003 to 31 October 2010. Since 1 November 2011 Directors and Officers Liability Insurance has been obtained from Chubb Insurance Company of Australia (AFS Licence Number: 239778).

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

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

UNIVERSITY'S RISK MANAGEMENT STRATEGY

The University Council promotes a major emphasis on risk management as a key platform of corporate governance and a vital component of effective decision making. The Council's Corporate Governance, Audit and Risk Committee (CGARC) provides a strong oversight of risk management and compliance activities throughout the University. Activities in 2012 included examinations of adequacy of, and compliance with legislative requirements and University's controls with respect to:

- continuing examination of strategic and operational risk
- ongoing analysis of budget risk
- ongoing analysis of fraud and corruption risk
- conduct of compliance and financial control assessments of all Budget Centres
- financial audits of Budget Centres
- legislative and regulatory compliance audits
- compliance audits of University financial policies, procedures and practices
- departmental spot audits
- reviews of tender and contract probity
- Specific audit reviews of:
 - Major banking transactions
 - Ancillary accounting systems
 - Residential Services – financial audit
 - Infrastructure and Operations – Maintenance – financial audit
 - Purchasing card use
 - Overseas travel
 - System of safety compliance
 - Records integrity and security
 - OHS Act 2004
 - Conflict of interest
 - Corporate governance
 - Clinical supervision
 - Dentistry enrolments
 - Faculty enrolments
 - Minor works and maintenance
 - Campus safety and security
 - Animal House

- Continuous control monitoring for Accounts Payable
- Probity advice and audits for major tenders
- Special investigations
- Legislative compliance framework

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

Risk Management Office:

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

Critical Incident and Emergency Management:

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

Internal Audit Office:

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

Insurance Office:

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

Security, Traffic and Parking:

- Provision of the Community Safety Program aimed at improving personal safety and security for staff and students working both on and off campus

- Management of facility and asset protection services
- Management of vehicular traffic on University campuses
- Provision of parking services and management of parking regulations.

La Trobe Health and Safety:

- Provision of advice and services to ensure that the University meets its OHS legislative and regulatory compliance requirements
- Conduct of audits and inspections to ensure a safe work environment is provided
- Conduct of investigations into incidents and accidents
- Management of injury and accident prevention programs
- Management of injured workers' compensation insurance
- Management of return to work for injured workers
- Promotion of health and well-being for staff and students.

RISK MANAGEMENT APPROACH

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

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

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

Other activities

The Risk Management Division has been a contributor to the development of a number of national and international standards.

HEALTH AND SAFETY PERFORMANCE INDICATORS 2012

PERFORMANCE INDICATOR	PERFORMANCE RESULT
Number of lost time workers compensation claims	7 claims for 2012 compared with 16 claims for 2011 and 14 claims for 2010.
Number of days lost due to compensable injury	207 days lost in 2012 compared with 500 days in 2011 and 286 days lost in 2010.
Number of notifiable injuries or occurrences	There were seven notifiable incidents in 2012: 10 January 2012 – independent contractor fell through glasshouse. 16 February 2 independent contractors injured by bulk head door. 20 June independent contractor received electric shock from fire panel. 6 July improvement notice relating to independent contractors job safety analysis. 7 September Residential Assistance injured during assault. 26 September independent contractor struck concealed power cable. 17 September Department of Primary Industries reported incident – AgriBiosciences control environment room CO2 presence.
WorkCover Premium	The WorkCover Premium for 2011/12 was \$1,012,238. The Premium for 2012/13 is \$(1,408,877).
OHS Consultative committee meetings	Each of the 14 committees met the required 4 times during the year

SUMMARY OF EXTENT AND NATURE OF RISK ASSOCIATES AND COMMERCIAL VENTURES

ASSOCIATE/COMMERCIAL VENTURE	PRINCIPAL OBJECTIVES	LEVEL OF FINANCIAL RISK	LEVEL OF REPUTATIONAL RISK
Residential Services	Provision of student accommodation	Low	Medium/Significant
Medical Centre Developments Pty Ltd	Owner and landlord of Medical Centre Building	Medium	Low
La Trobe University Children's Centre	Provision of child minding services	Low	Medium
Campus Graphics	Printing services	Low	Low
LTU Cogeneration Plant	Production of electricity	Low	Low

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

ASSOCIATES AND COMMERCIAL VENTURES' FINANCIAL PERFORMANCE

Income statement

Name		Domicile	Ownership Interest	Total revenue 2012	Total Expend 2012	Tax /Extra Ord Items 2012	Operating result 2012
Residential Services	Provision of student accommodation	Australia	100%	19,086	14,250		4,836
Medical Centre Developments Pty Ltd	Owner and landlord of Medical Centre Building	Australia	100%	5,206	1,829	1,013	2,364
La Trobe University Children's Centre	Provision of child minding services	Australia	100%	2,745	2,733		12
Campus Graphics	Printing services	Australia	100%	361	949		-588
LTU Cogeneration Plant	Production of electricity	Australia	100%	5,089	5,326	5,326	-237

Name	Contribution to Uni operating result 2012	Working capital	Physical assets 2012	Total assets	External borrowings	Total Liabilities	Equity
Residential Services	4,836						
Medical Centre Developments Pty Ltd	2,364	-9,627	14,738	19,417	6,896	17,722	1,695
La Trobe University Children's Centre	12						
Campus Graphics	-588						
LTU Cogeneration Plant	-237						



Risk Management Unit

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Victoria 3086 Australia
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RISK MANAGEMENT STATEMENT FOR YEAR ENDING 31 DECEMBER 2012

11 March 2013

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

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

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

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

Human resources

EQUAL OPPORTUNITY REQUIREMENTS

La Trobe University promotes full and equal participation in the University for all students and staff. We strive to meet all current state and federal human rights, anti-discrimination and equal opportunity legislation in all of our University practices. We have policies, procedures and measures in place to continuously monitor and initiate efforts towards a work and study environment that values equality of opportunity, cultural diversity and one which is free from sexual harassment, harassment and discrimination.

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

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

La Trobe University provides and promotes well established services and support for students and staff with disabilities and ongoing medical conditions. We regularly develop and review initiatives that support students from equity groups such as students from non-English speaking backgrounds, rural and isolated areas and low socioeconomic status backgrounds.

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

The University has developed an Equal Opportunity for Women in the Workplace Strategic Plan 2011–2015 to develop and promote equal opportunity for women across the organisation and to address gender pay equity issues. La Trobe University has been successful in being awarded the 'Employer of Choice for Women' by the Equal Opportunity in the Workplace Agency (EOWA) whose role it is to administer the Equal Opportunity for Women in the Workplace Act 1999.

La Trobe has been successful in receiving this citation every year since the inception of the awards in 2001.



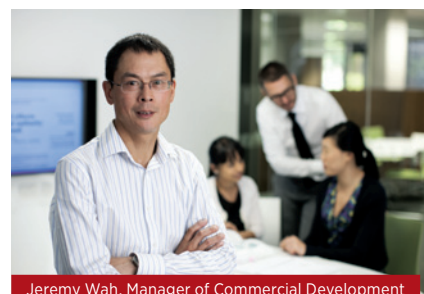
Sarah Hale, Recruitment Advisor



Robert Yamori, Associate Professor of Accounting



Melinda Price, Manager, Nursing and Midwifery School



Jeremy Wah, Manager of Commercial Development

External reporting obligations

FREEDOM OF INFORMATION

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

During 2012, the University received seven (7) applications under the Victorian FOI legislation. Of these applications, two (2) were provided with the full documents requested, one (1) was provided in part, one (1) had all documents withheld and one (1) application was discontinued. There are also decisions pending on two (2) applications.

INFORMATION PRIVACY

During 2012, the University received four (4) complaints under the *Information Privacy Act 2000* (Victoria). Of these complaints, two (2) were confirmed as breaches of privacy and in the remaining two (2) complaints no breaches were established.

NATIONAL COMPETITION POLICY

The University's Research Contracts, Grants, Consultancies, Collaborations and Joint Ventures Policy and Procedure, and Outside Work Policy and Procedure provide for central University review of all tenders and proposals so that they are adequately costed and that appropriate pricing decisions are made in compliance with competitive neutrality principles. The University does this via a costing template designed to ensure competitive neutrality. The University recovers the central costs on an aggregate basis at the faculty level through a special provision in the budgetary mechanism.

The University's *Competition and Consumer Act (Trade Practices) Compliance Guide, Policies and Procedure* and procedural guidelines are available at: latrobe.edu.au/legalservices/trade-practices

Compliance with the Educational Services for Overseas Students Act 2000

La Trobe University complies with the requirements of the *Education Services for Overseas Students Act, 2000* (the Act – as amended in 2010) and the *National Code of Practice 2007* (the Code) which are administered by the Commonwealth Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE).

In early 2012, we completed the first five-yearly external audit of the University's compliance with the Code. No breaches or areas of non-compliance were found. La Trobe's audit report, with an accompanying action plan, was provided to TEQSA on 30 June 2012.

The Executive Director, La Trobe International and the Manager, International Compliance and Recruitment Systems oversaw the continuous review and improvement of La Trobe's international compliance area. This included changes made as a result of the Baird Review of the Act, and the Knight Review of Student Visas, which began its implementation in early 2012.

WHISTLEBLOWERS, GRIEVANCE 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 faculty 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 complaints dealt with is contained in the Ombudsman's Annual Report to the University Council. During the calendar year 2012, the Ombudsman dealt with 213 complaints from members of the University.

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

Whistleblowers Protection Act 2001

Under this Act, the Ombudsman is the University's designated Protected Disclosure Officer and Coordinator. The purpose of the Act is to provide a system for reporting disclosures that reveal improper conduct or detrimental conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

The aim is to give protection from reprisals to anyone possessing such information and to encourage disclosure so that action can be taken. Any investigations must be reported to the Vice-Chancellor. In 2012, no matters were reported.

EXTERNAL REPORTING OBLIGATIONS

CONFORMITY WITH THE BUILDING ACT 1993

The La Trobe Infrastructure and Operations (I&O) Group is responsible for providing a safe, fit-for-purpose, amenable built and natural environment within which the University community lives and works in pursuit of its teaching, learning and research objectives. In 2012, the I&O Group delivered 55 projects that were valued over \$50,000 each and included:

- four (4) engineering upgrades projects
- seven (7) site works infrastructure projects
- 25 fit-out and cosmetic upgrade projects
- three (3) building services upgrades projects
- 11 major maintenance projects
- five (5) new buildings projects.

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

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

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

In 2012, I&O commissioned external organisations to review occupational health and safety, building compliance and maintenance services. The subsequent recommendations are being implemented.

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

CONTRACTS AT \$100,000 OR MORE

In 2012 there were five consultants paid over \$100,000. These consisted of:

CONSULTANT	AMOUNT	FUTURE COMMITMENTS	PARTICULARS OF CONSULTANCY
Nous Group	\$341,536.73	Nil	Regional TAFE Partnership Review
Fleming Job and Associates	\$221,776.90	Nil	Business Planning Workshops
Chisolm Institute of TAFE	\$198,104.40	Nil	Academic Programs
Booz and Company	\$197,505.06	Nil	Transport Strategy Advice
AAA International Education Services	\$118,113.43	Nil	International Academic Programs
TOTAL	\$1,077,036.52		

The University did not charge a Student Services and Administration Fee to students for 2011 because compulsory non-academic fees were specifically prohibited by the VSU legislation.

CONSULTANCIES UNDER \$100,000

The number of consultancies under \$100,000 engaged during 2012 was 224 costing a total of \$3,021,309.99.

EXTERNAL REPORTING OBLIGATIONS

MEMBERSHIPS, FEES AND SERVICES PROVIDED

Tertiary Education (Amendment) Act 1994 – Compulsory Fees

Student Services and Administration Fee – 2012

CAMPUS	STUDY LOAD	SS/ADMIN FEE 2011	SS/ADMIN FEE 2012	% +/-
Albury-Wodonga	Full-time	-	\$263.00	100
	Part-time	-	\$197.00	100
Bendigo	Full-time	-	\$263.00	100
	Part-time	-	\$197.00	100
Melbourne (Bundoora)	Full-time	-	\$263.00	100
	Part-time	-	\$197.00	100
City	Full-time	-	\$263.00	100
	Part-time	-	\$197.00	100
Mildura	Full-time	-	\$263.00	100
	Part-time	-	\$197.00	100
Shepparton	Full-time	-	\$263.00	100
	Part-time	-	\$197.00	100

The University did not charge a Student Services and Administration Fee to students for 2011 because compulsory non-academic fees were specifically prohibited by the VSU legislation.

Compulsory non-academic fees

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

Student Services and Administration Fee – 2012

CAMPUS	TOTAL NON ACADEMIC FEES TOTAL 2012
Albury-Wodonga	\$181,299.00
Bendigo	\$1,069,511.00
Melbourne (Bundoora)	\$3,976,091.00
City	\$31,135.50
Mildura	\$102,782.00
Shepparton	\$109,615.50

Purposes for fees: The University made available the total compulsory non-academic fee collected (refer part 18.1) 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 above by campus.

Student Services and Administration Fee – 2012

CAMPUS	STUDENT ORGANISATIONS
Albury-Wodonga	Wodonga Student Association Inc.
Bendigo	Bendigo Student Association Inc.
Melbourne (Bundoora)	La Trobe University Student Union Inc.

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

EXTERNAL REPORTING OBLIGATIONS

Commercial activities register

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	MELBOURNE CAMPUS AND OTHER SURPLUS PROPERTIES DIVESTMENT	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
Council approval under section 8(3)(h) of the Act and significant commercial activities of controlled entities	Council endorsed the Finance and Resources Committee recommendation (December 2010) to close the Beechworth Hotel and divest the Beechworth Campus. Reference: Council Minute 405.9, 12 February 2011. Status: Council approved the EOI process to proceed subject to separate approval to sell. Reference: Council Minute 420.7.3, 13 August 2012.	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. Status: 131 Edwards Road has sold. 28, 30, 34, 36, 38, 46, 48, 52 and 54 Friswell Ave have sold. 32 Garsed St is sold. 32 Friswell Ave is for sale.	Council endorsed the Finance and Resources Committee recommendation to divest properties at 531 Howqua River Road, Howqua; 3 Altmans Road, Tolmie, 255 Camerons Lane, Beveridge; and 1019-1021 Plenty Road Bundoora, Council Minute 409.9.1, 11 July 2011. Status: 531 Howqua River Rd and 3 Altmans Rd are sold. 1019-1021 Plenty Rd, Kingsbury is sold. 255 Camerons Lane Beveridge has been withdrawn from sale pending further town planning investigations.	Victoria Police: Council approved the proposed lease to Victoria Police (Minute 412.10, 10 October 2011) as a Commercial Activity.
Other commercial activities considered sufficiently important or of interest		In addition to the above mentioned Council approved properties to be divested, the BSPD PCG is also endorsed to investigate and undertake works on several other properties being land known as the Hesse Estate Friswell Ave Flora Hill, CVIP and the Osborne Street campus which will ultimately be recommended to Council for divestment.	In addition to the above mentioned Council approved properties to be divested, the MOSPD PCG is also endorsed to investigate and undertake works on several other parcels of land which surround the Melbourne campus which are currently the subject of an overall Melbourne campus strategic visioning exercise.	Not applicable.
PARTICIPATION				
University involvement in this activity:	The University is the vendor to the property transaction.	The University is the vendor to the property transaction.	The University is the vendor to the property transaction.	As Lessor.
University staff or council member that occupy a board seat in connection with this activity and Directors' and Officers' liability insurance or other insurance arrangements that apply to the activity:	Not Applicable	Not applicable.	Not Applicable	Nil
Results of any assessment undertaken (if any) to determine whether the activity is meeting its purposes and objectives	Approval of a Business Case. A Project Control Group constituted by the Vice-Chancellor.	Approval of a Business Case. A Project Control Group constituted by the Vice-Chancellor.	A Project Control Group constituted by the Vice-Chancellor. Each property transaction is subject to PCG endorsement and referral to University Council.	Business Case approved. Commercial rental payable by tenant. The location of forensic laboratories on campus presents the possibility of future research interactions with La Trobe across complementary technologies.
Whether the activity is ongoing or its anticipated termination date	The activity will cease with the unconditional sale of the property.	The PCG will cease once all properties within the divestment project are sold. The target completion date for the sale and settlement of the sites being investigated is beyond 2014 subject to rezoning and the resolution of external stakeholder issues.	No dates have been established pending the outcome of the strategic review/visioning exercise due to multiplicity of options and outcomes.	Initial Term of five years (2016) with option for a further term of 5 years (2021)

Financial overview

The financial overview section includes the following:

- Explanation of structure of financial statements
- User-friendly explanation of the financial result (including explanation of significant events that impacted on the results)
- Comparative information (5 year preferable)
- Comparison budget/actual results
- Reference to the Standard and Financial Statements for further information

NO.	CLAUSE	DISCLOSURE	PAGE(S)
STANDING DIRECTIONS FOR THE MINISTER FOR FINANCE (SD)			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act, 1994.	MAD
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	GFR 28
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	GFR 2
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> ▪ Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements; ▪ Financial Reporting Directions; and ▪ Business Rules. 	GFR 20, 28-29, 38-40
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> ▪ Balance Sheet; ▪ Statement of Recognised Income and Expense; ▪ Cash Flows Statement; and ▪ Notes to the financial statements. 	GFR 21-80
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> ▪ Present fairly the financial transactions during reporting period and the financial position at end of the period; ▪ Were prepared in accordance with Standing Direction 4.2 (c) and applicable Financial Reporting Directions; and ▪ Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	GFR 20, 28, 38-40
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> ▪ \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and ▪ \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	GFR 39
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	GFR 29
9	SD 4.5.5 (NEW)	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	GFR 11

MAD Annual Report publication 2012 – *Making a Difference* **GFR** Annual Report publication 2012 – *Governance and Financial Reporting*

COMPLIANCE INDEX

The annual report of La Trobe University is prepared in accordance with:

FMA Financial Management Act 1994	AASB Australian Accounting Standards Board	ESOS Education Services for Overseas Students Act 2000
FRD A-IFRS Financial Reporting Directions	ETRA Education and Training Reform Act 2006	DEST Commonwealth Government Department of Education, Science and Training
SD Standing Directions of the Minister for Finance issued under the Financial Management Act, 1994	PAEC Decision of Public Accounts and Estimates Committee of Parliament	
AAS Australian Accounting Standards	RUG Victorian Government response to the Review of University Governance	

NO.	CLAUSE	DISCLOSURE	PAGE(S)
A-IFRS Financial Reporting Directions (FRD)			
10	10	Disclosure Index	GFR 17
11	11	Disclosure of Ex-gratia Payments	N/A
12	07A	Early Adoption of Authoritative Accounting Pronouncements	GFR 35
13	17A	Long Service Leave Wage Inflation and Discount Rates	GFR 38
14	19	Private Provision of Public Infrastructure	N/A
15	21A	Responsible Person and Executive Officer Disclosure in the Financial Report	GFR 69
16	22C	Standard Disclosures in the Report of Operations	MAD, GFR 1-15
17	25A	Victorian Industry Participation Policy in the Report of Operations	N/A
18	26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
19	102	Inventories	GFR 49
20	104	Foreign currency	GFR 64
21	106	Impairment of assets	GFR 36
22	107	Investment properties	N/A
23	109	Intangible assets	GFR 55
24	110	Cash Flow Statements	GFR 32
25	112A	Defined benefit superannuation obligations	GFR 67
26	113	Investments in Subsidiaries, Jointly Controlled Associates and Entities	GFR 80
27	114	Financial Investments	GFR 48

MAD Annual Report publication 2012 – *Making a Difference* **GFR** Annual Report publication 2012 – *Governance and Financial Reporting*

NO.	CLAUSE	DISCLOSURE	PAGE(S)
Department of Education, Employment and Workplace Relations (DEEWR)			
28	FRD 22B DEEWR	Analysis of the achievement of the entity's operational and budget objectives for the financial year; should include comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, staff profile, research performance and performance position.	MAD
29	DEEWR	Information with respect to the governance and administrative structure of the university, specifically council members and occupants of senior officers.	MAD 8-15 GFR 3-6
30	DEEWR	Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman.	GFR 13
31	DEEWR	Details of information available on institution's website, including locations of current and previous Annual Reports.	MAD – back cover GFR – back cover
32	DEEWR	Compliance of financial statements with the Financial Statement Guidelines for Australian Higher Education Providers for 2007 Reporting Period issued by DEST.	GFR 28
Financial Management Act 1994 (FMA)			
33	FMA 1994 49(a)	Financial Statements:	GFR 28-29
34	49 (b)	▪ Contain such information as required by the Minister;	
35	49 (c)	▪ Are prepared in a manner and form approved by the Minister;	
36	49 (d)	▪ Present fairly the financial transactions of the department or public body during the relevant financial year to which they relate;	
37	49 (e)	▪ Present fairly the financial position of the department or public body as at the end of that year; and ▪ Are certified by the accountable officer in the manner approved by the Minister.	
Government Response to the Review of University Governance (RUG)			
38	RUG	Statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General.	
39	RUG	University Council's risk management strategy.	GFR 8-11
40	RUG	Summary of financial performance of Associates and Commercial Ventures.	GFR 10
Education Services for Overseas Students Act 2000 (ESOS)			
41	ESOS National Code 2007 – Sections C and D	Statement indicating compliance with ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007).	GFR 13
Education and Training Reform Act 2006 (ETRA)			
42	ETRA 2006, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year.	GFR 13
Decision Of Public Accounts And Estimates Committee of Parliament			
43	PAEC (December 1997)	Financial and other information relating to institution's international operations.	MAD 25-29

MAD Annual Report publication 2012 – *Making a Difference* GFR Annual Report publication 2012 – *Governance and Financial Reporting*



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FINANCIAL STATEMENTS FOR YEAR ENDING 31 December 2012

Certification

In our opinion:

- (a) The attached financial statements of La Trobe University and the consolidated entity present fairly the financial transactions during the reporting period and the financial position for the year ended 31 December, 2012.
- (b) The attached financial statements and notes comply with the Financial Management Act 1994 and with Australian equivalents to International Financial Reporting Standards (A-IFRS), Australian Accounting Standards (AAS and AASB standards) and other mandatory reporting requirements, including Urgent Issues Group Consensus Views, the requirements of the Department of Education, Science and Training, Financial Reporting Directions, Standing Directions and Business Rules;
- (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.

Adrienne E Clarke AC
Chancellor

11 March 2013
BUNDOORA

John Dewar
Vice-Chancellor

11 March 2013
BUNDOORA

Pranay Lodhiya
Chief Financial Officer
Principal Accounting Officer

11 March 2013
BUNDOORA

Financial Report for year ending 31 December 2012

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NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

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FINANCIAL SUMMARY

LA TROBE UNIVERSITY AND ITS CONTROLLED ENTITIES

REPORT OF OPERATIONS

Notes	CONSOLIDATED		LA TROBE UNIVERSITY	
	2012	2011	2012	2011
	\$ 000	\$ 000	\$ 000	\$ 000
	\$ 000	\$ 000	\$ 000	\$ 000
Net Operating Result After Income Tax	34,654	84,575	34,297	83,785
Less:				
Capital Development Grants	(6,400)	(57,463)	(6,400)	(57,463)
Donations – Previously Unaccounted for Assets 24	-	(7,572)	-	(7,572)
Unspent Research Grants/State Government Grants Carried Forward	(9,654)	(4,630)	(9,654)	(4,630)
Add:				
Research Expenditure on 2011 Research Grants	4,630	-	4,630	-
AgriBio Finance Lease Interest 35	2,607	-	2,607	-
AgriBio Leased Asset Amortisation 35	1,285	-	1,285	-
Expenditure Outside Normal Operations	-	2,932	-	2,932
La Trobe University Medical Centre Debt Redemption	5,004	5,004	5,004	5,004
Net Underlying Result from Normal Operations	32,126	22,846	31,769	22,056

La Trobe University and its controlled entities recorded a Net Operating Result After Income Tax of \$34,654,000 for the year ended 31 December 2012 (2011 Surplus \$84,575,000) and an operating margin of 5.5% (2011 13.8%). The underlying result after removing the effect of abnormal one-off items was a surplus of \$32,126,000 (2011 \$22,846,000) and an underlying operating margin of 5.3% (2011 4.2%). This includes the operations of the controlled entities, being Medical Centre Developments Pty Ltd, La Trobe International Pty Ltd and La Trobe Innovation Pty Ltd (de-registered on 18 October 2012).

A. Reconciliation of Net Operating Result After Income Tax to Net Underlying Result from Normal Operations

La Trobe University measures its Net Underlying Result from Normal Operations to assist in the determination of whether it is operating in a sustainable manner. The underlying result is an important indicator of the University's long term financial sustainability. Whilst an underlying deficit in one financial year is not significant, the continued recording of deficits from the University's operations over a sustained period gradually erodes the net assets of the University.

The underlying result excludes a number of transactions which are either 'non-recurring' or not operational in nature. These items are frequently unpredictable and typically can change from one year to the next. This includes: non-recurring grant revenue for funding future capital and research projects not available to meet other operating activities of the University; assets brought onto the University's Balance Sheet that were previously unaccounted for; profit or loss on sale of significant assets; and unspent research grant balances quarantined for specific research projects.

The aim of deriving an underlying result is to determine whether the University's operational result is a surplus or deficit outcome. In this way, the University can, through long-term financial planning, aim for an outcome where pure operational outcomes assist the University in being a sustainable organisation.

B. Significant impacts in operations of the group in 2012

- The significant change to the Financial Result from 2011 is as follows,
 - inclusion of AgriBio Joint Venture financial balances (refer Note 35)
 - finance lease interest of \$2,607,000;
 - finance lease amortisation of \$1,285,000;
 - net book value of finance lease asset of \$70,705,000;
 - finance lease liability of \$68,644,000.
- The result is favourable in comparison to the net budget operating result of \$14,001,000 surplus. Revenue of \$600,422,000 (excluding deferred superannuation contribution reimbursements and loss on disposal of assets) is 2.2% or \$12,988,000 above the budget of \$587,434,000. Total Expenditure (excluding joint venture expenses, tax, deferred superannuation contributions) of \$560,572,000 is 2.2% or \$12,861,000 below the budget of \$573,433,000. The University managed to constrain costs across most expenditure categories whilst maintaining revenue.
- On 31 July 2012, Standard & Poor's Ratings Services affirmed its 'AA-/A-1+' ratings of La Trobe University. The outlook has remained stable. The rating reflects the University's financial standing and low debt, as well as its solid reputation for teaching and research quality in its areas of excellence: Molecular Sciences, Life Sciences, Social Sciences and Humanities, and its supportive relationship with the Australian Commonwealth (AAA/Stable/A-1+) and Victorian State Government (AAA/Stable/A-1+).
- Property, plant and equipment purchases increased from \$116,028,000 in 2011 to \$143,047,000 (refer Statement of Cash Flows) in 2012. The increase is largely due to capital development, in particular the Education Investment Fund and La Trobe Melbourne projects. During 2012, \$100,551,000 was spent on capital projects. Other expenditure on property, plant and equipment included: \$8,538,000 on the library collection, \$7,505,000 on plant and equipment, \$1,254,000 on computer hardware and \$1,145,000 on vehicles; with the balance spent on other equipment. In addition, \$6,219,000 worth of assets were disposed of or written-off (refer Notes 16 and 24).

FINANCIAL SUMMARY

LA TROBE UNIVERSITY AND ITS CONTROLLED ENTITIES

KEY PERFORMANCE INDICATORS

Key Performance Indicators for the University for the past five years

YEAR	LIQUIDITY RATIO	DEBT SERVICE COVERAGE RATIO	DEBT TO EQUITY RATIO	SAFETY MARGIN 5 YEAR ROLLING PERCENTAGE
2012	1.2	5.8	12.3%	5.3%
2011	1.7	10.7	4.4%	4.4%
2010	1.5	10.7	5.6%	3.4%
2009	1.5	7.3	7.1%	3.0%
2008	1.1	5.2	9.7%	1.6%

Liquidity Ratio

The University's current liquidity ratio has decreased in 2012, due to the reduction in EIF grants received compared to the previous few years and the high capital expenditure in 2012 as a result of the EIF capital funding. But with a ratio of over 1.0 the University is satisfactorily placed to meet its current obligations. The ratio is a measure of short-term liquidity, which indicates the University's ability to meet its short-term liabilities. It is derived by dividing current assets by current liabilities. The higher the ratio the greater the University's likely ability to cover its short-term obligations.

Debt Service Coverage Ratio

The debt service coverage ratio (based on EBITDA) has decreased in 2012 due to the reduction in EIF grants received. The University remains satisfactorily placed to service its current debts. The ratio measures the ability of the University to meet its debt servicing obligations. A ratio of more than 1 indicates theoretical full coverage of these obligations from operating results. 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.

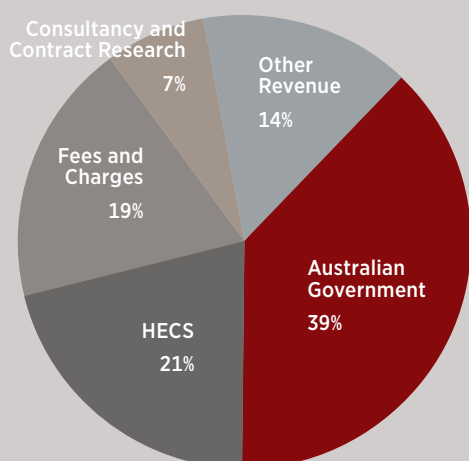
Debt to Equity Ratio

The debt to equity ratio is the total interest bearing liabilities as a proportion of total equity. It increased in 2012 due to the finance lease relating to the AgriBio Joint Venture facility. The ratio measures the proportion of repayable debt funding to retained equity balances. The higher the debt to equity ratio, the greater the proportion of debt funding.

Safety (Operating) Margin

The underlying safety margin (operating margin) has increased in 2012 to 5.3% (2011 4.2%), and the 5 year rolling Safety Margin Percentage has increased to 5.3% from 4.4%. The safety 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 Operating Surplus/(Deficit) into the Total Annual Revenue. The higher the safety margin percentage, the better the University is able to contain its expenditure within the constraints of its funding. The rolling percentage provides a better basis for showing the performance over time. The ratio has been changed to be based on the underlying result for 2012.

INCOME GRAPH



Total Operating Revenues

- Combined operating revenues were \$625.2m (2011 \$614.1m). An increase of 1.8% on 2011 (1.0% prior year).

Fees and Charges

- Fees and charges increased by \$2.2m (1.9%) (2011 \$11.1m, 8.8%).

Consultancy and Contract Research

- Consultancy and Contract Research increased by \$3.5m (8.5%) (2011 decrease of \$13.8m, 34.3%) due to greater success in consultancy and contract research grant applications.

Other Revenue

- Other Revenue decreased by \$10.4m (-18.9%) (2011 \$8.4m, 18.0%). In 2011 it included previously unaccounted for works of art being recognised in the art collection valuation in the Balance Sheet.

Australian Government Financial Assistance and HECS

- Australian Government Financial Assistance and HECS decreased by \$9.7m (-2.6%) (2011 \$2.8m, 0.8%).

FINANCIAL SUMMARY

LA TROBE UNIVERSITY AND ITS CONTROLLED ENTITIES

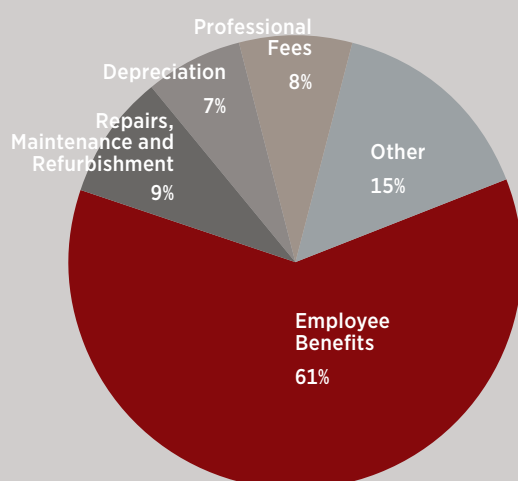
CONSOLIDATED FIVE YEAR FINANCIAL SUMMARY

Financial Summary for the University for the past five years

REVENUE AND EXPENDITURE	2012 \$000	2011 \$000	2010 \$000	2009 \$000	2008 \$000
Trading Income	625,167	614,098	627,107	540,265	482,839
Trading Expenditure including Tax and Joint Venture Expenses	590,513	529,523	516,934	485,457	463,597
Operating Result After Income Tax	34,654	84,575	101,193	54,808	19,242
Abnormal Items ⁽¹⁾	(2,528)	(61,729)	(66,220)	(21,121)	(1,618)
UNDERLYING SURPLUS AFTER TAX AND ABNORMAL ITEMS	32,126	22,846	34,973	33,687	17,624
BALANCE SHEET					
Current Assets	146,256	186,831	176,000	150,554	134,627
Non-current Assets	1,278,032	1,102,986	1,049,455	964,673	838,386
TOTAL ASSETS	1,424,288	1,289,817	1,225,455	1,115,227	973,013
Current Liabilities	126,289	122,060	107,672	100,480	118,578
Non-current Liabilities	243,781	126,499	135,244	133,368	131,499
TOTAL LIABILITIES	370,070	248,559	242,916	233,848	250,077
NET ASSETS	1,054,218	1,041,258	982,539	881,379	722,936
Reserves	661,623	683,356	715,216	714,828	613,019
Accumulated Funds	392,595	357,902	267,323	166,551	109,917
TOTAL EQUITY	1,054,218	1,041,258	982,539	881,379	722,936
CASH FLOWS					
Net Cash provided by Operating Activities	86,158	123,035	133,301	58,216	68,101
Net Cash used in Investing Activities	(118,923)	(189,728)	(89,176)	(46,378)	(45,909)
Cash Flows provided by (used in) Financing Activities	16,485	(8,068)	(7,628)	(7,623)	5,583
NET INCREASE IN CASH HELD	(16,280)	(74,761)	36,497	4,215	27,775

⁽¹⁾ The Abnormal Items for 2012 to 2008 are primarily composed of capital grants, donations of previously unallocated assets and unspent research grant monies and joint venture expenses (refer Note 35). The effect of these items has been removed from the Operating Result to provide an underlying University result.

EXPENDITURE GRAPH



Employee Benefits

- Expenditure on salaries increased by \$13.5m (3.9%) (2011 \$10.5m, 3.1%), which is mainly due to EBA pay increases. Total salaries were \$358.6m (2011 \$345.0m, which represents 61.2% of total operating expenditure (2011 65.3%).

Repairs, Maintenance and Refurbishment

- Includes expenditure on repairs, maintenance, equipment hire and refurbishment categories which increased by \$1.0m (7.3%) (2011 \$3.6m, 8.3%).

Professional Fees

- Includes expenditure on Professional Fees and Consulting which increased by \$7.5m (19.3%) (2011 \$-1.3m, -3.2%).

Depreciation

- Depreciation has increased by \$5.4m (15.9%) (2011 \$7.3m, 27.3%) due to new buildings and ICT projects.

Total Expenditure

- Total expenditure for Continuing Operations increased by \$57m (10.8%) (2011 \$12.49m, 2.4%) (including deferred superannuation).



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Council, La Trobe University

The Financial Report

The accompanying financial report for the year ended 31 December 2012 of La Trobe University which comprises statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, statement by the Principal Accounting Officer and Statement by the Chancellor and Accountable officer has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the La Trobe University and the entities it controlled at the year's end or from time to time during the financial year as disclosed in the financial statements.

The Councils' Responsibility for the Financial Report

The Council Members of La Trobe University are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and for such internal control as the Council Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the La Trobe University and the consolidated entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of La Trobe University and the economic entity as at 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of La Trobe University for the year ended 31 December 2012 included both in La Trobe University's annual report and on the website. The Council Members of La Trobe University are responsible for the integrity of La Trobe University's website. I have not been engaged to report on the integrity of La Trobe University's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
15 March 2013



for Ms Ellen Holland
Acting Auditor-General

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER FOR THE YEAR ENDED 31 DECEMBER 2012



Chief Financial Officer

Mailing address
Victoria 3086 Australia
T +61 3 9479 1579
latrobe.edu.au

Statement by Principal Accounting Officer

In my opinion:

- (a) i) The financial report of La Trobe University and the economic entity (being the University and its controlled subsidiaries) present a true and fair view of the financial transactions of the University and the economic entity during the financial year ended 31 December 2012 and its financial position as at that date;
- ii) Australian Government financial assistance received during the financial year ended 31 December 2012 was expended for the purposes for which it was provided;
- iii) 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.
- (b) The financial report has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, the Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2012 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education, Employment and Workplace Relations. In addition, I am 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.

Pranay Lodhiya

Chief Financial Officer
and Principal Accounting Officer

11 March 2013
BUNDOORA

ABN 64 804 735 113
CRICOS Provider 00115M

**STATEMENT BY THE CHANCELLOR AND ACCOUNTABLE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2012**



Office of the Chancellor

Mailing address
Victoria 3086 Australia
T +61 3 9479 5268
F +61 3 9479 1045
latrobe.edu.au

Statement by the Chancellor and Accountable Officer

In our opinion:

- (a) i) The financial report of La Trobe University and the economic entity (being the University and its controlled subsidiaries) present a true and fair view of the financial transactions of the University and the economic entity during the financial year ended 31 December 2012 and its financial position as at that date;
- ii) Australian Government financial assistance received during the financial year ended 31 December 2012 was expended for the purposes for which it was provided; and
- iii) 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.
- (b) The financial report has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, the Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2012 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education, Employment and Workplace Relations. 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.

Professor John Dewar
Vice-Chancellor and Accountable Officer
11 March 2013
BUNDOORA

Adrienne E Clarke AC
Chancellor
11 March 2013
BUNDOORA

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
Revenue from Continuing Operations					
Australian Government Financial Assistance:					
▪ Australian Government Grants	3	244,353	263,190	244,353	263,190
▪ HECS-HELP – Australian Government Payments	3	110,380	101,180	110,380	101,180
▪ FEE-HELP	3	8,495	9,324	8,495	9,324
State and Local Government Financial Assistance	4	6,503	6,345	6,503	6,345
HECS-HELP – Student Payments		12,222	12,252	12,222	12,252
Fees and Charges	5	117,252	115,070	117,252	115,070
Investment Revenue	6	11,423	12,326	13,298	13,732
Consultancy and Contract Research	7	44,857	41,332	44,857	41,332
Other Revenue	8	44,937	55,382	45,468	55,596
Subtotal		600,422	616,401	602,828	618,021
Deferred Government Superannuation Contributions	34	24,974	482	24,974	482
Total Revenue from Continuing Operations		625,396	616,883	627,802	618,503
Net Profit/(Loss) on Sale of Assets	16	(229)	(2,785)	(229)	(2,785)
Total Income		625,167	614,098	627,573	615,718
Expenses from Continuing Operations					
Cost of Goods Sold		(3,104)	(4,026)	(3,104)	(4,026)
Employee Related Expenses	9	(358,595)	(345,099)	(358,595)	(345,099)
Depreciation and Amortisation (exc. Joint Venture Expense)	11	(39,593)	(34,164)	(39,256)	(33,827)
Repairs and Maintenance		(10,870)	(9,908)	(10,870)	(9,908)
Borrowing Costs (exc. Joint Venture Expense)	14	(3,564)	(3,475)	(2,796)	(2,402)
Buildings and Grounds	10	(39,679)	(37,226)	(44,656)	(42,201)
Bank and Investment Management Charges		(1,200)	(788)	(1,200)	(788)
Professional Fees and Consultancy Expense		(46,382)	(38,885)	(46,384)	(38,855)
Publications		(4,137)	(2,802)	(4,137)	(2,802)
Staff Training and Development		(3,263)	(3,308)	(3,263)	(3,308)
Travel, Accommodation and Entertainment		(8,732)	(10,596)	(8,732)	(10,596)
Bad and Impaired Debts	12	(587)	(5)	(587)	(5)
Other Categories of Expenditure	13	(40,928)	(37,828)	(40,830)	(37,634)
Subtotal		(560,634)	(528,110)	(564,410)	(531,451)
Deferred Employee Benefits for Superannuation	9, 34	(24,974)	(482)	(24,974)	(482)
Total Expenses from Continuing Operations		(585,608)	(528,592)	(589,384)	(531,933)
Operating Result Before Income Tax and Joint Venture Expenses		35,559	85,506	38,189	83,785
Joint Venture Expenses					
Interest Expense – Finance Lease	14, 35	(2,607)	-	(2,607)	-
Amortisation Expense – Finance Lease Asset	11, 35	(1,285)	-	(1,285)	-
Total Joint Ventures Expenses		(3,892)	-	(3,892)	-
Operating Result Before Income Tax		35,667	85,506	34,297	83,785
Income Tax Expense	15	(1,013)	(931)	-	-
Net Operating Result After Income Tax for the Year		34,654	84,575	34,297	83,785
Gain/(loss) on Revaluation of Assets	30, 39	(23,770)	(23,297)	(22,621)	(23,297)
Gain/(Loss) on Value of Available-for-sale Financial Assets	30	2,076	(2,559)	2,076	(2,559)
Total Comprehensive Income		12,960	58,719	13,752	57,929
Total Comprehensive Income attributable to La Trobe University		12,960	58,719	13,752	57,929

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2012

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
Assets					
Current Assets					
Cash and Cash Equivalents	31(a)	59,054	75,334	54,818	71,737
Inventories	21	716	757	716	757
Trade and Other Receivables	18	13,861	16,039	22,119	20,402
Other Financial Assets at Fair Value Through Profit or Loss	19	60,464	78,424	60,464	78,424
Other Non-financial Assets	26	8,331	7,862	8,331	7,862
Non-current Assets Classified as Held for Sale	22, 39	3,830	8,415	3,830	8,415
Total Current Assets		146,256	186,831	150,278	187,597
Non-current Assets					
Trade and Other Receivables	18	102,718	77,961	102,718	77,961
Other Financial Assets	20	35,503	31,302	35,503	31,577
Property, Plant and Equipment	23	1,104,011	955,873	1,089,800	939,684
Intangible Assets	25	35,077	36,880	35,077	36,880
Other Non-financial Assets	26	723	970	723	970
Total Non-current Assets		1,278,032	1,102,986	1,263,821	1,087,072
Total Assets		1,424,288	1,289,817	1,414,099	1,274,669
Liabilities					
Current Liabilities					
Payables		46,292	39,672	46,138	39,152
Interest-bearing Liabilities	27	8,131	9,322	3,969	5,160
Employee Benefits and Provisions	28	64,686	61,500	63,709	59,877
Other Liabilities	29	7,180	11,566	7,180	11,566
Total Current Liabilities		126,289	122,060	120,996	115,755
Non-current Liabilities					
Interest-bearing Liabilities	27	127,094	37,428	124,358	30,531
Employee Benefits and Provisions	28	108,764	82,154	108,764	82,154
Other Liabilities	29	7,923	6,917	7,420	7,420
Total Non-current Liabilities		243,781	126,499	240,542	120,105
Total Liabilities		370,070	248,559	361,538	235,860
Net Assets		1,054,218	1,041,258	1,052,561	1,038,809
Equity					
Reserves	30(a), 39	661,623	683,356	660,473	681,057
Retained Surplus		392,595	357,902	392,088	357,752
Total Equity		1,054,218	1,041,258	1,052,561	1,038,809

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	CONSOLIDATED		LATROBE UNIVERSITY	
Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
Cash Flows from Operating Activities				
Australian Government:				
▪ CGS and Other DEEWR Grants	238,053	213,090	238,053	213,090
▪ Education Investment Fund (EIF) Capital Grants	6,300	50,100	6,300	50,100
▪ Higher Education Loan Programs	110,380	101,180	110,380	101,180
State Government Grants	6,503	6,345	6,503	6,345
HECS HELP – Student Payments	12,222	12,252	12,222	12,252
OS-HELP (net)	8,495	9,324	8,495	9,324
Receipts from Student Fees and Other Customers	180,910	202,460	176,541	199,542
Investment Income Received	11,249	13,416	13,124	14,111
Payments to Employees	(329,413)	(337,347)	(328,153)	(337,345)
Payments to Suppliers (including GST)	(151,660)	(144,310)	(156,080)	(147,890)
Interest Paid	(6,881)	(3,475)	(6,113)	(2,402)
Net Cash Provided by Operating Activities	31(b)	86,158	123,035	81,272
Cash Flows from Investing Activities				
Proceeds from Sale of Financial Assets	75,537	1,123	75,537	1,123
Proceeds from Sale of Property, Plant and Equipment	5,990	1,976	5,990	1,976
Payments for Property, Plant, Equipment and Intangibles	(143,047)	(116,028)	(143,048)	(115,955)
Payments for Financial Assets	(57,403)	(76,800)	(57,316)	(76,650)
Net Cash Used in Investing Activities		(118,923)	(189,728)	(118,837)
Cash Flows from Financing Activities				
Proceeds from Interest Bearing Liabilities	28,000	-	28,000	-
Repayment of Interest Bearing Liabilities	(11,515)	(8,068)	(7,354)	(4,217)
Net Cash Used in Financing Activities		16,485	(8,068)	20,646
Net Increase/(Decrease) in Cash and Cash Equivalents		(16,280)	(74,761)	(75,415)
Cash and Cash Equivalents at Beginning of the Financial Year		75,334	150,095	71,737
Cash and Cash Equivalents at End of the Financial Year	31(a)	59,054	75,334	54,818

* Includes \$57,466,000 (2011 \$75,464,000) in term deposits with a term of greater than 90 days.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

		RESERVES	RETAINED SURPLUS	TOTAL
	Notes	\$ 000	\$ 000	\$ 000
Consolidated				
Balance as at 1 January 2011	30, 39	715,216	267,323	982,539
Net Operating Result After Income Tax		-	84,575	84,575
Revaluation of Land, Buildings and Artworks		(23,297)	-	(23,297)
Loss on Available-for-sale Financial Assets		(2,559)	-	(2,559)
Total Comprehensive Income		(25,856)	84,575	58,719
Transfers to Reserves		-	-	-
Transfers from Reserves	30(b)	(6,004)	6,004	-
Balance as at 31 December 2011		683,356	357,902	1,041,258
Balance as at 1 January 2012	30	683,356	357,902	1,104,125
Net Operating Result After Income Tax		-	34,654	34,654
Revaluation of Land, Buildings and Artworks		(23,770)	-	(23,770)
Loss on Available-for-sale Financial Assets	30(b)	2,076	-	2,076
Total Comprehensive Income		(21,694)	34,654	12,960
Transfers to Reserves		410	(410)	-
Transfers from Reserves	30(b)	(449)	449	-
Balance as at 31 December 2012		661,623	392,595	1,054,218
La Trobe University				
Balance as at 1 January 2011	30, 39	712,917	267,963	980,880
Net Operating Result After Income Tax		-	83,785	83,785
Revaluation of Land, Buildings and Artworks		(23,297)	-	(23,297)
Loss on Available-for-sale Financial Assets		(2,559)	-	(2,559)
Total Comprehensive Income		(25,856)	83,785	57,929
Transfers to Reserves		-	-	-
Transfers from Reserves	30(b)	(6,004)	6,004	-
Balance as at 31 December 2011		681,057	357,752	1,038,809
Balance as at 1 January 2012	30	681,057	357,752	1,038,809
Net Operating Result After Income Tax		-	34,297	34,297
Revaluation of Land, Buildings and Artworks		(22,621)	-	(22,621)
Loss on Available-for-sale Financial Assets	30(b)	2,076	-	2,076
Total Comprehensive Income		(20,545)	34,297	13,752
Transfers to Reserves		410	(410)	-
Transfers from Reserves	30(b)	(449)	449	-
Balance as at 31 December 2012		660,473	392,088	1,052,561

**NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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1. Summary of Significant Accounting Policies

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

The principle address of La Trobe University is:
La Trobe University,
Victoria 3086, Australia

1.1 Basis of Preparation

- (a) This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Commonwealth Department of Education, Employment, and Workplace Relations, the Financial Management Act 1994 and other State/Commonwealth Government legislative requirements.
- (b) **Date of authorisation for issue**
The financial statements were authorised for issue by the University Council of La Trobe University on 11 March 2013.
- (c) **Historical cost convention**
The financial report has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.
- (d) **Critical accounting estimates**
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying La Trobe University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

1.2 Consolidation Principles

(a) Subsidiaries

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of La Trobe University ('parent entity') as at 31 December 2012 and the results of all subsidiaries for the year then ended. La Trobe University and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The subsidiary companies are as follows:

- (i) La Trobe International Pty. Ltd. established in 1991. It has \$8 of share capital and is wholly owned by the University. The operations of the company were transferred to the University as at 1 January 2007 and the company is now dormant.
- (ii) Medical Centre Developments Pty. Ltd. was bought by the University on 2 December 2002, and has a contributed equity of \$3,500,001.
- (iii) La Trobe Innovations Pty. Ltd. established in 2009, with a contributed equity of \$225,001. It was deregistered on 18 October 2012.

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

(b) Joint Venture Operations

The proportionate interests in the assets, liabilities and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings.

1.3 Revenue Recognition

- (a) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.
- (b) The University treats operating grants received from Australian Government entities as income in the year of receipt.
- (c) Fees and charges revenue is recognised when received or when the University becomes entitled to receive it. Where revenue is received in advance for courses or programs to be delivered in the following year, the non-refundable portion of fees is treated as revenue in the year of receipt and the balance is treated as revenue in advance.
- (d) 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 (Note 29).
- (e) Trading revenue is generated from the sale of goods by the commercial and trading bodies.
- (f) Investment income from financial assets is brought to account when earned.

1.4 Trade and Other Receivables (Refer Note 18)

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

The collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

1.5 Inventories (Refer Note 21)

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

1.6 Cash and Cash Equivalents (Refer Note 31)

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

Term Deposits with a term of over 90 days are disclosed as Other Financial Assets at Fair Value Through Profit or Loss. This presentation adopted in 2012, 2011 comparatives have been adjusted.

1.7 Property, Plant and Equipment (Refer Note 23)

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

(b) Revaluation increments are credited directly to the Property, Plant and Equipment Revaluation Reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised in the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. Revaluation increments and decrements are offset against each other within a class of non-current assets.

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

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

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

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

(d) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is

University policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(e) Freehold Land and Works of Art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

ASSET TYPE	2012 Depreciation Rate (%)	2011 Depreciation Rate (%)
Buildings and Leased Buildings	2.5 ave	2.5 ave
Infrastructure	5	5
Plant and Equipment – 20 Year Life	5	5
Plant and Equipment – 10 Year Life	10	10
Library Collection	10	10
Commercial Motor Vehicles	10	10
Furniture, Fixtures and Office Equipment	10	10
Passenger Motor Vehicles	15	15
Computer Hardware	20	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

1.8 Impairment of Assets

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

1.9 Non-current Assets Classified as Held for Sale (Refer Note 22)

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value

less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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

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

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities classified as held for sale are presented separately from other liabilities in the balance sheet.

1.10 Investments and Other Financial Assets (Refer Notes 19 & 20)

The Group classifies its investments in the following categories: Financial Assets at Fair Value Through Profit or Loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(a) Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of balance date.

(b) Loans and Receivables

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

(c) Available-for-sale Financial Assets

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

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in Gain/(Loss) on Value of Available-for-sale of Financial Assets are included in the Statement of Comprehensive Income.

Fair Value of Investments

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the Statement of Comprehensive Income within Investment Revenue or Other Categories of Expenditure in the period in which they arise.

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

Impairment

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Statement of Comprehensive Income, is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

1.11 Intangible Assets (Refer Note 25)

(a) Research and Development

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

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

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

(b) Computer Software Development

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

Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which vary from 3 to 5 years.

1.12 Trade and Other Payables

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

1.13 Interest-bearing Liabilities (Refer Note 27)

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

Medical Centre Developments Pty Ltd bonds are carried at their principal amount. Current Liabilities due within 12 months are carried at their nominal value. Bond commitments are disclosed at their gross (nominal) value in Note 27.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

1.14 Borrowing Costs

In 2012, all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset were capitalised as a result of the University's early adoption of the revised AASB 123: Borrowing Costs. All other financing costs are expensed.

1.15 Employee Benefits and Provisions (Refer Note 28)

A liability for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave is recognised when it is probable that settlement will be required and they are capable of being measured reliably.

(i) Wages and Salaries

Liabilities for short-term employee benefits including wages and salaries due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in current liabilities.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Annual Leave

The liability for employee benefits such as annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. 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) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as 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.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

1.16 Unfunded Superannuation (Refer Note 34)

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

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

AASB 119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise the estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2012.

As there is no net impact on the balance sheet or Statement of Comprehensive Income from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2012) outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial report based on estimates prepared 6 months in arrears.

1.17 Leases (Refer Note 33.1)

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

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

1.18 Taxation

(a) Income Tax

The University and its controlled entities are exempt from income tax in accordance with the provisions of Section 50-55 of the Income Tax Assessment Act with the exception of Medical Centre Developments Pty. Ltd. (MCD) and La Trobe Innovations Pty. Ltd. These companies were not able to obtain exemption from the imposition of Income Tax on their profits under section 50-55 of the Income Tax Assessment Act 1997, as amended.

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial report, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which

are enacted or substantively enacted at the time. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

(b) Goods and Services Tax (GST)

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

1.19 Comparative Figures

Where required, comparative figures have been adjusted to facilitate comparison with the presentation for the current financial year.

1.20 Rounding of Amounts

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

2. New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2012 reporting periods. The University's assessment of the impact of these new Standards and Interpretations is set out below:

TITLE	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR UNIVERSITY
AASB 9 Financial Instruments	1 January 2013	1 January 2013

Summary

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.

- (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets and (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.
- (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in Other Revenue. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Impact on the University

No financial impact. Potential change in disclosure requirements.

TITLE	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR UNIVERSITY
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013	31 December 2013

Summary

This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:

- (a) Tier 1: Australian Accounting Standards
- (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 with substantially reduced disclosures corresponding to those requirements. The following entities should apply Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit entities in the private sector that have public accountability (as defined in the Standard)
- (b) The Australian Government and State, Territory and Local Governments.

The following entities should apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

- (a) For-profit private sector entities that do not have public accountability
- (b) All not-for-profit private sector entities
- (c) Public sector entities other than the Australian Government and State, Territory and Local Governments.

Impact on the University

No financial impact. Potential change in disclosure requirements.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LATROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
3. Australian Government Financial Assistance (including HECS-HELP and other Australian Government Loan Programs)					
(a) Commonwealth Grants Scheme and Other Grants	40.1				
Commonwealth Grants Scheme		185,374	161,767	185,374	161,767
Indigenous Support Program		475	475	475	475
Partnership and Participation Program		5,321	4,536	5,321	4,536
Workplace Reform Program		333	332	333	332
Capital Development Pool		-	1,159	-	1,159
Superannuation Program		5,165	4,113	5,165	4,113
Transitional Cost Program		72	465	72	465
Total Commonwealth Grants Scheme and Other Grants		196,740	172,847	196,740	172,847
(b) Higher Education Loan Programs	40.2				
HECS-HELP		110,380	101,180	110,380	101,180
FEE-HELP		8,495	9,324	8,495	9,324
Total Higher Education Loan Programs		118,875	110,504	118,875	110,504
(c) Scholarships	40.3				
Australian Postgraduate Awards		4,223	3,560	4,223	3,560
International Postgraduate Research Scholarships		366	352	366	352
Commonwealth Education Cost Scholarships		302	611	302	611
Commonwealth Accommodation Scholarships		393	1,038	393	1,038
Indigenous Access Scholarships		54	(4)	54	(4)
Total Scholarships		5,338	5,557	5,338	5,557
(d) DIISRTE Research	40.4				
Joint Research Engagement Program		6,036	6,086	6,036	6,086
Research Training Scheme		10,985	11,014	10,985	11,014
Research Infrastructure Block Grants		2,866	2,806	2,866	2,806
Sustainable Research Excellence in Universities		1,854	1,560	1,854	1,560
Total DIISR Research		21,741	21,466	21,741	21,466
(e) Other Capital Funding	40.5				
Education Investment Fund		6,300	50,100	6,300	50,100
Total Other Capital Funding		6,300	50,100	6,300	50,100

**NOTES TO AND FORMING AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS**

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
3. Australian Government Financial Assistance (including HECS-HELP and other Australian Government Loan Programs) (continued)					
(f) Australian Research Council					
(i) Discovery	40.6(a)				
Projects		4,475	3,611	4,475	3,611
Fellowships		2,968	2,398	2,968	2,398
Total Discovery		7,443	6,009	7,443	6,009
(ii) Linkages	40.6(b)				
Infrastructure		1,110	250	1,110	250
Projects		976	1,583	976	1,583
Total Linkages		2,086	1,833	2,086	1,833
(g) Other Australian Government Financial Assistance					
Non-capital		4,705	5,378	4,705	5,378
Total Non-capital		4,705	5,378	4,705	5,378
Capital		-	-	-	-
Total Capital		-	-	-	-
Total Other Australian Government Financial Assistance					
		4,705	5,378	4,705	5,378
Total Australian Government Financial Assistance					
		363,228	373,694	363,228	373,694
Reconciliation					
▪ Australian Government Financial Assistance [a+c+d+e+f+g]		244,353	263,190	244,353	263,190
▪ HECS-HELP – Australian Government Payments		110,380	101,180	110,380	101,180
▪ Other Australian Government Loan Programs (FEE-HELP)		8,495	9,324	8,495	9,324
▪ SA-HELP payments		-	-	-	-
Total Australian Government Financial Assistance					
		363,228	373,694	363,228	373,694
Australian Government Grants Received - Cash Basis					
CGS and Other DIISRTE Grants	39.1	198,850	159,916	198,850	159,916
Higher Education Loan Programs (exc. OS-Help)*	39.2	119,737	110,105	119,737	110,105
Scholarships	39.3	4,747	3,980	4,747	3,980
DIISRTE Research	39.4	21,741	21,466	21,741	21,466
Other Capital Funding	39.5	6,300	50,100	6,300	50,100
ARC Grants – Discovery	39.6	7,102	5,793	7,102	5,793
ARC Grants – Linkages	39.6	2,086	1,770	2,086	1,770
Total Australian Government Grants Received – Cash Basis					
		360,563	353,128	360,563	353,128
OS-Help (Net)	39.2	2,038	1,683	2,038	1,683
Superannuation Supplementation	39.1	4,803	4,072	4,803	4,072
Total Australian Government Funding Received – Cash Basis					
		367,404	358,884	367,404	358,884

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

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

	CONSOLIDATED		LATROBE UNIVERSITY	
Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
4. State Government Financial Assistance				
Specific Purpose Grants	6,503	6,345	6,503	6,345
Total State Government Financial Assistance	6,503	6,345	6,503	6,345
5. Fees and Charges				
Course Fees and Charges				
Fee-paying Overseas Students	97,394	100,164	97,394	100,164
Continuing Education	1,441	1,315	1,441	1,315
Fee-paying Domestic Postgraduate Students	4,693	4,468	4,693	4,468
Fee-paying Domestic Undergraduate Students	215	343	215	343
Other Domestic Course Fees and Charges	117	633	117	633
Total Course Fees and Charges	103,860	106,923	103,860	106,923
Other Fees and Charges				
General Service Fees	5,508	6	5,508	6
Other Fees and Charges	7,884	8,141	7,884	8,141
Total Other Fees and Charges	13,392	8,147	13,392	8,147
Total Fees and Charges	117,252	115,070	117,252	115,070
6. Investment Income				
Financial Assets at Fair Value Through Profit or Loss				
Interest Received on Funds Under Management	1,792	1,616	1,792	1,616
Realised Loss on Investment	(69)	(179)	(69)	(179)
Unrealised Gain/(Loss) on Investment	243	(911)	243	(200)
Interest Received - Other	8,110	11,098	7,976	10,933
Dividends	1,347	702	3,356	1,562
Total Investment Income	11,423	12,326	13,298	13,732
7. Consultancy and Contract Research				
Consultancy Revenue	16,310	16,437	16,310	16,437
Contract Research	28,547	24,895	28,547	24,895
Total Consultancy and Contract Research	44,857	41,332	44,857	41,332
8. Other Revenue				
Sales	4,364	5,534	4,364	5,534
Other Trading Revenue	7,453	8,099	7,453	8,099
Total Trading Revenue	11,817	13,633	11,817	13,633
Accommodation Revenue	21,216	20,298	21,747	20,829
Donations and Bequests	1,405	8,770	1,405	8,770
Scholarships and Prizes	771	723	771	723
Miscellaneous Revenue	9,728	11,958	9,728	11,641
Total Other Revenue	44,937	55,382	45,468	55,596

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

	CONSOLIDATED		LATROBE UNIVERSITY	
Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
9. Employee Benefits and On-costs				
Academic				
Salaries	158,841	155,408	158,841	155,408
Contributions to Superannuation and Pension Schemes:				
▪ Emerging Cost	2,947	2,898	2,947	2,898
▪ Funded	21,735	21,385	21,735	21,385
Payroll Tax	8,251	8,046	8,251	8,046
Workers' Compensation	1,056	(631)	1,056	(631)
Long Service Leave	5,209	6,727	5,209	6,727
Annual Leave	993	615	993	615
Allowances	3,640	3,843	3,640	3,843
Other	1,301	1,225	1,301	1,225
Total Academic	203,973	199,516	203,973	199,516
Non-academic				
Salaries	119,270	113,524	119,270	113,524
Contributions to Superannuation and Pension Schemes:				
▪ Emerging Cost	2,367	2,232	2,367	2,232
▪ Funded	18,768	17,858	18,768	17,858
Payroll Tax	6,841	6,544	6,841	6,544
Workers' Compensation	891	(520)	891	(520)
Long Service Leave	3,828	3,392	3,828	3,392
Annual Leave	(1,941)	(2,142)	(1,941)	(2,142)
Allowances	2,533	3,177	2,533	3,177
Other	2,065	1,518	2,065	1,518
Total Non-academic	154,622	145,583	154,622	145,583
Total Academic and Non-academic Employee				
Related Expenses	358,595	345,099	358,595	345,099
Deferred Employee Benefits for Superannuation 34(b)	24,974	482	24,974	482
Total Employee Related Expenses	383,569	345,581	383,569	345,581
10. Buildings and Grounds				
Operating Rental Lease Expense	7,020	5,795	7,020	5,795
Materials and Equipment	6,996	6,926	6,996	6,926
Occupancy Expenses	25,663	24,505	30,640	29,480
Total Buildings and Grounds	39,679	37,226	44,656	42,201

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LATROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
11. Depreciation and Amortisation					
Depreciation	24				
Buildings		12,719	12,061	12,382	11,724
Buildings – Leasehold Improvements		1,007	783	1,007	783
Infrastructure		821	214	821	214
Plant and Equipment – 10 Year Life		6,464	5,697	6,464	5,697
Plant and Equipment – 20 Year Life		750	397	750	397
Furniture, Fixtures and Office Equipment		859	269	859	269
Passenger Motor Vehicles		428	516	428	516
Commercial Motor Vehicles		195	200	195	200
Computer Hardware		6,705	5,244	6,705	5,244
Library Collection		4,505	4,090	4,505	4,090
Total Depreciation		34,453	29,471	34,116	29,134
Amortisation					
Amortisation of Deferred Expenses		247	237	247	237
Amortisation of Intangible Assets		4,893	4,456	4,893	4,456
Total Amortisation (excluding finance lease amortisation)		5,140	4,693	5,140	4,693
Total Depreciation and Amortisation (excluding finance lease amortisation)		39,593	34,164	39,256	33,827
Finance Lease Amortisation		1,285	-	1,285	-
Total Depreciation and Amortisation		40,878	34,164	40,541	33,827
12. Bad and Impaired Debts					
Bad Debts	18	445	5	445	5
Impaired Debts	18	142	-	142	-
Total Bad and Impaired Debts		587	5	587	5
13. Other Categories of Expenditure					
Scholarships, Grants and Prizes		6,461	6,219	6,461	6,219
Non-capitalised Equipment		3,292	4,088	3,292	4,088
Impairment Loss		-	406	-	406
Advertising, Marketing and Promotional Expenses		7,993	5,674	7,993	5,674
Motor Vehicles		862	632	862	631
Postage and Freight		1,345	1,530	1,345	1,530
Catering		1,684	1,593	1,684	1,593
Examiner Fees		248	239	248	239
Student Amenities		749	848	749	848
Research Participant Payments		(60)	451	(60)	451
Office Stationary and Supplies		1,400	1,559	1,400	1,486
Computing		9,216	7,279	9,216	7,279
Telecommunications		3,890	3,546	3,890	3,546
Miscellaneous Expense		3,848	3,764	3,750	3,644
Total Other Categories of Expenditure		40,928	37,828	40,830	37,634

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

	CONSOLIDATED		LA TROBE UNIVERSITY	
Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
14. Borrowing Costs				
Interest on Finance Lease Liabilities (Joint Venture interest)	2,607	-	2,607	-
Interest on Interest-bearing Liabilities exc. Joint Venture interest	3,564	3,475	2,796	2,402
Total Borrowing Costs	6,171	3,475	5,403	2,402
15. Income Tax				
Current Tax Expense	1,659	1,084	-	-
Deferred Tax Benefit	(646)	(153)	-	-
Income Tax Expense	1,013	931	-	-
Numerical Reconciliation of Income Tax (Benefit)/ Expense to Prima Facie Tax (Benefit)/Expense				
Operating Result from Continuing Operations, subject to income tax, before Income Tax Expense	3,377	3,599	-	-
Tax at the Australian Tax Rate of 30%	1,013	1,080	-	-
Tax Effect of Amounts which are Not Deductible/ (Taxable) in Calculating Taxable Income	-	(149)	-	-
Income Tax Expense	1,013	931	-	-
16. Sale of Assets				
Proceeds from Sale	5,990	1,976	5,990	1,976
Less Carrying Amount of Assets Sold	(6,219)	(4,761)	(6,219)	(4,761)
Total Profit/(Loss) on Sale of Assets	(229)	(2,785)	(229)	(2,785)
17. Remuneration of Auditors				
Audit and review of the Financial Statements				
Fees paid to Victorian Auditor General's Office	154	150	148	137
Total	154	150	148	137
Other audit and assurance services				
Fees paid to other auditors	15	12	15	12
Total	15	12	15	12

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LATROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
18. Trade and Other Receivables	1.4				
Current					
Deferred Government Contribution for Superannuation	34(b)	3,000	3,000	3,000	3,000
Goods and Services Tax		4,213	2,929	4,213	2,929
Debtors		6,802	10,389	15,060	14,752
Less Provision for Impaired Receivables		(154)	(279)	(154)	(279)
Total Current Trade and Other Receivables		13,861	16,039	22,119	20,402
Non-current					
Debtors		675	892	675	892
Deferred Government Contribution for Superannuation	34(b)	102,043	77,069	102,043	77,069
Total Non-current Trade and Other Receivables		102,718	77,961	102,718	77,961
Total Trade and Other Receivables		116,579	94,000	124,837	98,363
Impaired Receivables					
As at 31 December 2012, current receivables of the University with a nominal value of \$154,000 (2011: \$279,000) were impaired. The amount of the provision was \$154,000 (2011: \$279,000). The individually impaired receivables relate to debts from students, who are in unexpectedly difficult economic situations. It was assessed that the receivables are not expected to be recovered. The ageing of these receivables is as follows:					
Over 6 months		154	279	154	279
TOTAL		154	279	154	279
As of 31 December 2012, trade receivables of \$312,343 (2011: \$3,063,000) were past due but not impaired. These relate to a number of independent customers and students for whom there is no recent history of default. The aging analysis of these receivables is as follows:					
3 to 6 months		30	921	30	921
Over 6 months		282	2,142	282	2,142
TOTAL		312	3,063	312	3,063
Movements in the Provision for Impaired Receivables are as Follows:					
At 1 January		279	293	279	293
Provision for Impairment Recognised during the Year		142	192	142	192
Receivables Written Off During the Year as Uncollectible		(267)	(206)	(267)	(206)
TOTAL		154	279	154	279
The movement in the provision for impaired receivables has been included in 'Bad and Impaired Debts' in the Statement of Comprehensive Income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.					
The other amounts within receivables do not contain impaired assets. Based on credit history, it is expected that these amounts will be received when due.					

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

	Notes	CONSOLIDATED		LA TROBE UNIVERSITY	
		2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
19. Other Financial Assets at Fair Value Through Profit or Loss	1.10				
Current					
Deposits at Call*		57,467	75,464	57,467	75,464
Debentures at Fair Value Through Profit or Loss		1,422	1,429	1,422	1,429
Units in Trusts at Fair Value Through Profit or Loss		140	173	140	173
Australian Listed Shares at Fair Value Through Profit or Loss		1,435	1,358	1,435	1,358
Total Current Financial Assets at Fair Value Through Profit or Loss		60,464	78,424	60,464	78,424
Movement of Current Other Financial Assets					
Opening Net Book Value		78,424	4,623	78,424	3,912
Additions*		57,466	76,150	57,466	76,150
Disposals and Redemptions*		(75,537)	(1,123)	(75,537)	(1,123)
Capital Losses		(134)	(266)	(134)	(266)
Unrealised Gains/(Losses)		245	(249)	245	(249)
Impairment Loss		-	(711)	-	-
Closing Net Book Value		60,464	78,424	60,464	78,424
20. Other Financial Assets	1.10				
Non-current					
Shares at Fair Value Through Profit or Loss **		5,140	4,865	5,140	5,140
Available-for-sale Financial Assets ***		30,363	26,437	30,363	26,437
Total Non-current Other Financial Assets		35,503	31,302	35,503	31,577
Total Other Financial Assets		35,503	31,302	35,503	31,577
Movement of Non-current Other Financial Assets					
Opening Net Book Value		31,302	31,639	31,577	31,914
Additions		-	650	-	650
Dividends		2,067	1,600	1,792	1,600
Realised Gains/(Losses)		58	(43)	58	(43)
Unrealised Losses		2,076	(2,544)	2,076	(2,544)
Closing Net Book Value		35,503	31,302	35,503	31,577

* Deposits at call consists of term deposits with a term of greater than 90 days totaling \$57,466,000 (2011 \$75,464,000) .
In the 2011 Financial Report these were disclosed as Cash.

** Shares at fair value through profit or loss includes: VERNET Pty. Ltd. \$2,282,242; Bendigo Telco \$42,000; IDP Education Aust. Ltd. \$10,000; Australian Synchrotron \$2,500,000, La Trobe Innovations Pty Ltd \$275,001 and miscellaneous shares \$31,000

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

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LATROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
21. Inventories	1.5				
Current					
Commercial and Trading Activities		716	757	716	757
Total Inventories		716	757	716	757
22. Non-current Assets Classified as Held for Sale					
Land Held for Sale	39	3,610	6,798	3,610	6,798
Buildings Held for Sale	39	220	1,617	220	1,617
		3,830	8,415	3,830	8,415
Reconciliation of Non-current Assets Held for Sale					
Opening Value		8,415	-	8,415	-
Revaluation Increment/(Decrement)		-	135	-	135
Carrying Value of Assets Sold		(4,585)	(1,284)	(4,585)	(1,284)
Transfers from Property, Plant and Equipment	39	-	9,564	-	9,564
Closing Value		3,830	8,415	3,830	8,415
23. Property, Plant and Equipment	1.7				
Freehold Land					
At cost		-	1,111	-	1,111
At Independent Valuation 2012	1.7(b)	264,855	284,309	264,855	284,309
		264,855	285,420	264,855	285,420
Buildings					
At cost		-	33,704	-	33,704
Less Accumulated Depreciation		-	(737)	-	(737)
		-	32,967	-	32,967
At Independent Valuation 2009		2,838	450,513	2,838	433,649
Less Accumulated Depreciation		(426)	(23,110)	(426)	(22,435)
		2,412	427,403	2,412	411,214
At Independent Valuation 2012	1.7(b)	477,308	-	463,097	-
Less Accumulated Depreciation		-	-	-	-
		477,308	-	463,097	-
Total Buildings – Written Down Value		479,720	460,370	465,509	444,181
Work in Progress at Cost		120,944	100,319	120,944	100,319
Buildings – Leasehold Improvements at Cost		25,162	7,172	25,162	7,172
Less Accumulated Depreciation		(1,948)	(1,042)	(1,948)	(1,042)
Written Down Value		23,214	6,130	23,214	6,130
Infrastructure at Cost		-	5,017	-	5,017
Less Accumulated Depreciation		-	(214)	-	(214)
		-	4,803	-	4,803

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LATROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
23. Property, Plant and Equipment (Continued)	1.7				
Infrastructure at Valuation 2012	1.7(b)	29,023	-	29,023	-
Less Accumulated Depreciation		-	-	-	-
Written Down Value		29,023	-	29,023	-
Plant and Equipment – 10 Year Life at Cost		74,435	69,035	74,435	69,035
Less Accumulated Depreciation		(35,040)	(29,551)	(35,040)	(29,551)
Written Down Value		39,395	39,484	39,395	39,484
Plant and Equipment – 20 Year Life at Cost		16,666	7,935	16,666	7,935
Less Accumulated Depreciation		(6,914)	(6,163)	(6,914)	(6,163)
Written Down Value		9,752	1,772	9,752	1,772
Furniture, Fixtures and Office Equipment at Cost		11,037	3,918	11,037	3,918
Less Accumulated Depreciation		(2,292)	(1,601)	(2,292)	(1,601)
Written Down Value		8,745	2,317	8,745	2,317
Passenger Motor Vehicles at Cost		2,663	2,912	2,663	2,912
Less Accumulated Depreciation		(726)	(680)	(726)	(680)
Written Down Value		1,937	2,232	1,937	2,232
Commercial Motor Vehicles at Cost		2,411	2,141	2,411	2,141
Less Accumulated Depreciation		(886)	(820)	(886)	(820)
Written Down Value		1,525	1,321	1,525	1,321
Computer Hardware at Cost		35,846	31,160	35,846	31,160
Less Accumulated Depreciation		(19,895)	(13,644)	(19,895)	(13,644)
Written Down Value		15,951	17,516	15,951	17,516
Library Collection at Cost		156,303	147,934	156,303	147,934
Less Accumulated Depreciation		(131,520)	(127,131)	(131,520)	(127,131)
Written Down Value		24,783	20,803	24,783	20,803
Leased Buildings at Cost	35	71,990	-	71,990	-
Less Accumulated Depreciation		(1,285)	-	(1,285)	-
Written Down Value		70,705	-	70,705	-
Works of Art at Valuation 2011	1.7(b)	13,462	13,386	13,462	13,386
Total Property, Plant and Equipment at Cost and Valuation		1,304,943	1,160,566	1,290,732	1,143,702
Less Accumulated Depreciation		(200,932)	(204,693)	(200,932)	(204,018)
Written Down Value	24	1,104,011	955,873	1,089,800	939,684

Land and Buildings were independently valued by the Valuer-General as at 31 December 2012 at fair value. Works of Art were independently valued as at 31 December 2011 at fair value by specialised valuers for each type of work. The portion of the land occupied at the Wodonga campus is jointly shared with the Wodonga Institute of Technical and Further Education (TAFE). Title to this land is with the Ministry of Education (valued at \$ 1,400,000 in 2002) and is recorded in the Wodonga Institute of TAFE's accounts.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

24. Reconciliation of Property, Plant and Equipment

(a) Consolidated 2012

	Freehold Land at Cost \$ 000	Freehold Land at Independent Valuation \$ 000	Buildings at Cost \$ 000	Buildings at Independent Valuation \$ 000	Work in Progress at Cost \$ 000
Carrying Amount at 1/1/2012	1,111	284,309	32,967	427,403	100,319
Additions	-	-	12,854	-	87,697
Disposals	-	(277)	-	(126)	-
Transfers	(1,111)	1,083	(44,526)	76,199	(67,072)
Revaluation Increment/(Decrement)	-	(20,260)	-	(12,332)	-
Depreciation Expense	-	-	(1,295)	(11,424)	-
Carrying Amount at 31/12/2012	-	264,855	-	479,720	120,944

	Buildings – Leasehold Improvements at Cost \$ 000	Infrastructure at Cost \$ 000	Plant and Equipment – 10 Year Life at Cost \$ 000	Plant and Equipment – 20 Year Life at Cost \$ 000	Furniture, Fixtures and Office Equipment at Cost \$ 000
Carrying Amount at 1/1/2012	6,130	4,803	-	39,484	1,772
Additions	10,546	5,306	-	5,866	1,639
Disposals	-	-	-	(502)	-
Transfers	7,545	(9,288)	20,695	1,011	7,091
Revaluation Increment/(Decrement)	-	-	8,328	-	-
Depreciation Expense	(1,007)	(821)	-	(6,464)	(750)
Carrying Amount at 31/12/2012	23,214	-	29,023	39,395	9,752

	Passenger Motor Vehicles at Cost \$ 000	Commercial Motor Vehicles at Cost \$ 000	Computer Hardware at Cost \$ 000	Library Collection at Cost \$ 000	Works of Art at Valuation \$ 000
Carrying Amount at 1/1/2012	2,317	2,232	1,321	17,516	20,803
Additions	2,884	687	458	1,254	8,538
Disposals	0	(554)	(81)	(39)	(52)
Transfers	4,403	-	22	3,925	(1)
Revaluation Increment/(Decrement)	-	-	-	-	-
Depreciation Expense	(859)	(428)	(195)	(6,705)	(4,505)
Carrying Amount at 31/12/2012	8,745	1,937	1,525	15,951	24,783

	Leased Buildings \$ 000	Works of Art at Valuation \$ 000	Total \$ 000
Carrying Amount at 1/1/2012	-	13,386	955,873
Additions	71,990	75	209,794
Disposals	-	-	(1,631)
Transfers	-	1	(23)
Revaluation Increment/(Decrement)	-	-	(24,264)
Depreciation Expense	(1,285)	-	(35,738)
Carrying Amount at 31/12/2012	70,705	13,462	1,104,011

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Reconciliation of Property, Plant and Equipment (continued)

(b) La Trobe University 2012

	Freehold Land at Cost \$ 000	Freehold Land at Independent Valuation \$ 000	Buildings at Cost \$ 000	Buildings at Independent Valuation \$ 000	Work in Progress at Cost \$ 000
Carrying Amount at 1/1/2012	1,111	284,309	32,967	411,214	100,319
Additions	-	-	12,854	-	87,697
Disposals	-	(277)	-	(126)	-
Transfers	(1,111)	1,083	(44,526)	76,197	(67,072)
Revaluation Increment/(Decrement)	-	(20,260)	-	(10,689)	-
Depreciation Expense	-	-	(1,295)	(11,087)	-
Carrying Amount at 31/12/2012	-	264,855	-	465,509	120,944

	Buildings – Leasehold Improvements at Cost \$ 000	Infrastructure at Cost \$ 000	Plant and Equipment – 10 Year Life at Cost \$ 000	Plant and Equipment – 20 Year Life at Cost \$ 000	Furniture, Fixtures AND Office Equipment at Cost \$ 000
Carrying Amount at 1/1/2012	6,130	4,803	-	39,484	1,772
Additions	10,546	5,306	-	5,866	1,639
Disposals	-	-	-	(502)	-
Transfers	7,545	(9,288)	20,695	1,011	7,091
Revaluation Increment/(Decrement)	-	-	8,328	-	-
Depreciation Expense	(1,007)	(821)	-	(6,464)	(750)
Carrying Amount at 31/12/2012	23,214	-	29,023	39,395	9,752

	Passenger Motor Vehicles at Cost \$ 000	Commercial Motor Vehicles at Cost \$ 000	Computer Hardware at Cost \$ 000	Library Collection at Cost \$ 000	Works of Art at Valuation \$ 000
Carrying Amount at 1/1/2012	2,317	2,232	1,321	17,516	20,803
Additions	2,884	687	458	1,254	8,538
Disposals	-	(554)	(81)	(39)	(52)
Transfers	4,403	-	22	3,925	(1)
Revaluation Increment/(Decrement)	-	-	-	-	-
Depreciation Expense	(859)	(428)	(195)	(6,705)	(4,505)
Carrying Amount at 31/12/2012	8,745	1,937	1,525	15,951	24,783

	Leased Buildings \$ 000	Works of Art at Valuation \$ 000	Total \$ 000
Carrying Amount at 1/1/2012	-	13,386	939,684
Additions	71,990	75	209,794
Disposals	-	-	(1,631)
Transfers	-	1	(25)
Revaluation Increment/(Decrement)	-	-	(22,621)
Depreciation Expense	(1,285)	-	(35,401)
Carrying Amount at 31/12/2012	70,705	13,462	1,089,800

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Reconciliation of Property, Plant and Equipment (continued)

(c) Consolidated 2011

	Freehold Land at Cost \$ 000	Freehold Land at Independent Valuation \$ 000	Buildings at Cost \$ 000	Buildings at Independent Valuation \$ 000	Work in Progress at Cost \$ 000
Carrying Amount at 1/1/2011	-	299,669	9,043	459,084	62,076
Additions	1,111	-	3,741	-	89,795
Disposals	-	-	-	-	-
Transfers	-	(7,846)	20,808	(1,546)	(51,552)
Revaluation Increment/(Decrement)	-	(7,514)	-	(18,699)	-
Depreciation Expense	-	-	(625)	(11,436)	-
Carrying Amount at 31/12/2011	1,111	284,309	32,967	427,403	100,319

	Buildings – Leasehold Improvements at Cost \$ 000	Infrastructure at Cost \$ 000	Plant and Equipment – 10 Year Life at Cost \$ 000	Plant and Equipment – 20 Year Life at Cost \$ 000	Furniture, Fixtures AND Office Equipment at Cost \$ 000
Carrying Amount at 1/1/2011	2,657	-	30,556	2,126	587
Additions	1,505	570	7,077	3	297
Disposals	(321)	-	(1,098)	-	(20)
Transfers	3,072	4,447	8,646	40	1,722
Revaluation Increment/(Decrement)	-	-	-	-	-
Depreciation Expense	(783)	(214)	(5,697)	(397)	(269)
Carrying Amount at 31/12/2011	6,130	4,803	39,484	1,772	2,317

	Passenger Motor Vehicles at Cost \$ 000	Commercial Motor Vehicles at Cost \$ 000	Computer Hardware at Cost \$ 000	Library Collection at Cost \$ 000	Works of Art at Valuation \$ 000
Carrying Amount at 1/1/2011	2,851	1,273	12,571	17,972	3,034
Additions	1,077	486	1,296	6,947	7,572
Disposals	(1,180)	(238)	(100)	(26)	-
Transfers	-	-	8,993	-	(1)
Revaluation Increment/(Decrement)	-	-	-	-	2,781
Depreciation Expense	(516)	(200)	(5,244)	(4,090)	-
Carrying Amount at 31/12/2011	2,232	1,321	17,516	20,803	13,386

	Total \$ 000
Carrying Amount at 1/1/2011	903,499
Additions	121,477
Disposals	(2,983)
Transfers	(13,217)
Revaluation Increment/(Decrement)	(23,432)
Depreciation Expense	(29,471)
Carrying Amount at 31/12/2011	955,873

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Reconciliation of Property, Plant and Equipment (continued)

(d) La Trobe University 2011

	Freehold Land at Cost \$ 000	Freehold Land at Independent Valuation \$ 000	Buildings at Cost \$ 000	Buildings at Independent Valuation \$ 000	Work in Progress at Cost \$ 000
Carrying Amount at 1/1/2011	-	299,669	9,043	442,557	62,076
Additions	1,111	-	3,741	-	89,795
Disposals	-	-	-	-	-
Transfers	-	(7,846)	20,808	(1,545)	(51,552)
Revaluation Increment/(Decrement)	-	(7,514)	-	(18,699)	-
Depreciation Expense	-	-	(625)	(11,099)	-
Carrying Amount at 31/12/2011	1,111	284,309	32,967	411,214	100,319

	Buildings – Leasehold Improvements at Cost \$ 000	Infrastructure at Cost \$ 000	Plant and Equipment – 10 Year Life at Cost \$ 000	Plant and Equipment – 20 Year Life at Cost \$ 000	Furniture, Fixtures AND Office Equipment at Cost \$ 000
Carrying Amount at 1/1/2011	2,657	-	30,556	2,126	587
Additions	1,505	570	7,077	3	297
Disposals	(321)	-	(1,098)	-	(20)
Transfers	3,072	4,447	8,646	40	1,722
Revaluation Increment/(Decrement)	-	-	-	-	-
Depreciation Expense	(783)	(214)	(5,697)	(397)	(269)
Carrying Amount at 31/12/2011	6,130	4,803	39,484	1,772	2,317

	Passenger Motor Vehicles at Cost \$ 000	Commercial Motor Vehicles at Cost \$ 000	Computer Hardware at Cost \$ 000	Library Collection at Cost \$ 000	Works of Art at Valuation \$ 000
Carrying Amount at 1/1/2011	2,851	1,273	12,571	17,972	3,034
Additions	1,077	486	1,296	6,947	7,572
Disposals	(1,180)	(238)	(100)	(26)	-
Transfers	-	-	8,993	-	(1)
Revaluation Increment/(Decrement)	-	-	-	-	2,781
Depreciation Expense	(516)	(200)	(5,244)	(4,090)	-
Carrying Amount at 31/12/2011	2,232	1,321	17,516	20,803	13,386

	Total \$ 000
Carrying Amount at 1/1/2011	886,972
Additions	121,477
Disposals	(2,983)
Transfers	(13,216)
Revaluation Increment/(Decrement)	(23,432)
Depreciation Expense	(29,134)
Carrying Amount at 31/12/2011	939,684

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
25. Intangible Assets					
Computer Software Development at Cost	1.11	55,987	52,855	55,987	52,855
Less Accumulated Amortisation		(20,910)	(15,975)	(20,910)	(15,975)
Net Book Value		35,077	36,880	35,077	36,880
Movement of Intangible Assets					
Opening Net Book Value		36,881	36,402	36,881	36,402
Additions – Computer Software Development Costs		3,093	5,435	3,093	5,435
Disposals		(4)	(501)	(4)	(501)
Amortisation Charge		(4,893)	(4,456)	(4,893)	(4,456)
Closing Net Book Value		35,077	36,880	35,077	36,880
26. Other Non-financial Assets					
Current					
Prepayments		8,331	7,862	8,331	7,862
Total Current Other Non-financial Assets		8,331	7,862	8,331	7,862
Non-current					
Prepaid Licence Fee – Sports Facilities		244	244	244	244
Prepaid Licence Fee – Co-generation Plant		399	399	399	399
Austin Health Centre		2,000	2,000	2,000	2,000
Total		2,643	2,643	2,643	2,643
Less Accumulated Amortisation		(1,920)	(1,673)	(1,920)	(1,673)
Total Non-current Other Non-financial Assets		723	970	723	970
Total Other Non-financial Assets		9,054	8,832	9,054	8,832

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
27. Interest-bearing Liabilities	1.13				
Current					
Secured					
▪ Lease Liabilities	(i) 35	-	-	-	-
▪ Debenture Loans	(ii)	847	798	847	798
▪ Commercial Bills	(iii)	3,122	4,362	3,122	4,362
▪ Bonds		4,162	4,162	-	-
Total Current Secured Interest-bearing Liabilities		8,131	9,322	3,969	5,160
Total Current Interest-bearing Liabilities		8,131	9,322	3,969	5,160
Non-current					
Secured					
▪ Lease Liabilities	(i)	68,644	-	68,643	-
▪ Debenture Loans	(ii)	34,918	7,026	34,918	7,026
▪ Commercial Bills	(iii)	20,797	23,505	20,797	23,505
▪ Bonds		2,735	6,897	-	-
Total Non-current Secured Interest-bearing Liabilities		127,094	37,428	124,358	30,531
Total Non-current Interest-bearing Liabilities		127,094	37,428	124,358	30,531
Total Interest-bearing Liabilities		135,225	46,750	128,327	35,691
(i) The lease liabilities are in relation to the jointly controlled asset AgriBio. They are secured by the AgriBio building. Repayments over the next 5 years will be interest only (refer Note 35). (ii) The debenture loans and commercial bills have fixed interest rates and terms. They are secured by a charge over the University's revenue via a security trust deed. (iii) The bonds are fixed term, scheduled for maturity on 30 June 2014, have a fixed interest rate and are secured by the assets of Medical Centre Developments Pty Ltd, including the Medical Centre building.					
(a) Assets Pledged as Security					
The carrying amounts of assets pledged as security for current and non-current debenture loans and Commercial bills are:					
Security Trust Deed		150,000	150,000	150,000	150,000
Current					
Floating Charge					
▪ Cash and Cash Equivalents		4,236	3,597	-	-
▪ Trade and Other Receivables		-	13	-	-
		4,236	3,610	-	-
Non-current					
First Mortgage					
▪ Buildings		14,210	16,189	-	-
▪ Other Non-financial Assets		-	1,006	-	-
		14,210	17,195	-	-
Total Non-current Assets Pledged as Security		14,210	17,195	-	-
Total Assets Pledged as Security		168,446	170,806	150,000	150,000

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
28. Employee Benefits and Provisions	1.15				
Current Provisions Expected to be Settled within 12 months					
Deferred Tax Liabilities	28(a)	977	1,623	-	-
Employee Benefits:					
▪ Annual Leave		17,759	17,792	17,792	17,792
▪ Long Service Leave		4,235	6,688	4,235	6,688
▪ Deferred Benefits for Superannuation	34	3,000	3,000	3,000	3,000
▪ Redundancies		62	30	62	30
Subtotal		26,033	29,133	25,055	27,510
Current Provisions Expected to be Settled after more than 12 months					
Employee Benefits:					
▪ Annual Leave		13,086	10,445	13,086	10,445
▪ Long Service Leave		25,567	21,922	25,568	21,922
Subtotal		38,653	32,367	38,654	32,367
Total Current Provisions		64,686	61,500	63,709	59,877
Non-current Provisions					
Employee Benefits:					
▪ Long Service Leave		6,721	5,085	6,721	5,085
▪ Deferred Benefits for Superannuation	34(b)	102,043	77,069	102,043	77,069
Total Non-current Provisions		108,764	82,154	108,764	82,154
Total Provisions		173,450	143,654	172,473	142,031
(a) Deferred Tax Liabilities					
The Balance Comprises Temporary Differences Attributable to:					
Amounts Recognised in Operating Result					
Prepayments		133	302	-	-
Total Amounts Recognised in Operating Result		133	302	-	-
Set-off of Deferred Tax Liabilities of Prepayments Pursuant to Set-off Provisions		844	1,321	-	-
Net Deferred Tax Liabilities		977	1,623	-	-
29. Other Liabilities					
Current					
Fees and Charges Received in Advance	1.3(c)	567	6,905	567	6,905
Grants and Donations Received in Advance	1.3(b)	5,534	2,939	5,534	2,939
Revenue Received in Advance:	1.3(d)				
▪ Property Lease Revenue		63	63	63	63
▪ Medical Centre Ground Lease		297	297	297	297
▪ Other		18	367	18	367
Bonds and Deposits		701	995	701	995
Total Current Other Liabilities		7,180	11,566	7,180	11,566

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
29. Other Liabilities (continued)					
Non-current					
Revenue Received in Advance:	1.3(d)				
▪ Property Lease Revenue		5,508	5,508	5,508	5,508
▪ Medical Centre Ground Lease		2,415	1,409	1,912	1,912
Total Non-current Other Liabilities		7,923	6,917	7,420	7,420
Total Other Liabilities		15,103	18,483	14,600	18,986
30. Reserves					
(a) Reserves					
Property, Plant and Equipment Revaluation Reserve	(i)	653,149	676,919	651,999	674,620
General Reserves	(ii)	7,098	7,406	7,098	7,406
Perpetual Funds	(iii)	1,893	1,624	1,893	1,624
Available-for-sale Reserve	(iv)	(517)	(2,593)	(517)	(2,593)
Total Reserves		661,623	383,356	660,473	681,057
(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) These funds include trusts, endowments and bequests that must be held in perpetuity with only the income earned being available for expenditure consistent with the donor's intentions. (iv) The Available-for-sale Reserve was created to record the unrealised market movements of financial assets classified as available for sale.					
(b) Movements of Reserves – Property, Plant and Equipment Revaluation Reserve					
Freehold Land					
Freehold Land as at 1 January		256,995	264,509	256,995	264,509
Revaluation Increment/(Decrement)		(20,260)	(7,514)	(20,260)	(7,514)
Freehold Land as at 31 December		236,735	256,995	236,735	256,995
Buildings					
Buildings as at 1 January		324,582	343,281	322,283	340,982
Deferred tax on revaluation		494	-	-	-
Revaluation Increment/(Decrement)		(4,004)	(18,699)	(2,361)	(18,699)
Buildings as at 31 December		321,072	324,582	319,922	322,283
Works of Art					
Works of Art as at 1 January		2,781	-	2,781	-
Revaluation Increment/(decrement)		-	2,781	-	2,781
Works of Art as at 31 December		2,781	2,781	2,781	2,781
Non-current Assets Held for Sale					
Non-current assets held for sale as at 1 January		135	-	135	-
Revaluation Increment/(decrement)		-	135	-	135
Non-current assets held for sale as at 31 December		135	135	135	135
Other Classes of Assets as at 31 December		92,426	92,426	92,426	92,426
Balance as at 31 December		653,149	676,919	651,999	674,620
General Reserves					
Balance as at 1 January		7,406	13,410	7,406	13,410
Transfers from Accumulated Funds		141	-	141	-
Transfers to Accumulated Funds*		(449)	(6,004)	(449)	(6,004)
Balance as at 31 December		7,098	7,406	7,098	7,406

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

	CONSOLIDATED		LA TROBE UNIVERSITY	
Notes	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
Perpetual Funds				
Balance as at 1 January	1,624	1,624	1,624	1,624
Transfers from Accumulated Funds	269	-	269	-
Transfers to Accumulated Funds	-	-	-	-
Balance as at 31 December	1,893	1,624	1,893	1,624
Available-for-sale Reserve				
Balance as at 1 January	(2,593)	(34)	(2,593)	(34)
Net Movements in Financial Assets Classified as Available-for-sale	2,076	(2,559)	2,076	(2,559)
Balance as at 31 December	(517)	(2,593)	(517)	(2,593)

* The transfers to Accumulated funds are in relation to reserves set aside for specific purposes that have been finalised.

31. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, La Trobe University considers cash to include cash on hand and at bank, and investments in money market instruments which are so near to maturity that there is no significant risk of change in value due to changes in interest rates. Cash at the end of the year as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:

Cash at Bank	31(c)	18,290	28,516	14,054	24,919
Deposits At Call	31(d)	40,764	46,818	40,764	46,818
Total Cash Assets		59,054	75,334	54,818	71,737

(b) Reconciliation of Net Cash Inflow from Operating Activities to Operating Result

Net Operating Result After Income Tax		34,654	84,575	34,297	83,785
Non Cash Flow Items in Operating Result					
Depreciation and Amortisation		40,878	34,164	40,541	33,827
(Gain)/Loss on Sale of Plant and Equipment		229	2,785	229	2,785
Bad and Doubtful Debts		570	19	570	19
Non-cash Donations		(53)	(7,582)	(51)	(7,580)
Capitalised Financing Costs		(710)	-	(710)	-
Capital Gain on Investments		134	(686)	134	(686)
Income Tax Expense		1,013	931	-	-
Net Cash Inflow from Operating Activities Before Changes in Assets and Liabilities		76,715	114,205	75,010	112,150
Changes in Assets and Liabilities					
Increase/(Decrease) in Other Current Liabilities		(3,381)	1,355	(4,386)	2,620
(Increase)/Decrease in Inventories		41	(35)	41	(35)
(Increase)/Decrease in Trade and Other Receivables		(22,704)	(3,099)	(26,599)	(7,496)
(Increase)/Decrease in Other Non-financial Assets		(469)	(1,630)	(469)	(1,630)
Increase in Payables		6,525	4,177	6,986	4,637
Increase in Provisions for Employee Benefits		29,184	7,754	30,442	7,754
Increase in Deferred Expenses		247	307	247	307
Net Cash Inflow from Operating Activities		86,158	123,035	81,272	118,307

(c) Cash at Bank

These are interest-bearing with a weighted average interest rate of 3.03% (2011 4.85%)

(d) Deposits at Call

The deposits are Interest-bearing floating interest rates between 3.96% and 6.40% (2011 5.00% and 7.00%). Term Deposits with a term of great than 90 days are disclosed in Other Current Financial Assets for 2012.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

32. Financial Risk Management

32.1 Accounting Policies and Terms and Conditions

	RECOGNISED FINANCIAL INSTRUMENTS		
	Notes	Accounting Policies	Terms and Conditions
Financial Assets			
Trade and Other Receivables	18	Accounts receivable are carried at amounts due. The collection of debts is assessed at balance date and specific provisions are made for any impairment.	Accounts receivable are generally on 30 day terms.
Term Deposits Greater than 90 Days	19	Term Deposits greater than 90 days are shown at the lower of cost or net recoverable value.	
Investment Portfolio	19, 20	Investments are shown at net recoverable value. The carrying amount of all investments is reviewed annually to ensure it is not in excess of the recoverable amount. Investments maturing in less than or greater than 12 months are shown as current assets and non current assets respectively.	Funds held in investment portfolios are managed by the Funds Managers: Investment Funds Management (IFM) and Victorian Funds Management Corporation (VFMC).
Shares at fair value through profit or loss	20	Shares are shown at the lower of cost or net recoverable value.	
Debentures	19	Debentures are shown at the lower of cost or net recoverable value.	
Units in Trusts	19	Units are shown at the lower of cost or net recoverable value.	
Financial Liabilities			
Payables and Other Liabilities	29, B/S	Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the University.	Creditors are normally settled within 30 days.
Debenture Loans	27	Debenture Loans are carried at their principal amount. Interest expense is accrued at the contracted rate and included in Other Liabilities.	Debenture loans are secured by a charge on the University's revenue.
Commercial Bills	27	Commercial Bills are carried at their principal amount. Interest expense is accrued at the contracted rate and included in Other Liabilities.	Commercial Bills are secured by a charge on the University's revenue.
Bonds	27	Bonds are carried at their principal amount. Interest expense is accrued at the contracted rate and included in Other Liabilities.	Bonds are secured by the assets of Medical Centre Developments Pty. Ltd.
Lease Liabilities	35, 27	Lease Liabilities are carried at their principal amount. Interest expense is accrued at the contracted rate and included in Other Liabilities.	Lease Liabilities are a contracted liability for the AgriBio Joint Venture facility

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

32.2 The Following Table Details the Economic Entities Exposure to Interest Rate Risk (Table 1 as at 31 December 2012)

		FINANCIAL INSTRUMENTS							
		Notes	Variable Interest Rate \$000	Non Interest Bearing \$000	Fixed Interest Rate Maturing in:			Carrying Amount	Weighted Average Effective Interest Rate%
					\$000 1 year or less	\$000 Between 1 year and 5 years	\$000 More than 5 years		
Financial Assets									
Cash and Cash Equivalents	31(a)	59,054					59,054	3.03	
Trade and Other Receivables	18		11,536				11,536	N/A	
Term Deposits over 90 days	19			57,467			57,467	4.95	
Debentures	19	1,422					1,422	3.12	
Units in Unit Trusts	19		140				140	N/A	
Listed Shares	19		1,435				1,435	N/A	
Shares at fair value through profit or loss	20		5,140				5,140	N/A	
Long-Term Managed Funds	20		30,363				30,363	N/A	
Deferred Receivable for Superannuation	18, 34		105,043				105,043	N/A	
Total Financial Assets		60,476	153,657	57,467				271,600	
Financial Liabilities									
Payables	B/S		46,292				46,292	N/A	
Fees and Charges Received in Advance	29		567				567	N/A	
Government Financial Assistance Received in Advance	29		5,534				5,534	N/A	
Other Revenue Received In Advance	29		8,301				8,301	N/A	
Bonds and Deposits	29		701				701	N/A	
Debenture Loans	27			847	3,680	31,238	35,765	6.14	
Commercial Bills	27			3,122	11,238	9,559	23,919	6.67	
Bonds	27			4,162	2,735	-	6,897	7.98	
Finance Lease Liabilities	27			-	-	68,644	68,644	8.14	
Deferred Benefits for Superannuation	28, 34		105,043				105,043	N/A	
Total Financial Liabilities			166,438	8,131	17,653	109,441	301,663		

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

32.2 The Following Table Details the Economic Entities Exposure to Interest Rate Risk (Table 2 as at 31 December 2012)

	FINANCIAL INSTRUMENTS								
	Notes	Variable Interest Rate \$000	Non Interest Bearing \$000	Fixed Interest Rate Maturing in:			Carrying Amount	Weighted Average Effective Interest Rate%	
				\$000 1 year or less	\$000 Between 1 year and 5 years	\$000 More than 5 years			
Financial Assets									
Cash and Cash Equivalents	31(a)	75,334					75,334	5.56	
Trade and Other Receivables*	18		13,931				13,931	N/A	
Term Deposits over 90 days	19		13,931	75,464				75,464	5.98
Debentures	19	1,429					1,429	8.75	
Units in Unit Trusts	19		173				173	N/A	
Listed Shares	19		1,358				1,358	N/A	
Shares in Other Corporations	20		4,865				4,865	N/A	
Long Term Managed Funds	20		26,437				26,437	N/A	
Deferred Receivable for Superannuation	18, 34		80,069				80,069	N/A	
Total Financial Assets		76,763	126,833	75,464	-	-	279,060		
Financial Liabilities									
Payables	B/S		39,672				39,672	N/A	
Fees and Charges Received in Advance	29		6,905				6,905	N/A	
Government Financial Assistance Received in Advance	29		2,939				2,939	N/A	
Other Revenue Received in Advance	29		7,644				7,644	N/A	
Bonds and Deposits	29		995				995	N/A	
Debenture Loans	27			798	3,523	3,503	7,824	6.17	
Commercial Bills	27			4,362	11,583	11,922	27,867	6.72	
Bonds	27			4,162	6,897	-	11,059	7.98	
Deferred Benefits for Superannuation	28, 34		80,069				80,069	N/A	
Total Financial Liabilities		-	138,224	9,322	22,003	15,425	184,974		

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

32.3 Net Fair Values

The aggregate net fair values of financial assets and financial liabilities are as follows:

		FINANCIAL INSTRUMENT			
		TOTAL CARRYING AMOUNT		AGGREGATE NET FAIR VALUE	
Notes		2012 \$000	2011 \$000	2012 \$000	2011 \$000
Financial Assets					
Cash and Cash Equivalents	31(a)	59,054	75,334	59,054	75,334
Trade and Other Receivables*	18	11,536	13,931	11,536	13,931
Term Deposits over 90 days	19	57,467	75,464	57,467	75,464
Debentures	19	1,422	1,429	1,422	1,429
Units in Unit Trusts	19	140	173	140	173
Listed Shares	19	1,435	1,358	1,435	1,358
Shares in Other Corporations	20	5,140	4,865	5,140	4,865
Long Term Managed Funds	20	30,363	26,437	30,363	26,437
Deferred Receivable for Superannuation	18, 34	105,043	80,069	105,043	80,069
Total Financial Assets		271,600	279,060	271,600	279,060
Financial Liabilities					
Payables	B/S	46,292	39,672	46,292	39,672
Fees and Charges Received In Advance	29	567	6,905	567	6,905
Government Financial Assistance Received in Advance	29	5,534	2,939	5,534	2,939
Other Revenue Received in Advance	29	8,301	7,644	8,301	7,644
Bonds and Deposits	29	701	995	701	995
Debenture Loans	27	35,765	7,824	35,765	7,824
Commercial Bills	27	23,919	27,867	23,919	27,867
Bonds	27	6,897	11,059	6,897	11,059
Finance Lease Liabilities	27	68,644	-	68,644	-
Deferred Benefits for Superannuation	28, 34	105,043	80,069	105,043	80,069
Total Financial Liabilities		301,663	184,974	301,663	184,974

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Notes	2012 \$000	Level 1* \$000	Level 2* \$000	Level 3* \$000
Financial Assets				
Debentures	19	1,422	1,422	-
Units in Unit Trusts	19	140	140	-
Listed Shares	19	1,435	1,435	-
Shares in Other Corporations	20	5,140	348	4,792
Long-Term Managed Funds	20	30,363	30,363	-
Total		38,500	33,708	4,792
Notes	2011 \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial Assets				
Debentures	19	1,429	1,429	-
Units in Unit Trusts	19	173	173	-
Listed Shares	19	1,358	1,358	-
Shares in Other Corporations	20	4,865	73	4,792
Long Term Managed Funds	20	26,437	26,437	-
Total Financial Assets		34,262	29,470	4,792

As per AASB7, Level 1 financial assets are those with quoted prices in active markets; Level 2 are those with quoted prices but with other observable inputs into the fair value; and Level 3 are those financial assets with no observable market data.

32.4 Risk Management

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

Risk management is carried out by the Finance Division under policies approved by the Risk Management Unit and University Council. The University has written policies for overall risk management, as well as specific policies covering financial risk.

(a) 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.

FINANCIAL ASSET	AMOUNT \$000	PROFIT OR LOSS EFFECT ON PRICE MOVEMENT OF 10% (\$000)
Listed Shares	1,435	+/- 144

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 monitoring the outlook for interest rates and holding cash in cheque and cash management accounts with at least two banking institutions.

Sensitivity Analysis on Interest Risk

INTEREST RATE EXPOSURE						
	Current Rate %	Amount \$000	Annual Return at Current Rate \$000	RATES MOVE BY \$000		
				1% Possible Effect Profit or Loss	2% Possible Effect Profit or Loss	3% Possible Effect Profit or Loss
Cash Assets	3.03%	59,054	1,789	+/- 591	+/- 1182	+/- 1,773
Debentures	3.12%	1,422	44	+/- 15	+/- 30	+/- 45
Possible effect of movement in interest income on profit or loss				+/- 1,191	+/- 2,382	+/- 3,573

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

Foreign Exchange Risk

The University has minor exposure to foreign exchange movements via foreign purchases of library materials. The University manages the foreign exchange risk by hedging the purchases using participating forward exchange contracts. As at 31 December 2012, the University had no outstanding contracts (2011 \$nil).

(b) Credit Risk

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

(c) Liquidity Risk

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

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

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

32.5 Financial Facilities

The University has access to the following lines of credit

	2012 \$'000	2011 \$'000
Total Facilities		
Debenture Loans	7,764	7,824
Commercial Bills	23,919	28,867
Business Market Loan*	45,000	45,000
Bonds	6,897	11,059
Facilities Utilised at Balance Date		
Debenture Loans	7,764	7,824
Commercial Bills	23,919	27,867
Business Market Loan	28,000	-
Bonds	6,897	11,059
Facilities Not Utilised at Balance Date		
Debenture Loans	-	-
Commercial Bills	-	1,000
Business Market Loan*	17,000	45,000
Bonds	-	-

* The University plans to draw down \$41,750,000 for the construction of the La Trobe Melbourne building, with the balance of the facility to be capitalised interest.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

33. Commitments for Expenditure

33.1 Lease Commitments

Notes	CONSOLIDATED		LATROBE UNIVERSITY	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Operating Leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows	1.17			
Within one year	9,050	3,124	4,126	8,138
Between one and five years	10,637	6,405	8,176	14,545
Later than 5 years	8,827	9,835	8,827	9,835
Total future minimum lease payments	28,514	19,364	21,129	31,763
Finance Leases				
Commitments in relation to finance leases are payable as follows	1.17			
Within one year	-	-	-	-
Between one and five years	-	-	-	-
Later than 5 years	68,644	-	68,644	-
Total future minimum lease payments	68,644	-	68,644	-
Representing lease liabilities				
Current	-	-	-	-
Non-current	68,644	-	68,644	-
Total	68,644	-	68,644	-

33.2 Capital Expenditure Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows

PROPERTY, PLANT AND EQUIPMENT				
Within one year	35,124	79,772	35,124	79,772
Later than one year	3,387	8,586	3,387	8,586
Total	38,511	88,358	38,511	88,358

34. Superannuation Plans

Summary of Superannuation Scheme Payments

Notes	CONSOLIDATED		LA TROBE UNIVERSITY	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
UniSuper Defined Benefit Division Accumulation Super (2) (DBD)	30,532	29,522	30,532	29,522
Unisuper Accumulation Super (1)	9,614	9,586	9,614	9,586
Victorian Superannuation Board (Unfunded – Emerging)	4,803	5,758	4,803	5,758
TOTAL	44,949	44,866	44,949	44,866

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 above.

(a) UniSuper Limited

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

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

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

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

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

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

The employer contribution rate for 2012 is 14% of employee salaries and represents an employer/employee contribution rate of 2:1. These rates are based on the actuarial review completed on 30 June 2012 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$30,531,566 (2011 \$29,522,484). 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 \$9,173,835 (2011 \$9,486,573) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2012 totalled \$nil (2011 \$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% 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%. Employer contributions for the year totalled \$9,613,978 (2011 \$9,586,374). There were no outstanding employer contributions as at 31 December 2012 (2011 \$nil). There are no loans to fund members.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

(b) Victorian Superannuation Board

La Trobe University has a number of employees who are members of the Emergency Services Superannuation Fund (ESSF) (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 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 has been 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 that the ESSS unfunded superannuation liability is to be included in the Financial Statements of all Victorian Universities.

La Trobe University believes that any disclosure of the unfunded superannuation liability should be matched with the corresponding receivable from the Commonwealth Government as detailed above. Accordingly the current policy of the University is to record the liability and the receivable from the Commonwealth Government.

The increase in the liability and the receivable of \$24,974,000 during the 2012 year (2011 \$482,000) is taken up in Expenditure and Revenue from Continuing Operations respectively. There is no financial impact on the operating result for the year as a result of these changes. While the Net Assets has not altered with these changes, both the Total Assets and Total Liabilities have increased by \$24,974,000 (2011 \$482,000).

During 2012, La Trobe University's contributions to the Fund totalled \$5,297,143 (2011 \$5,060,361). There were no outstanding employer contributions as at 31 December 2012 (2011 \$nil). There are no loans to fund members.

The policy adopted for calculating employer contributions is based on the advice of the Fund's trustees, but generally for 2012 the contribution rate represents 79.2% (2011 79.2%) of pensions payable.

The relevant accounting transactions are detailed below

(i) Statement of Comprehensive Income Items

Notes	2012 \$'000	2011 \$'000
Salary Related Expenditure – Increase in Superannuation Liability	24,974	482
Miscellaneous Income – Increase in Amount Receivable for Superannuation	24,974	482

Amounts relate to the overall increase in the outstanding superannuation liability and the corresponding receivable from \$80,069,000 at 30 June 2011 to \$105,043,000 at 30 June 2012 as determined by the Fund.

(ii) Amounts Receivable from the Commonwealth Government

Notes	2012 \$'000	2011 \$'000
Current	3,000	3,000
Non-current	102,043	77,069
Total	105,043	80,069

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

(iii) Unfunded Superannuation Liability

Notes	2012 \$'000	2011 \$'000
Current	3,000	3,000
Non-current	102,043	77,069
Total	105,043	80,069

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

35. Jointly Controlled Operations and Assets

La Trobe has entered into a joint venture with the State, through the Department of Primary Industries ('DPI'). The Joint Venture is in operation to construct, manage and operate a Biosciences Research Centre ('BRC') on the Bundoora campus.

The BRC is:

1. jointly owned by La Trobe and DPI based on 25% and 75% ownership interest respectively;
2. is used by both parties to undertake joint collaborative research projects as well as their own projects; and
3. BRC operations are jointly controlled through equal voting rights and equal consent of key decisions.

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

BRC Co. engaged Plenary Research Pty. Ltd., an independent firm to construct, operate and maintain the BRC for 25 years. The University accounts for its 25% ownership interest in the building as a leased asset at amortised cost. Amortisation is charged on a straight line basis over the expected lease term of 25 years (incorporating the residual value of the building after the expiration of the 25 years – 2037). 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 joint venture. The capital contributions are used to make repayments on the lease. The operating contributions relate to the University's share of the operating costs of the BRC facility.

The University receives research grant funding for the research activity undertaken at the BRC.

Interest	2012 %	2011 %
Biosciences Research Centre Joint Venture		
The principal activity is the management and operation of the AgriBio Research Facility	25	-
The University's share of revenue, expenditure, assets and liabilities from the BRC jointly controlled operations and assets are detailed below. The amounts are included in the financial statements under their respective categories.		
Income Statement	2012 \$000	2011 \$000
Revenue		
Research Grants	1,549	-
Expenditure		
Interest Expense– Finance Lease	(2,607)	-
Amortisation	(1,285)	-
Other Categories of Expenditure	(2,026)	-
Net Operating Result from Jointly Controlled Operations and Assets	(4,369)	-
Balance Sheet	2012 \$000	2011 \$000
Non-Current Assets		
Buildings – net book value	70,705	-
Total Assets	70,705	-
Non-Current Liabilities		
Interest Bearing Liability	68,644	-
Total Liabilities	68,644	-
Net Assets	(2,061)	-

36. Contingent Assets and Liabilities

36.1 Contingent Liabilities

(a) University Entities

La Trobe University, being the parent entity, will continue to support La Trobe International Pty. Ltd. and Medical Centre Developments Pty. Ltd. for the foreseeable future to enable the companies to pay their debts as and when they fall due.

35.2 Contingent Assets

There were no contingent assets.

37. Subsequent Events

No significant events subsequent to balance date have occurred.

38. Key Management Personnel Disclosures

38.1 Responsible Persons

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

(a) Responsible Minister

The Hon. Peter Hall, MLC – Minister for Higher Education and Skills

(b) The Names of Each Person Holding the Position of Member of Council during the Financial Year:

J. Dewar, Vice-Chancellor
N. Green, J. Williams, A. McMillan,
J. Rosewarne, A. Kuypers, J. Jonathan,
G. McMahon, A. Clarke, AC, S. Crowe,
J. McKenzie AM, B. Kelty AC, R. Guy OAM,
M. Anderson, J. Gordon, A. Eddy,
T. De Domenico, A. Jones, P McDonald.

(c) Other Responsible Persons

P. Lodhiya
Vice-President (Finance)
Chief Financial Officer

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

(d) Remuneration of Responsible Persons

Total remuneration received, or due and receivable, by Responsible Persons from the University amounted to:

	2012 \$000	2011 \$000
Total remuneration received by Responsible Persons	1,406	1,522

Number of Responsible Persons whose income from the University and any related parties was within the following bands:

Income from University	2012	2011
\$ 0*	8	4
\$ 1 - \$ 9,999	3	5
\$ 10,000 - \$ 19,999	3	2
\$ 20,000 - \$ 29,999	1	-
\$ 40,000 - \$ 49,999	1	-
\$ 50,000 - \$ 59,999	-	1
\$ 100,000 - \$ 109,999	-	1
\$ 110,000 - \$ 119,999	1	1
\$ 160,000 - \$ 169,999	-	-
\$ 170,000 - \$ 179,999	-	1
\$ 180,000 - \$ 189,999	-	-
\$ 210,000 - \$ 219,999	2	-
\$ 280,000 - \$ 289,999	-	1
\$ 340,000 - \$ 349,999	-	-
\$ 700,000 - \$ 709,999	-	1
\$ 720,000 - \$ 729,999	1	-

* Responsible Persons who received no remuneration (Community representatives)

Remuneration paid to the Responsible Minister is reported in the Annual Report of the Department of Premier and Cabinet. The University salaries of staff member representatives are included above, staff member representatives do not receive remuneration specifically for University Council representation.

Other relevant interest are declared in the Register of Member Interests, which each Member of Parliament completes. Comparative figures have been adjusted to remove officers who were not responsible persons.

(e) Other Transactions of Responsible Persons and Related Parties

A Responsible Person, Adrienne E Clarke AC, Chancellor of La Trobe University, is a shareholder of Hexima Limited which has provided contract research to the University. The aggregate amounts in respect of the above transactions with Responsible Persons and their related parties were:

	2012 \$000	2011 \$000
Hexima Limited. Purchase of scientific equipment	-	64

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

	2012 \$000	2011 \$000
Medical Centre Developments Pty. Ltd.		
Lease Payments (GST exclusive)	5,004	5,004
Net Receivable from Medical Centre Developments	8,263	4,377

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

38.2 Executive Officers Remuneration

The number of University Executive Officers (other than Responsible Persons) whose total remuneration exceeded \$100,000 for 2012 and 2011 are shown in columns two and three in the table below in their relevant income bands. The base remuneration of these Executive Officers is shown in the fourth and fifth columns. Base remuneration is exclusive of allowances. Bonus payments depend on the terms of individual employment contracts. Executive Officers are defined as Senior Executives reporting directly to the Vice-Chancellor with executive decision making powers.

Remuneration	Total Remuneration		Base Remuneration	
Income Band	2012	2011	2012	2011
\$ 260,000 - \$ 269,999	-	-	6	5
\$ 270,000 - \$ 269,999	-	-	1	-
\$ 290,000 - \$ 299,999	-	-	-	1
\$ 300,000 - \$ 309,999	-	-	1	1
\$ 310,000 - \$ 319,999	-	-	1	-
\$ 320,000 - \$ 329,999	-	-	1	-
\$ 330,000 - \$ 339,999	-	-	-	1
\$ 340,000 - \$ 349,999	2	2	1	1
\$ 350,000 - \$ 359,999	2	1	-	1
\$ 370,000 - \$ 379,999	1	1	1	-
\$ 380,000 - \$ 389,999	1	2	-	-
\$ 390,000 - \$ 399,999	1	-	-	-
\$ 400,000 - \$ 409,999	2	2	-	-
\$ 420,000 - \$ 429,999	1	-	-	-
\$ 440,000 - \$ 449,999	1	-	-	-
\$ 470,000 - \$ 479,999	1	1	-	-
\$ 700,000 - \$ 709,999	-	1	-	-
Total Numbers	12	10	12	10
	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Total Remuneration of Executive Officers for the Year	4,683	4,196	3,523	2,989

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

39. Correction of Fundamental Error in Prior Period

During the audit of the 2012 financial year an error was identified in the financial report of La Trobe University for the year ended 31 December 2011. The error comprised of:

- an overstatement in the value of the 'Assets Held For Sale' of \$26,213,050.
- a corresponding overstatement in the value of the 'Asset Revaluation Reserve' of \$26,213,050.

This error was due to the assets in the category 'Assets Held for Sale' being disclosed at book value rather than net realisable value.

Details of the restated financial information for La Trobe University for the 2011 year are presented below:

STATEMENT OF COMPREHENSIVE INCOME

	Notes	CONSOLIDATED		LA TROBE UNIVERSITY	
		2011 Restated \$ '000	2011 Actual \$ '000	2011 Restated \$ '000	2011 Actual \$ '000
Net Operating Result After Income Tax for the Year		84,575	84,575	83,758	83,785
Gain/(Loss) on Revaluation of Assets	30	(23,297)	2,916	(23,297)	2,916
Gain/(Loss) on Value of Available-for-sale Financial Assets	30	(2,559)	(2,559)	(2,559)	(2,559)
Total Comprehensive Income		58,719	84,932	57,929	84,142
Total Comprehensive Income attributable to La Trobe University		58,719	84,932	57,929	84,142

BALANCE SHEET

	Notes	CONSOLIDATED		LA TROBE UNIVERSITY	
		2011 Restated \$ '000	2011 Actual \$ '000	2011 Restated \$ '000	2011 Actual \$ '000
Assets					
Current Assets					
Cash and Cash Equivalents*	31(a)	75,334	75,334	71,737	71,737
Inventories	21	757	757	757	757
Trade and Other Receivables	18	16,039	16,039	20,402	20,402
Other Financial Assets at Fair Value Through Profit or Loss	19	78,424	78,424	78,424	78,424
Other Non-financial Assets	26	7,862	7,862	7,862	7,862
Non-current Assets Classified as Held for Sale	22	8,415	34,628	8,415	34,628
Total Current Assets		186,831	213,044	187,597	213,810
Total Assets		1,289,817	1,316,030	1,274,669	1,300,882
Net Assets		1,041,258	1,067,471	1,038,809	1,065,022
Equity					
Reserves	30(a)	683,356	709,569	681,057	707,270
Retained Surplus		357,902	357,902	357,752	357,752
Total Equity		1,041,258	1,067,471	1,038,809	1,065,022

* Term Deposits of \$75,334,000 have been reclassified from Cash and Cash Equivalents to Other Financial Assets at Fair Value Through Profit or Loss.

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

39. Correction of Fundamental Error in Prior Period (continued)

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY

		RESERVES		TOTAL	
	Notes	2011 Restated \$ 000	2011 Actual \$ 000	2011 Restated \$ 000	2011 Actual \$ 000
Consolidated					
Balance as at 1 January 2011	30	715,216	715,216	982,539	982,539
Net Operating Result After Income Tax		-	-	84,575	84,575
Revaluation of Land, Buildings and Artworks		(23,297)	2,916	(23,297)	2,916
Loss on Available-for-sale Financial Assets		(2,559)	(2,559)	(2,559)	(2,559)
Total Comprehensive Income		(25,856)	357	58,719	84,932
Transfers to Reserves		-	-	-	-
Transfers from Reserves	30(b)	(6,004)	(6,004)	-	-
Balance as at 31 December 2011		683,356	709,569	1,041,258	1,067,471
La Trobe University					
Balance as at 1 January 2011	30	712,917	712,917	980,880	980,880
Net Operating Result After Income Tax		-	-	83,785	83,785
Revaluation of Land, Buildings and Artworks		(23,297)	2,916	(23,297)	2,916
Loss on Available-for-sale Financial Assets		(2,559)	(2,559)	(2,559)	(2,559)
Total Comprehensive Income		(25,856)	357	57,929	84,142
Transfers to Reserves		-	-	-	-
Transfers from Reserves	30(b)	(6,004)	6,004	-	-
Balance as at 31 December 2011		681,057	707,270	1,038,809	1,065,022

39. Correction of Fundamental Error in Prior Period (continued)

22. Non-current Assets Classified as Held for Sale	Notes	CONSOLIDATED		LATROBE UNIVERSITY	
		2011 Restated \$ 000	2011 Actual \$ 000	2011 Restated \$ 000	2011 Actual \$ 000
Land Held for Sale		6,798	14,312	6,798	14,312
Buildings Held for Sale		1,617	20,316	1,617	20,316
		8,415	34,628	8,415	34,628
Reconciliation of Non-current Assets Held for Sale					
Opening Value		-	-	-	-
Revaluation Increment/(Decrement)		135	135	135	135
Carrying Value of Assets Sold		(1,284)	(1,284)	(1,284)	(1,284)
Transfers from Property, Plant and Equipment		9,564	35,777	9,564	35,777
Closing Value		8,415	34,628	8,415	34,628

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

39. Correction of Fundamental Error in Prior Period (continued)

24. Reconciliation of Property, Plant and Equipment

(a) Consolidated 2011

	FREEHOLD LAND AT VALUATION		BUILDINGS AT INDEPENDENT VALUATION		TOTAL	
	2011 Restated \$ 000	2011 Actual \$ 000	2011 Restated \$ 000	2011 Actual \$ 000	2011 Restated \$ 000	2011 Actual \$ 000
Carrying Amount at 1/1/2011	299,669	299,669	459,084	459,084	903,499	903,499
Additions	-	-	-	-	121,477	121,477
Disposals	-	-	-	-	(2,983)	(2,983)
Transfers	(7,846)	(15,360)	(1,546)	(20,245)	(13,217)	(39,430)
Revaluation Increment/(Decrement)	(7,514)	-	(18,699)	-	(23,432)	2,781
Depreciation Expense	-	-	(11,436)	(11,436)	(29,471)	(29,471)
Carrying Amount at 31/12/2011	284,309	284,309	427,403	427,403	955,873	955,873
(d) La Trobe University 2011						
Carrying Amount at 1/1/2011	299,669	299,669	442,557	442,557	886,972	886,972
Additions	-	-	-	-	121,477	121,477
Disposals	-	-	-	-	(2,983)	(2,983)
Transfers	(7,846)	(15,360)	(1,545)	(20,244)	(13,216)	(39,429)
Revaluation Increment/(Decrement)	(7,514)	-	(18,699)	-	(23,432)	2,781
Depreciation Expense	-	-	(11,099)	(11,099)	(29,134)	(29,134)
Carrying Amount at 31/12/2011	284,309	284,309	411,214	411,214	939,684	939,684

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

39. Correction of Fundamental Error in Prior Period (continued)

30. Reserves

(a) Reserves

	Notes	CONSOLIDATED		LA TROBE UNIVERSITY	
		2011 Restated \$ 000	2011 Actual \$ 000	2011 Restated \$ 000	2011 Actual \$ 000
Property, Plant and Equipment Revaluation Reserve	(i)	676,919	703,132	674,620	700,833
General Reserves	(ii)	7,406	7,406	7,406	7,406
Perpetual Funds	(iii)	1,624	1,624	1,624	1,624
Available-for-sale Reserve	(iv)	(2,593)	(2,593)	(2,593)	(2,593)
Total Reserves		683,356	709,569	681,057	707,270
(b) Movements of Reserves – Property, Plant and Equipment Revaluation Reserve	1.7(b)				
Freehold Land					
Freehold Land as at 1 January		264,509	264,509	264,509	264,509
Transfer from Asset Held for sale		-	-	-	-
Revaluation Increment/(Decrement)		(7,514)	-	(7,514)	-
Freehold Land as at 31 December		256,995	264,509	256,995	264,509
Buildings					
Buildings as at 1 January		343,281	343,281	340,982	340,982
Revaluation Increment/(Decrement)		(18,699)	-	(18,699)	-
Buildings as at 31 December		324,582	343,281	322,283	340,982
Balance as at 31 December		676,919	703,132	674,620	700,833

40. Acquittal of Australian Government Financial Assistance

40.1 Commonwealth Grants Scheme and Other Grants

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Commonwealth Grants Scheme #		Indigenous Support Program	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	187,846	150,156	475	475
Net accrual adjustments	(2,472)	11,611	-	-
Revenue for the year	185,374	161,767	475	475
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	185,374	161,767	475	475
Less expenses including accrued expenses	(185,374)	(161,767)	(475)	(475)
Surplus/(deficit) for reporting year	-	-	-	-

Includes the CGS basic grant amount, CGS-Regional Loading, CGS-Enabling Loading and CGS Advances for future years

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Partnership and Participation Program*		Workplace Reform Program	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	5,321	3,536	333	332
Net accrual adjustments	-	1,000	-	-
Revenue for the year	5,321	4,536	333	332
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	5,321	4,536	333	332
Less expenses including accrued expenses	(5,321)	(4,536)	(333)	(332)
Surplus/(deficit) for reporting year	-	-	-	-

* Includes additional support for Student Disabilities, Disability Performance Funding and the HE Equity Support Program

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

	LATROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Capital Development Pool		Superannuation Program	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	-	1,159	4,803	4,072
Net accrual adjustments	-	-	362	41
Revenue for the year	-	1,159	5,165	4,113
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	-	1,159	5,165	4,113
Less expenses including accrued expenses	-	(1,159)	(5,165)	(4,113)
Surplus/(deficit) for reporting year	-	-	-	-

	LATROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Transitional Cost Program		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	72	185	198,850	159,916
Net accrual adjustments	-	280	(2,110)	12,931
Revenue for the year	72	465	196,740	172,847
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	72	465	196,740	172,847
Less expenses including accrued expenses	(72)	(465)	(196,740)	(172,847)
Surplus/(deficit) for reporting year	-	-	-	-

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

40.2 Higher Education Loan Programs

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	HECS-HELP (Australian Government payments only)		FEE-HELP	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	111,242	100,781	8,495	9,324
Net accrual adjustments	(862)	399	-	-
Revenue for the year	110,380	101,180	8,495	9,324
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	110,380	101,180	8,495	9,324
Less expenses including accrued expenses	(110,380)	(101,180)	(8,495)	(9,324)
Surplus/(deficit) for reporting year	-	-	-	-

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	OS-HELP *		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	2,038	1,683	121,775	111,789
Net accrual adjustments	-	-	(862)	399
Revenue for the year	2,038	1,683	120,913	112,187
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	2,038	1,683	120,913	112,187
Less expenses including accrued expenses	(2,038)	(1,683)	(120,913)	(112,187)
Surplus/(deficit) for reporting year	-	-	-	-

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

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

40.3 Scholarships

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Australian Postgraduate Awards		International Postgraduate Research Scholarships	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	4,223	3,560	366	352
Net accrual adjustments	-	-	-	-
Revenue for the year	4,223	3,560	366	352
Surplus/(deficit) from the previous year	1,381	1,117	-	-
Total revenue including accrued revenue	5,604	4,677	366	352
Less expenses including accrued expenses	(3,295)	(3,295)	(366)	(352)
Surplus/(deficit) for reporting year	2,309	1,381	-	-

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	67	27	38	18
Net accrual adjustments	235	584	355	1,020
Revenue for the year	302	611	393	1,038
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	302	611	393	1,038
Less expenses including accrued expenses	(302)	(611)	(393)	(1,038)
Surplus/(deficit) for reporting year	-	-	-	-

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Indigenous Access Scholarships		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	54	22	4,747	3,980
Net accrual adjustments	0	(26)	591	1,577
Revenue for the year	54	(4)	5,338	5,557
Surplus/(deficit) from the previous year	-	-	402	137
Total revenue including accrued revenue	54	(4)	5,740	5,695
Less expenses including accrued expenses	(54)	4	(4,410)	(5,292)
Surplus/(deficit) for reporting year	-	-	1,330	402

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

40.4 DIISRTE Research

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Joint Research Engagement Program		Research Training Scheme	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	6,036	6,086	10,985	11,014
Net accrual adjustments	-	-	-	-
Revenue for the year	6,036	6,086	10,985	11,014
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	6,036	6,086	10,985	11,014
Less expenses including accrued expenses	(6,036)	(6,086)	(10,985)	(11,014)
Surplus/(deficit) for reporting year	-	-	-	-

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Research Infrastructure Block Grants		Implementation Assistance Program	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	2,866	2,806	-	-
Net accrual adjustments	-	-	-	-
Revenue for the year	2,866	2,806	-	-
Surplus/(deficit) from the previous year	-	-	5	315
Total revenue including accrued revenue	2,866	2,806	5	315
Less expenses including accrued expenses	(2,866)	(2,806)	(5)	(310)
Surplus/(deficit) for reporting year	-	-	-	5

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Sustainable Research Excellence in Universities		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	1,854	1,560	21,741	21,466
Net accrual adjustments	-	-	-	-
Revenue for the year	1,854	1,560	21,741	21,466
Surplus/(deficit) from the previous year	-	-	5	315
Total revenue including accrued revenue	1,854	1,560	21,746	21,781
Less expenses including accrued expenses	(1,854)	(1,560)	(21,746)	(21,776)
Surplus/(deficit) for reporting year	-	-	0	5

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

40.5 Other Capital Funding

	LATROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Better Universities Renewal Funding		Education Investment Fund	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	-	-	6,300	50,100
Net accrual adjustments	-	-	-	-
Revenue for the year	-	-	6,300	50,100
Surplus/(deficit) from the previous year	-	(2,158)	39,883	52,784
Total revenue including accrued revenue	-	(2,158)	46,183	102,884
Less expenses including accrued expenses	-	2,158	(85,747)	(63,001)
Surplus/(deficit) for reporting year	-	-	(39,564)	39,883

	LATROBE UNIVERSITY ONLY	
	2012 \$ 000	2011 \$ 000
	Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	6,300	50,100
Net accrual adjustments	-	-
Revenue for the year	6,300	50,100
Surplus/(deficit) from the previous year	39,883	50,626
Total revenue including accrued revenue	46,183	100,726
Less expenses including accrued expenses	(85,747)	(60,843)
Surplus/(deficit) for reporting year	(39,564)	39,883

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

40.6 Australian Research Council Grants

(a) Discovery

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Projects		Fellowships	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	4,134	3,307	2,968	2,485
Net accrual adjustments	341	304	-	(87)
Revenue for the year	4,475	3,611	2,968	2,398
Surplus/(deficit) from the previous year	848	1,044	1,442	1,007
Total revenue including accrued revenue	5,323	4,655	4,410	3,405
Less expenses including accrued expenses	(3,462)	(3,807)	(2,222)	(1,963)
Surplus/(deficit) for reporting period	1,861	848	2,188	1,442

	LA TROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Indigenous		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	-	-	7,102	5,793
Net accrual adjustments	-	-	341	216
Revenue for the year	-	-	7,443	6,009
Surplus/(deficit) from the previous year	25	25	2,315	2,076
Total revenue including accrued revenue	25	25	9,758	8,085
Less expenses including accrued expenses	-	-	(5,684)	(5,770)
Surplus/(deficit) for reporting year	25	25	4,074	2,315

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

40.6 Australian Research Council Grants

(b) Linkages

	LATROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Infrastructure		International	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	1,110	250	-	-
Net accrual adjustments	-	-	-	-
Revenue for the year	1110	250	-	-
Surplus/(deficit) from the previous year	(441)	(213)	13	13
Total revenue including accrued revenue	669	37	13	13
Less expenses including accrued expenses	(346)	(479)	-	-
Surplus/(deficit) for reporting year	322	(441)	13	13

	LATROBE UNIVERSITY ONLY			
	2012 \$ 000	2011 \$ 000	2012 \$ 000	2011 \$ 000
	Projects		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)	976	1,520	2,086	1,770
Net accrual adjustments	-	63	-	63
Revenue for the year	976	1,583	2,086	1,833
Surplus/(deficit) from the previous year	870	1,185	442	985
Total revenue including accrued revenue	1,846	2,768	2,528	2,816
Less expenses including accrued expenses	(1,463)	(1,898)	(1,809)	(2,376)
Surplus/(deficit) for reporting year	383	870	719	442

NOTES TO AND FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

41. Particulars Relating to Entities in the Economic Entity's Financial Statements

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

(a) Contribution of Subsidiary Commercial Entities to Operating Surplus

ENTITY	COUNTRY OF INCORPORATION	CONTRIBUTION TO CONSOLIDATED OPERATING SURPLUS		OWNERSHIP INTEREST	
		Projects 2012 \$ 000	Projects 2011 \$ 000	Total 2012 %	Projects 2011 %
La Trobe International Pty. Ltd.	Australia	-	-	100	100
La Trobe Innovations Pty. Ltd. *	Australia	-	(498)	-	100
Medical Centre Developments Pty. Ltd.	Australia	2,364	2,171	100	100
TOTAL		2,364	1,673		

* La Trobe Innovations Pty. Ltd. was de-registered on 18 October 2012

(b) Financial Performance of Subsidiary Commercial Entities

Name	La Trobe International Pty. Ltd. *	La Trobe Innovations Pty. Ltd. *	Medical Centre Developments Pty. Ltd.	Total
Domicile	Australia	Australia	Australia	
INCOME STATEMENT \$ 000				
Total Revenue 2012	-	-	5,206	5,206
Total Revenue 2011	-	(395)	5,235	4,840
Total Expenditure 2012	-	-	1,829	1,829
Total Expenditure 2011	-	103	2,134	2,237
Tax 2012	-	-	1,013	1,013
Tax 2011	-	-	930	930
Operating Result 2012	-	-	2,364	2,364
Operating Result 2011	-	(498)	2,171	1,673
BALANCE SHEET \$ 000				
Working Capital 2012	-	-	(9,627)	(9,627)
Working Capital 2011	-	-	(5,944)	(5,944)
Physical Assets 2012	-	-	14,211	14,211
Physical Assets 2011	-	-	16,189	16,189
Total Assets 2012	-	-	18,891	18,891
Total Assets 2011	-	-	20,805	20,805
External Borrowings 2012	-	-	6,896	6,896
External Borrowings 2011	-	-	11,058	11,058
Total Liabilities 2012	-	-	17,230	17,230
Total Liabilities 2011	-	-	18,073	18,073
Equity 2012	-	-	1,661	1,661
Equity 2011	-	-	2,732	2,732

* Dormant company

The Annual Report 2012
is available online at:
[latrobe.edu.au/about/
management/governance](http://latrobe.edu.au/about/management/governance)

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