

### **Contents**

- 2 Letters of transmittal
- 3 Message from the Chancellor
- 3 Message from the Vice-Chancellor
- 4 La Trobe at a glance
- 5 50 years of La Trobe
- 6 2017 Year in review
- 8 Organisational chart
- 9 University Council Membership
- 10 Operating framework
- 10 Governance and accountability
- 10 Relevant minister
- 10 Objectives, functions, powers and duties
- 11 La Trobe's code of conduct
- 12 Human resources
- 13 Key statistics
- 14 Risk management
- 14 University's risk management strategy
- 14 Risk management office and approach
- 14 Insurance Office
- 15 Health and Safety Statement
- 15 Details of indemnity for members of Council and senior officers
- 16 Sustainability reporting
- 19 Risk management statement

- 20 External reporting obligations
- 20 Freedom of information
- 20 Information privacy
- 20 Whistleblowers, grievances and complaints
- 20 National competition policy
- 20 Conformity with the Building Act 1993
- 21 Protected Disclosure Act 2012
- 21 Key capital investments
- 22 La Trobe University consultants 2017
- 22 Statement on compulsory non-academic fees, subscriptions and charges
- 22 Compulsory non-academic fees
- 23 Further Information
- 24 Financial review
- 28 University disclosure index table
- 32 Financial statements

# **Letters of transmittal**



OFFICE OF THE CHANCELLOR

21 March 2018

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

Dear Minister

In accordance with the requirements of regulations under the Financial Management Act 1994, I am pleased to submit for your information and presentation to Parliament the La Trobe University Annual Report for the year ending 31 December 2017.

Yours sincerely

Professor Richard G Larkins AO Chancellor

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REGIONAL CAMPUSES Bendigo Albury-Wondonga Mildura Shepparton

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### Messages

#### Chancellor's message



It was with great pride that I took up the role of Chancellor of La Trobe University in February 2017, 50 years after the first students commenced at this great institution. My formal installation by the Governor of Victoria was at the Bendigo Campus in April. I was particularly pleased that this ceremony occurred at a regional campus of La Trobe. One of the particular strengths of the University is its network of regional campuses with their close interactions with the local communities and industries.

The Council has been superbly led over the last six years by my predecessor, Emeritus Professor Adrienne Clarke AC, who was untiring in her efforts on behalf of the University. All at La Trobe University owe her a great debt and the upward trajectory of the University is very much due to her role together with that of the rest of the Council in supporting the senior leadership of the University and its dedicated staff.

Professor Marilyn Anderson Ao also completed her second term on Council as the Ministerial appointee. Marilyn has been a great contributor emphasising the importance of research and demonstrating by her own achievements how important is the role of women in science. We welcomed the appointment of Christine Christian, Adam Furphy, Margaret Burdeu, Michael Gay and Edwina Cornish Ao to Council and the elected staff representative Jillian Murray and the elected student representative Kevin Kapeke. Peter McDonald has been reappointed to Council for a further three year term from the end of 2017 and will continue as Chair of the Finance and Resources Committee.

Philip Moors AO, Andrew Eddy and Deborah Radford have all provided great support to me as Deputy Chancellors.

Despite its increased size, the Council has continued to function collegially and effectively. It has overseen the management of the financial and compliance responsibilities of the University, interacted with senior management in the preparation of the new strategic plan, in the development of the new sports park which is the first stage of the redevelopment of the Bundoora Campus, the opening of new city facilities and plans for the regional campuses. The Council has also taken great interest in steps to improve the student experience, research performance, the activities of the Academic Board, the development of the new enterprise agreement and philanthropic fundraising.

The events celebrating the 50th anniversary of the first student intake have been inspirational. This milestone provided a great opportunity for the University community to take pride in what has been achieved and to look ahead to the changing requirements and the challenges and opportunities presented by the digital revolution.

Council has appreciated the positive interactions with the Vice-Chancellor and his leadership team and thank all the staff and students for making La Trobe University an outstanding contributor to knowledge, social justice, the community and the planet.

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Professor Richard Larkins AO

Chancellor La Trobe University

#### Vice-Chancellor's message



2017 will be remembered for the way in which La Trobe University's students, staff, alumni, friends and supporters came together to celebrate the University's 50th anniversary. Many successful events were held throughout the year, and several new initiatives were launched to coincide with the anniversary, including the establishment of overseas and parliamentary alumni chapters. The University also launched its first ever fundraising campaign, Make the Difference, to raise funds for scholarships, research and infrastructure renewal, and exceptionally generous donors have already contributed very significant amounts to the campaign.

During our milestone year La Trobe University was ranked in the top 400 universities in the world according to the three most prestigious international rankings: the Academic Ranking of World Universities (ARWU), Times Higher Education and QS university rankings. This excellent result reflects not only the hard work of staff across the University over the last several years, but also the foundation built by many La Trobe research and teaching scholars over the last half century.

We made considerable progress towards our goals during 2017, a year in which we grew our industry engagement and partnership activities, and saw the first group of entrepreneurial ideas advance through the La Trobe Accelerator Program. We also launched one of Australia's leading employability programs, Career Ready, which is helping our students develop the skills needed in the modern workplace, and we developed new teaching programs to prepare students for careers in emerging fields such as cyber security and data analytics.

In 2017 we also performed very well in research funding programs administered by the National Health and Medical Research Council (NHMRC), and were awarded the largest amount ever received by the University from the NHMRC, a testament to our strength in health-related disciplines. We continued to implement our significant capital investment and renewal program across all of our campuses over the last twelve months, and some of the nation's leading researchers and higher education managers joined La Trobe.

These activities have given the University a solid foundation to continue its renewal as we look to 2018 and beyond. Our vision for the future is set out in the new Strategic Plan that we released this year, which builds on, and reinforces, La Trobe's historic mission of combining inclusive teaching with excellent research. The Plan responds to the growing challenges facing the university sector arising from digital technologies and new expectations of the role universities should play in generating economic growth in their communities, and aims to ensure that La Trobe flourishes in this era of ceaseless change.

I thank staff for their hard work during the year, and hope that they will share in the successes that come from our shared commitment. The progress we made this year was only possible because of the dedication of our staff, who worked tirelessly to ensure that La Trobe remains relevant to, and is valued by, its communities. We have many significant achievements of which to be proud, and the following pages contain information about many highlights of a very productive year.

Professor John Dewar Vice-Chancellor La Trobe University

### La Trobe at a glance

#### Vision and aspiration

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

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

#### Our values

Our early reputation as a radical and challenging institution continues to influence the way we enrich the experience of our students and engage with our partners and communities. We were founded half a century ago to broaden participation in higher education in Melbourne's north and, later, in regional Victoria. We have succeeded for many thousands of students who would otherwise have been excluded from the opportunities provided by a university education. We continue to support access, diversity and inclusivity while undertaking world-class research that aims to address the global forces shaping our world and make a difference to some of the world's most pressing problems.

This approach is based on our values of:

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

#### Our mission

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

#### Our vision

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

#### Our cultural qualities

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

#### Connected

Connecting the students and communities we serve to the world outside

#### Innovative

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

#### Accountable

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

#### Care

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

#### Quick facts

- · Established in 1964
- First enrolments in 1967: 558
- Student Load (EFTSL) in 2017 (provisional) 29,601 (full time equivalent)
- Staff (full time equivalent) in 2017 (provisional) 3,259.7
- · More than 200,000 Alumni
- Campuses in Melbourne (Bundoora) and (CBD), Bendigo, Albury-Wodonga, Mildura, Shepparton and Sydney
- Colleges. Science, Health and Engineering (SHE) and Arts, Social Sciences and Commerce (ASSC)

#### Acknowledgement

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

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

## 50 years of La Trobe

For five decades La Trobe University has been transforming people and societies – delivering on our goal to embrace excellence and inclusivity.

This year, La Trobe turned 50 and we celebrated the milestone throughout a successful year.



Bendigo Campus, Student Accommodation

In October, Distinguished Professor Jenny Graves was awarded the prestigious \$250,000 Prime Minister's Prize for Science, the first La Trobe academic to win the award as well as the first female to win in her own right. The geneticist was awarded for five decades of work mapping the genetics of Australian wildlife.

La Trobe continued to improve its world ranking, recording its best ever result in the respected Academic Ranking of World Universities (ARWU). The university is now rated at 301 in the world, a leap of more than 200 places in just two years – to be Australia's most improved university. The record ARWU result places La Trobe in the top 1.4 per cent of universities globally.

The university also cemented its position in the top 400 of all three major world university rankings. The latest QS ranking has the university at 360 in the world. The 2018 Times Higher Education ranking places it at 392 in the world.

The 2018 Times Higher Education ranking also placed La Trobe's international outlook at 144 in the world while its innovation and links with industry came in with a ranking of 201.

The Times Higher Education Rankings recognised the breadth of our strengths. Arts and humanities subjects were placed in the top 200 in the world – the top one per cent globally. Life Sciences were ranked in the 176-200 category and Computer science research and teaching was placed in the 251-300 category.

La Trobe's teaching quality and focus on making graduates career ready was reflected in the latest Shanghai Ranking's Global Ranking of Academic Subjects. The rankings placed Hospitality and Tourism in the top 75 in the world.

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

### 2017 Year in review

# Outstanding student experience

- La Trobe has been active in developing innovative courses offered in flexible ways to meet student needs. The University is now offering twice as many online courses after the launch of its all new La Trobe Online website.
- Two international students from La Trobe won three major awards at the Victorian Education / Study Melbourne annual awards, which acknowledge and focus on the invaluable contribution international students make to the state, educational institutions and local communities.
- A group of La Trobe students used low cost technology to build a real time bus application for the "Glider' Bus service at the Bundoora campus, showcasing the University's commitment to involving students in the future direction of the University.
- The My La Trobe App was launched in 2017 and major improvements were made to the University's website with vastly improved course information and search capacity.
- The Respect at La Trobe Program was launched to further develop a respectful community culture at La Trobe. The 'Speak-up' service was launched to provide coordinated support to students in relation to intimidation, harassment, discrimination, all forms of violence (including sexual and physical assault), and other forms of unacceptable behaviour. Counselling Services waiting times for students to secure an appointment have been improving and are now below the sector average.



#### Student employability

- The 2017 launch of the La Trobe Career Ready Advantage provides students with a comprehensive and integrated program, including online skills related learning resources that will ensure students can make the most of internships, work experience and volunteering opportunities.
- More than 240 La Trobe students travelled to nine Asian countries for up to three months on placements, exchanges and study-tours under the Australian Government's New Colombo plan.
- The University in partnership with Cisco, Optus, the specialist science and mathematics centre at Quantum Victoria, the Science Teachers Association of Victoria and Life Journey / Day of STEM launched the inaugural Cyber games for local high school students providing an opportunity to work with industry cyber security software.
- The University's professional service divisions continued to provide work-place learning and internship opportunities for students from many disciplines including law, IT, human resource management, marketing and communications, and student services

#### Research excellence

- La Trobe University geneticist and Distinguished Professor Jenny Graves AO was awarded Australia's most coveted science prize, the \$250,000 Prime Minister's Prize for Science. Her research uses the genetic diversity of Australia's unique mammals to make discoveries that have shed new light on the genetic function and evolution of mammals, including humans.
- As the only scientists in Australia to have utilised the sensing capabilities of the Australian Synchrotron to study extra-terrestrial atmospheres, La Trobe Institute for Molecular Science researchers are now in a unique position to conduct further research on data collected by NASA during recent space missions.
- Researchers from the La Trobe
   Institute for Molecular Science, in
   collaboration with the Garvan Institute
   of Medical Research in Sydney, have
   identified key proteins that prevent
   breast cancer from spreading beyond
   the breast duct.
- La Trobe University researchers have discovered a way to turn a mobile phone into a portable, pocket-sized laboratory that could be used for onthe spot disease detection.

#### Unrivalled partner of choice

- In the first project of its kind in Victoria, an autonomous shuttle bus is being trialled at the Bundoora campus. Autonobus is a collaboration between VicRoads, founding partner Keolis Downer, La Trobe University, HMI, RACV and ARRB and provides an exciting opportunity to look into the future of transport and how autonomous vehicles can be used to meet passenger demand and complement existing transport options.
- At a time when cybercrime is one
  of the world's most critical issues,
  Optus Business has supported
  the University's new Bachelor of
  Cybersecurity with three scholarships
  for students.
- The University committed to the establishment of the Bendigo Tech School, in partnership with State Government and a range of Bendigo schools. The Tech School will increase aspirations and achievements of Year 9 to 12 students in STEM subjects. The school will form one floor of the Bendigo Campus' new engineering building, set for completion in 2018.
- La Trobe University and Ivanhoe
   Grammar have entered into an
   Australian first partnership to establish
   a Year 9 campus on the Bundoora site
   to provide students with a university school experience.
- The University and the Australian Ballet have joined forces to examine the athletic capacity of the country's leading ballet dancers, helping inform prevention and rehabilitation techniques for musculoskeletal injuries.
- La Trobe was again the site for the annual Olivia Newton-John Wellness Walk & Research run with a significant increase in the number of community members participating in the event in Septembe.
- La Trobe University's partnerships
  with leading sporting organisations
  help set it apart as the University of
  Choice for Sport in Australia. La Trobe
  Sport facilitates over 50 placements
  and 10,000 hours of work experience
  with its four major partners, The AFL
  Players' Association, Carlton Football
  Club, Melbourne City Football Club and
  Melbourne Rebels.

# One university, many opportunities

- A new \$10 million Sydney Campus was officially opened in collaboration with ASX listed global education provider Navitas Ltd.
- The University welcomed the call by Deputy Leader of the Nationals Stephanie Ryan, for Shepparton to take the lead on the establishment of a new Murray Darling Medical School.
- Researchers from the Bendigo Campus are investigating the role caffeine and estrogen may one day play in the battle against weight gain.
- La Trobe's living with Disability
  Research Centre has recently finalised
  a pilot study in Bendigo to track the
  experiences of people with intellectual
  disabilities who ventured into the
  community with and without a dog, with
  findings showing that those with dogs
  experienced more positive encounters.
- A group of local businesses have partnered with the University to support students studying Agribusiness at the Mildura Campus. Successful recipients of the scholarships will a scholarship for every of their degree and will be guaranteed a work placement opportunity within one of the donor organisations.
- Researchers from La Trobe's Wodongabased John Richards Initiative have been awarded Department of Health funding to implement their Virtual Dementia Friendly Rural Community (VERILY) project. The project will run in rural communities in Victoria, New South Wales and South Australia and will involve carers, volunteers and aged care staff recruited from each community.

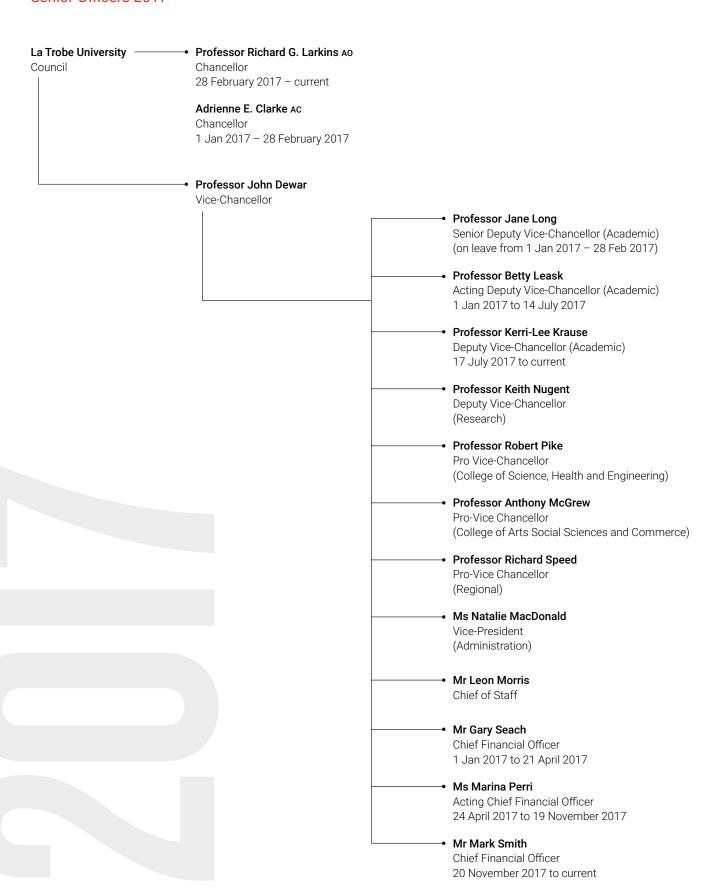


#### Operational excellence

- The University launched a Women's Academic Promotions Support program that directly addresses gender biases that have been identified in data collected as part of the University's involvement in the Athena Swan accreditation program.
- A strengthened focus on Customer Service has seen the development of a Customer Service Charter, introduction of Student Mystery Shopper Program to identify and implement service improvements, and the wider adoption of the Net Promoter Score as a means of tracking and monitoring progress. Business process mapping and improvement activities were commenced across all service divisions.
- Ask La Trobe Services has been a focus for ongoing development with the introduction of virtual hold technology, expert roving concierge roles and call recording. These and other changes have led to a greater percentage of firstpoint resolutions and improvements in the connection between Ask La Trobe and academic advisors.
- Major infrastructure change was implemented to University's firewalls to continue improvement in Cyber Security
- Campus Lighting Project has led to improved lighting around the University's campuses and investment in a new control room has improved the University's ability to provide a staff working and learning environment and improve the response to oncampus incidents.
- Enhancements to the MyGrants reporting tool were implemented to provide improved information to researchers managing research grants.
- The Course Management Reform Program commenced to renew the business processes and systems relating to course/subject creation and approval, administration and maintenance, and communication.
- Revised procedures were implemented in scholarship establishment and management, with a new website now promoting donor scholarships.
- Various refurbishments have contributed to improvements for both staff and students including additional teaching spaces.

## **Organisational chart**

#### Senior Officers 2017



# University Council Membership

#### Professor Richard G Larkins AO

Chancellor

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

LLD Melb (Hon), LLD Monash (Hon), PhD (London), MD Melbourne, MB BS Melbourne, RACP, FRCP, FRCPI, FAMMal, FAMSing

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

Appointed to Council: 14/10/2014 Appointed Chancellor: 28/2/2017 Meetings attended in 2017: ten (10)

#### Adrienne E Clarke AC

Chancellor

(Part year -term concluded 28/02/2017) BSc(Hons), PhD Melbourne

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

Appointed to Council: 24/08/2010 Reappointed: 26/02/2014 Meetings attended in 2017: one (1)

#### Professor John Dewar

Ex officio (Vice Chancellor) BCL, MA Oxon, PhD Griffith

Commenced as Vice-Chancellor in January 2012.

Meetings attended in 2017: eight (8)

#### **Professor Christine Bigby**

Ex officio (Chair, Academic Board)
BA(Hons) MSW, PhD, GAICD

Meetings attended in 2017: nine (9)

#### Mr Peter McDonald

Council appointment BA, MPA, FCPA, GAICD

Director, Northern Health.

Appointed to Council: 10/09/2012 Reappointed: 01/01/2018

Meetings attended in 2017: ten (10)

#### Mr Adam Furphy

Council appointment (part year)
BE-Mech RMIT

Managing Director of J. Furphy & Sons and involved in a number of regional community organisations with a focus on tertiary and higher education.

Appointed to Council: 13/02/2017 Meetings attended in 2017: nine (9)

#### Ms Christine Christian

Council appointment (part year)

BA Melbourne, Member Australian Institute of Company Directors

Experience in financial services, private equity, investment, credit risk management and digital media and publishing.

Appointed to Council: 13/02/2017 Meetings attended in 2017: seven (7)

#### Dr Philip Moors AO

Council appointment

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

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

Appointed to Council: 01/03/2013 Reappointed: 01/01/2016 Meetings attended in 2017: ten (10)

#### Professor Edwina Cornish AO

Council appointment (part year)
BSc (Hons) Biochemistry, PhD Melbourne

Currently a Director of CSIRO Board, member of the Australian Research Council Advisory Council.

Appointed to Council: 4/07/2017 Meetings attended in 2017: five (5)

#### Professor Marilyn Anderson AO

Ministerial appointment

(part year – term concluded 31/3/2017)

BSc Hons Melb, PhD in Biochemistry La Trobe

Founding Scientist and Chief Science Office Hexima Ltd, Fellow of the Australian Academy of Science (FAA); Fellow of the Australian Academy of technological Sciences and Engineering (FTSE); Fellow of the Australian Institute of Company Directors.

Appointed to Council: 01/08/2013 Meetings attended in 2017: two (2)

#### Ms Margaret Burdeu

Ministerial appointment (part year)

MBA Victoria

Experience in policy and strategy development, advocacy, mutli-agency partnerships and engagement.

Appointed to Council: 4/04/2017 Meetings attended in 2017: six (6)

#### Mr Andrew Eddy

Governor-in-Council appointment

BComm Melbourne

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

Appointed to Council: 19/10/2010 Reappointed: 01/01/2016 Appointed Deputy Chancellor: August 2013

Meetings attended in 2017: ten (10)

#### Ms Deborah Radford

**Governor-in-Council appointment** *BEc La Trobe* 

Currently a Director of Bendigo and Adelaide Bank.

Appointed to Council: 14/10/2014

Reappointed: 12/4/2017

Appointed Deputy Chancellor: 1/01/2017 Meetings attended in 2017: ten (10)

#### Ms Yvonne von Hartel AM

Governor-in-Council appointment *B.Arch Melbourne* 

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

Appointed to Council: 14/10/2014

Reappointed: 12/4/2017

Meetings attended in 2017: nine (9)

#### **Commissioner Michael Gay**

Governor-in-Council appointment (part year) *BA La Trobe* 

Extensive background in Australia industrial relations, currently a commissioner of the Tasmanian Industrial Commission.

Appointed to Council: 2/05/2017 Meetings attended in 2017: six (6)

#### Mr Kevin Kapeke

Elected Member (Student)

Currently studying a Bachelor degree in Politics, Philosophy and Economics.

Appointed to Council: 12/09/2016 Meetings attended in 2017: seven (7)

#### Dr Jillian Murray

Elected Member (Staff)
PhD Law Oxford, MSci Oxford, MA Melb

Appointed to Council: 12/09/2016 Meetings attended in 2017: nine (9)

### **Operating framework**

# Governance and accountability

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

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

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

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

#### Relevant minister

The responsible minister in the Victorian Government during 2017 was Minister for Training and Skills, the Hon. Gayle Tierney.

# 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 Straight Islander people of Australia in its teaching and learning, research and advancement of knowledge activities and thereby contribute to:
  - realising Aboriginal and Torres
     Straight Islander aspirations
  - ii) the safe guarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- (g) to provide programs and services in a way that reflects principles of equity and social justice
- (h) to confer degrees and grant other awards
- (i) to utilise or exploit its expertise and resources, whether commercially or otherwise.

#### Powers and duties

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

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

#### La Trobe's Code of Conduct

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

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

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

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

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

#### Trust and respect

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

#### We will:

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

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

#### We will

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

#### Honesty and fairness

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

#### We will:

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

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

#### We will:

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

#### About the Code

La Trobe University

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

### **Human resources**

#### Diversity and Inclusion

Human Resources (HR) has continued to work in partnership with areas across the University to lead and deliver key Diversity and Inclusion activities such as the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation and completing the inaugural Victoria Workplace Equality and Respect pilot project delivered by Our Watch.

#### **HR** Initiatives

During 2017 La Trobe implemented a number of strategic initiatives to support delivery of the University's strategic plan. HR highlights include:

We reached in principle agreement for a new, modern and simplified Collective Agreement, guaranteeing staff entitlements and conditions whilst supporting the University's strategic plan.

The Organisational Development team worked with University leaders to produce a Sessional Staff Strategy aimed at attracting, retaining and building capability in this area and to support an outstanding student experience. In 2017 this team also focused on building leadership capability by successfully implementing programs such as Leader Induction, Leadership Foundations (frontline leaders) and development for Heads of Department and Senior Leaders.

Another priority for HR in 2017 was process improvement initiatives in the recruitment, performance management and change procedures, resulting in enhanced service delivery and process efficiencies. Additionally, introduction of a leading-edge Injury Management Service Program for staff provided support for minor injuries sustained in the workplace.

HR implemented the 'Better Life Wellbeing Program', reaching 2686 staff. Programs included staff health and wellness classes, mental health education, resilience, stress, Better Neck Back & Shoulders and Manual Handling. The Wellbeing Program was able to offer this beneficial range of initiatives with the collaboration and support of the La Trobe Psychology Clinic, School of Allied Health and La Trobe Sports Centre.



# **Key statistics**

Students	2014	2015	2016	2017
Total students (persons)	35,326	35,718	37,056	38,666
Commencing enrolments	14,918	14,611	15,638	16,367
Rural/remote *	8,687	8,702	8,883	8,929
Non-English speaking background *	840	817	801	840
Low socio-economic status *	5,118	5,439	5,754	6,121
Students with a disability *	1,814	1,979	2,133	2,252
Indigenous*	224	242	232	282
STUDENT LOAD (EFTSL)				
Total student load (includes International)	27,436.2	27,971.9	28,824.1	29,601.0
Undergraduate	22,063.7	22,547.9	23,351.3	24,222.8
Postgraduate coursework	4,299.0	4,353.5	4,441.2	4,365.8
Research higher degree	1,073.6	1,070.5	1,031.7	1,012.4
International	5,812.1	5,940.2	6,388.0	6,769.9
WORK CONTRACT (FTE)				
Full-time staff	2,076.0	1,888.0	1,994.0	2,1 87.0
Part-time staff	531.6	450.7	477.5	512.3
Casual staff	610.1	748.9	611.4	560.4
CLASSIFICATION (FTE)				
Academic	1,481.6	1,488.3	1,370.2	1,449.4
Professional	1,736.2	1,599.4	1712.6	1,810.3
GENDER (PERSONS)				
Female	4,129	4,117	4,649	4,467
Male	2,448	2,427	2,577	2,599
FUNCTION (FTE)				
Teaching only	325.1	449.4	168.3	158.4
Research only	233.0	233.7	243.4	303.8
Teaching and Research	886.4	744.6	750.3	812.3
Other	1,773.2	1,659.9	1,920.7	1,985.2
TEACHING AND LEARNING PERFORMANCE				
Market share of Victorian Tertiary Admission Centre first preferences	12.1%	12.1%	12.3%	11.8%
Retention rate ^	82.1%	80.3%	Provisional 80.9%	Available Q4 2018
Overall graduate satisfaction (% agreement) (Course Experience Questionnaire) *	La Trobe: NP National: 82.8%	La Trobe: 78.4% National: 83.4%	La Trobe: 74.0% National: 80.6%	La Trobe: 74.2% National: 79.4%
Percent of graduates in full time employment (Graduate Destination Survey) *	La Trobe: 65.2% National: 68.1%	La Trobe: 65.9% National: 68.8%	La Trobe: 67.9% National: 70.9%	La Trobe: 70.7% National: 71.8%
Percent of graduates in full time study (Graduate Destination Survey) *	La Trobe: 22.3% National: 20.8%	La Trobe: 21.0% National: 19.7%	La Trobe: 23.3% National: 21.8%	La Trobe: 20.2% National: 20.7%
RESEARCH PERFORMANCE				
Research income (Higher Education Research Data Collection)	\$55,381,431	\$70,003,868	\$70,749,490	Available Q4 2018
Research publications (Higher Education Research Data Collection equivalent, count) $^{\ddagger}$	1,843	2,426	2,755	Available Q4 2018
Research higher degree load (EFTSL)	1,073.6	1,070.5	1,031.7	1,012.4
Research degree completions	240	205	202	221

#### Notes

EFTSL Equivalent full-time student load

FTE Full-time equivalent

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

- † Methodology change resulted in minor variations in commencing enrolments figures
- \* Includes domestic students only
- ^ The Federal Government Department of Education and Training introduced a New Normal Retention Rate calculation in publications distributed in 2017, also now expressed as a percentage
- The Graduate Outcomes Survey figures are final 2014 to 2017 and includes undergraduates only. National results include both Universities and Non-University Higher Education Institutions.
- ‡ Figures are reported as 'count' instead of 'apportioned score' which is no longer used as a result of the cessation of its use by the Federal Government, and the removal of research publication data collection from the 2016 Higher Education Research Data Collection Specifications. This results in different figures to those published in previous years.

### Risk management



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

#### University's risk management strategy

The University Council places emphasis on risk management as a key platform of corporate governance and a vital component of effective decision making. The Council's Corporate Governance, Audit and Risk Committee (CGARC) provides a strong oversight of risk management and compliance activities throughout the University.

#### Risk management office and approach

The University's Risk Management Office has responsibility for the delivery of key strategic and operational risk management programs. Risk management is undertaken using a University adapted approach consistent with the Australian and New Zealand Standard (AS/NZS ISO 31000:2009).

Critical incident management and business continuity management is undertaken according to Australian Standard's

HB 292:2006, the Australian and New Zealand Standard for Business Continuity: management of disruption related risk AS/NZS 5050:2010, and the Australasian Inter-Service Incident Management System.

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

#### Insurance Office

The insurance office has responsibility for:

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

## Risk management (cont...)

#### Health and Safety Statement

#### **General Statement**

There has been a focus towards active prevention of workplace injury through improved awareness, an increase in reporting of hazards and the delivery of targeted programs to build resilience.

#### **Entity statement**

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

#### Equivalent data for 2016

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

#### Equivalent data for 2015

- Number of reported hazards for the year per 100 full time equivalent staff members is 2.5
- Number of reported incidents (all categories) for the year per 100 full time equivalent staff members is 13.7
- The number of lost time standard claims for the year per 100 full time equivalent staff members is 0.61
- The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs) is \$30,496
- There were no reported fatalities

#### **Indemnity Details**

#### **Professional Liability**

The University maintains Professional Liability cover for its Council Members and senior officers through UniMutual Limited: AFS Licence Number 241142.

The protection period is 1 November 2016 to 31 October 2017 (LTU 17 PL) and 1 November 2017 to 31 October 2018 (LTU 18 PL). The University retains the first \$100,000 for each and every claim, with cover limited to \$30,000,000 for each and every claim but limited to \$120,000,000 in the aggregate for the protection period (the \$120,000,000 aggregate is a combined single limit across professional liability, malpractice and general clinical trials). Extension to the standard cover is endorsed for infringement of rights of intellectual property or breach of confidentiality.

#### Directors and officers liability protection

The University maintains Directors & Officers liability protection for its Council Members and senior officers through Chubb Insurance Company of Australia (AFS Licence Number 239778). Cover has been in place with this provider since 1 November 2011.

The protection period is 31 October 2016 to 31 October 2017 (Policy Number 93306133) and 31 October 2017 to 31 October 2018 (Policy Number 93306133). The University retains the first \$10,000 for each and every claim. Cover is limited to \$20,000,000 for any one claim and \$20,000,000 in the aggregate for the period of cover.

# **Sustainability reporting**

			Total Data	
			2017 Calendar	Total Data
Indicator		Unit	Year	2016
ENERGY				
E1	Total Energy Usage Segmented by Primary Source (including GreenPower)	Megajoules	519,102,574.87	518,926,922.97
	Natural Gas	Megajoules	456,595,054.87	402,413,999.51
	Purchased Grid Electricity	Megajoules	59,837,540.00	116,312,200.00
	Renewables (Onsite Solar PV)	Megajoules	1,717,660.0	97,963.46
	Stationary Diesel	Megajoules	389,600.00	57,930.00
	Stationary LPG	Megajoules	562,720.00	44,830.00
E2	Greenhouse Gas Emissions Associated with Energy Use, Segmented by Primary Source and Offsets	tCO <sup>2</sup> -e	49,256.04	62,200.64
	Natural Gas	tCO <sup>2</sup> -e	24,935.23	22,305.80
	Purchased Grid Electricity	tCO <sup>2</sup> -e	24,258.15	39,887.68
	Stationary Diesel	tCO <sup>2</sup> -e	26.52	4.28
	Stationary LPG	tCO <sup>2</sup> -e	36.15	2.88
E3	Percentage of Electricity Purchased as Green Power	% of total electricity consumption	0%	0%
E4	Units of Office Energy Used (Megajoules per FTE/EFTPL)	FTE	25,639.24	22,518.64
		EFTPL	2,517.61	2,304.21
E5	Units of Office Energy Used per Unit of Office Space	Megajoules/m <sup>2</sup>	1,770.81	1,585.08
WASTE				
Ws1	Total Units of Waste Disposed of by Destination	Kilograms	2,088,488.00	1,334,613.90
	Landfill (Inc. C&D waste)	Kilograms	1,637,438.90	1,031,822.30
	Commingled Recyclables	Kilograms	139,670.00	143,661.90
	Paper/Cardboard Recyclables	Kilograms	136,291.00	76,709.00
	Metal Recyclables	Kilograms	18,510.00	24,139.80
	E-Waste Recyclables	Kilograms	3,560.00	8,156.20
	Printer Toner Cartridge Recyclables	Kilograms	599.10	26.80
	Fluorescent Tube Recyclables	Kilograms	4,540.00	1,862.00
	Furniture Recyclables	Kilograms	1,469.60	3,492.00
	Chemical Waste Recyclables	Kilograms	10,979.40	6,279.90
	Green Waste Recyclables	Kilograms	76,480.00	20,600.00
	Grease Trap/Triple Interceptor Recyclables	Kilograms	28,550.00	16,368.00
	Battery Recyclables	Kilograms	190.00	696.00
	White Goods (Fridge/Freezer) Recyclables	Kilograms	1,000.00	800.00
Ws2	Units of Office Waste Disposed of (kg per FTE/EFTPL by destination)	FTE	103.15	57.92
		EFTPL	10.13	5.93
Ws3	Recycling rate	% of total waste	22%	23%
Ws4	Greenhouse Gas Emissions associated with waste disposal	tCO <sup>2</sup> -e	1,964.93	1,238.19
PAPER				
P1	Total units of A4 Equivalent Copy Paper Used	Reams	28,642.9	37,587.9
P2	Units of A4 Equivalent Copy Paper Used (Reams per FTE/ EFTPL)	FTE	1.41	1.63
		EFTPL	0.14	0.17
P3	Percentage of Recycled Content of Copy Paper Purchased	%	99%	96%

			Total Data	
Indicator		Unit	2017 Calendar Year	Total Data 2016
		Offit	real	2010
WATER	TILLE (MILLONE)	IZT Pr	056 440 00	060 000 70
W1	Total Units of Metered Water Consumption by Water Source		356,113.32	360,093.70
	Potable Water	Kilolitres	303,221.64	345,366.77
	Recycled Water	Kilolitres	3,707.82	14,726.94
W2	Units of Metered Water Consumed in Offices (Kilolitres per FTE/EFTPL)	FTE	17.59	15.63
		EFTPL	1.73	1.60
TRANSP	ORTATION			
T1	Total Energy Consumption Segmented by Vehicle Type	Megajoules	5,737,330.00	6,688,060.00
	Diesel	Megajoules	2,085,350.00	2,988,000.00
	ULP	Megajoules	3,619,040.00	3,503,770.00
	LPG	Megajoules	32,940.00	196,290.00
T2	Total Vehicle Travel Associated with Entity Operations Segmented by Vehicle Type	Kilometres	2,170,421.00	2,341,899.04
	Diesel	Kilometres	772,083.00	967,619.91
	ULP	Kilometres	1,371,460.50	1,280,622.00
	LPG	Kilometres	26,877.50	93,657.13
Т3	Total Greenhouse Gas Emissions from Vehicle Fleet Segmented by Vehicle Type	tCO <sup>2</sup> -e	405.29	483.64
	Diesel	tCO <sup>2</sup> -e	157.75	221.44
	ULP	tCO <sup>2</sup> -e	245.14	249.54
	LPG	tCO <sup>2</sup> -e	2.40	12.66
T4	Greenhouse Gas Emissions from Vehicle Fleet per 1,000km Segmented by Vehicle Type	tCO <sup>2</sup> -e/1,000km	0.21	0.21
	Diesel	tCO <sup>2</sup> -e/1,000km	0.23	0.23
	ULP	tCO <sup>2</sup> -e/1,000km	0.19	0.19
	LPG	tCO <sup>2</sup> -e/1,000km	0.14	0.14
T5	Total Distance Travelled by Air	Kilometres	33,503,508.28	26,555,251.23
T6	Employees regularly (>75% of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home by locality type.	% of total employees	32%	37%
GREENH	IOUSE GAS EMISSIONS			
G1	Total Greenhouse Gas Emissions Associated with Energy Use	tCO <sup>2</sup> -e	49,256.04	62,200.64
G2	Total Greenhouse Gas Emissions from Vehicle Fleet	tCO <sup>2</sup> -e	405.29	483.64
G3	Total Greenhouse Gas Emissions from Air Travel	tCO <sup>2</sup> -e	7,455.68	5,923.51
G4	Total Greenhouse Gas Emissions Associated with Waste Disposal	tCO <sup>2</sup> -e	1,964.93	1,238.19
G5	Greenhouse Gas Emissions Offsets Purchased	tCO <sup>2</sup> -e	7,914.00	3,126.87

## **Sustainability reporting** (cont...)

#### Energy

Having achieved an 8% reduction in energy usage in 2016, the overall 2017 usage result remains consistent. The mix of energy sources changed within this period with the cogeneration plant operating more resulting in more gas and less electricity being used.

Significant investment in solar photovoltaics (PV) on regional campuses has seen the University install 2,820 individual panels, yielding a generating capacity of 705 kW, which is a 1653% increase in renewables. These new systems are generating between 5-33% of individual campus needs.

Feasibility work was also undertaken to determine Solar PV capacity on the Melbourne Campus and this project will progress in 2018, with over 2.5MW to be installed in 2018/19.

There were increases in Stationary Diesel and LPG in 2017 due to specific issues that resulted in emergency generators and a backup chiller being brought online. Although significant in their own right, they do not impact the overall result in a major way.

There have been various energy efficiency initiatives delivered through the year, and these combined with new regional solar have resulted in an improved emissions profile with a 21% reduction overall. The development of an Energy Strategy is underway and will outline future directions in efficiency, renewable technologies and energy security from 2018.

#### Waste

Waste is showing an overall increase of 56% compared to 2016 data. The significant change in results is believed to be attributable to broader service inclusions and improved weighing and data collation through a new cleaning and waste contract which commenced in 2017, rather than being indicative of actual waste generation increases.

Quality of waste data has been an ongoing concern a number of years, as there were known issues with integrity of collection and monitoring methodologies under previous contracts. With better approaches and information now in place the University will review its current waste targets and revise where appropriate.

The recycling rate has remained relatively consistent at 22% vs. 23% for 2016, but still needs to improve significantly to meet the University target of 40%. The role out of centralised waste stations across the main campus will enable better separation of waste which will in turn yield better results.

Organic food collection has been integrated as part of the new service and development of a new Waste Management Strategy will inform further improvements on how various streams are reduced and disposed of.

#### **Paper**

The University continues to do well on paper reduction with an overall reduction of 24% and both staff and student usage showing improvements at 1.41kg/FTE in 2017 vs. 1.63 kg/FTE and 0.14kg/EFTPL vs. 0.17kg/EFTPL respectively. These results are attributable to ongoing changing behaviours around on-screen reading and a new printer system rolled out across the University.

The new system has led to a reduced number of printer units and a specific staff login and release program that has resulted in paper reduction as well as savings in energy and ink usage.

The amount of 100% postconsumer recycled content paper purchased and used has increased from 96% to 99% this year.

#### Water

Potable water usage is down by 12% for 2017 which is a positive indication of more efficient irrigation practices that rely more on automated processes, drawing stormwater from the University's moat system.

There were however, data issues in relation to recycled water usage in Albury-Wodonga, as it was discovered this year that there were leaks resulting from vandalism in 2016 that skewed the reported water reuse rate. This caused an over representation in last year's results.

New stormwater metering put in place in 2017 in line with the University's Melbourne Water licence, is yielding more accurate data on extraction on the Melbourne Campus.

#### **Transport**

Vehicle related impacts have improved as a result of a continuing program to overhaul fleet vehicles on the main campus. This is the result of a combination of approaches including divesting vehicles form the fleet, switching from diesel to petrol models, reducing LPG vehicles and transitioning to car share options for work travel. Based, on these changes there has been an overall improvement of energy usage from vehicle usage of 24%. There has been an 8% reduction in total fleet numbers alongside the use of Go Get cars.

A calculation error, discovered while completing this year's figures, meant that staff using sustainable modes of travel was misreported as 37% rather than 31% for 2016. When compared to the correct figure, the 2017 figure has remained relatively consistent with 32% travelling by sustainable modes.

Air travel has increased significantly this year, up by 26%. The introduction of a new travel booking system which captures more trips and associated data is likely to be a contributing factor to this result. This will need to be further monitored next year to see if this is the case or if more travel is actually happening.

#### **Greenhouse Gas Emissions**

Various initiatives through 2017 have yielded a marginally improved overall emissions profile, with a reduction of 4% achieved for the year.

#### Other

La Trobe was certified to Six Star under the Green Building Council of Australia Green Star Communities rating tool in December, 2016. This result is represents world leadership in master planning and will guide future development of the Melbourne Campus ensuring sustainability is at the core of decisions for the University.

# Risk management statement



OFFICE OF THE CHANCELLOR

21 March 2018

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

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

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

Yours sincerely

Vanessa Cover Director Risk Management Office La Trobe University Professor John Dewar Vice-Chancellor La Trobe University

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latrobe.edu.au

MELBOURNE CAMPUSES Bundoora Collins Street CBD Franklin Street CBD

REGIONAL CAMPUSES Bendigo Albury-Wondonga Mildura Shepparton

ABN 64 804 735 113 CRICOS Provider 00115M

### **External reporting obligations**

#### Freedom of information

#### Freedom of Information Act 1982

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

During 2017, the University received 5 applications under the Victorian FOI legislation. Of these applications, 4 were provided in part with edited documents; some information was withheld as it related to internal working documents, business or financial information of business undertakings, was provided to the University in confidence or was personal information that did not pertain to the applicant. No documents existed or were located in the remaining application. This can be found at: latrobe.edu.au/statements/foi

#### Information privacy

#### Privacy and Data Protection Act 2014

During 2017, the University received one privacy complaint under the Privacy and Data Protection Act 2014 (Victoria).

#### Whistleblowers, grievances and complaints

#### **Investigation of Complaints**

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

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

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

The Ombudsman usually receives complaints only after a party or parties have already sought to have the matter dealt with by other parts of the grievance procedures system, at the College level or by the Student Complaints office. The Statute requires parties with a complaint to cooperate with the Ombudsman.

After a complaint has been dealt with by the Ombudsman the parties are notified in writing of the outcome. Non-identifying information on the nature, type, origin and number of the complaints dealt with is contained in the Ombudsman's Annual Report to the University Council.

During the calendar year 2017, the Ombudsman dealt with 264 complaints from members of the University.'

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

#### National competition policy

The University's Research Contracts and Grants Policy and Procedure and La Trobe Consulting Policy and Procedure provide for central University review of all tenders and proposals so that they are adequately costed and that appropriate pricing decisions are made in accordance with competitive neutrality principles.

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

The University's Competition and Consumer Law compliance program, Policy and Procedural guidelines are available at: latrobe.edu.au/legalservices/competition-consumer-law

#### Conformity with the Building Act 1993

The La Trobe Infrastructure and Operations (I&O) Division is responsible for providing a safe, fit-for-purpose, amenable built and natural environment within which the University community lives and works in pursuit of its teaching, learning and research objectives. The university complied with all provisions of the building act 1993. In 2017, the I&O Division delivered 41 projects that were valued over \$50,000 each and included:

- 3 major projects including refurbishment and services upgrades
- 5 capital projects comprising refurbishments and engineering upgrades
- 17 capital maintenance projects comprising of engineering upgrades, building services upgrades
- 16 minor works projects comprising of refurbishments

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

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

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

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

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

#### Protected Disclosure Act 2012

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

#### Compliance with the Protected Disclosure Act 2012

The University is committed to the aims and objectives of the Protected Disclosure Act 2012, which is designed to encourage and facilitate the disclosure of improper conduct by public

officers and bodies (including the University or a member, officer or employee of the University), as well as detrimental action taken in reprisal for such disclosures. It also provides for the assessment and investigation of disclosures by the Independent Broad-based Anti-corruption Commission (commonly known as IBAC) and the protection of persons making disclosures by managing the welfare of those persons and others connected with or the subject of a protected disclosure in accordance with the requirements of the Act.

#### Key capital investments (I&O)

Project Name	Total Project Budget \$000's	2017 Actual Spend \$000s
Agora Retail Development Program This project involves the revitalisation of the western gateway corridor.	8,121	410
Bendigo Building This projects transforms the central campus infrastructure and includes the construction of a new building to support engineering studies.	57,750	13,160
City Campus Extension This project expands the La Trobe City campus to support increased teaching capacity in the CBD.	10,441	2,736
David Myers Building Refurb Stage 1 This project is a major refurbishment of David Myers East level 2 for the Research Portfolio.	4,761	3,853
DMB Refurb St1-Pk3-Student Services This project involves bringing Student Services staff together as a team.	1,965	835
Eastern Campus Redevelopment (ECR) Stage 3B This project involves upgrades to a number of existing buildings to create new teaching spaces and offices for staff.	49,619	17,169
Eco-Corridor Neighbourhood Project This project seeks to enable sustainable environmental and built form development, increasing campus permeability, improving severe weather event resilience, enabling and supporting teaching and research and improving campus amenity.	9,000	616
La Trobe Sports Park This project involves additional 8 basketball courts, 8 academic/research buildings and associated sports park for all sports codes.	70,160	9,159
Relocation of staff from Franklin St Relocation of staff from Franklin St property to Melbourne Campus	6,700	5,356
Relocation of Theatre and Drama This project is refurbishment of level 2 Menzies college to accommodate students from Crissane Road facility.	4,260	2,059
TC X Science Drive Bus Stop Upgrade This project involves upgrade of the Science Drive bus stop to a premium stop is part of La Trobe University's commitment to improving access to the University and the arrival experience of students, staff, and the community.	3,499	91
Town Centre This project includes the design and construction of infrastructure support for the expansion of the town centre facility.	18,569	101
Zoology Annexe Construction and installation of two modular PC2 animal laboratories to resolve the decertification of AH5A	3,137	2,727

## External reporting obligations (cont...)

#### La Trobe University consultants 2017

#### **Financial Reporting Direction FRD22H**

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

# The University advises that during the year ending 31 December 2017:

- There were 83 separate consultancy agreements in 2017 over \$10,000 totalling \$5,904,226.
- The website location to view details of 2017 consultancies over \$10,000 is: latrobe.edu.au/council/resources
- There were 24 separate consultancy agreements in 2017 under \$10,000 totalling \$118,965

# Statement on compulsory non-academic fees, subscriptions and charges

#### Tertiary Education (Amendment) Act 1994

### COMPULSORY FEES STUDENT SERVICES AND ADMINISTRATION FEE - 2017

Study Load	2017	2016
ALBURY-WODONGA CAMPUS		
Full-time	\$294	\$290
Part-time	\$220	\$218
BENDIGO CAMPUS		
Full-time	\$294	\$290
Part-time	\$220	\$218
BUNDOORA CAMPUS		
Full-time	\$294	\$290
Part-time	\$220	\$218
CITY CAMPUS		
Full-time	\$294	\$290
Part-time	\$220	\$218
MILDURA CAMPUS		
Full-time	\$294	\$290
Part-time	\$220	\$218
SHEPPARTON CAMPUS		
Full-time	\$294	\$290
Part-time	\$220	\$218

#### Compulsory non-academic fees

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

#### **COMPULSORY NON-ACADEMIC FEES - 2017**

Campus	Total
Albury-Wodonga	153,751
Bendigo	1,125,704
Bundoora	6,576,468
City	217,325
Mildura	120,014
Shepparton	105,935
Sydney	42
Total	8,299,239

#### Purposes for fees

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

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

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

Campus	Organisation	\$
Bundoora	La Trobe University Student Union Inc.	2,925,666
Bendigo	Bendigo Student Association Inc.	1,183,292
Albury-Wodonga	Wodonga Student Association Inc.	292,430

#### Purposes for which the organisations spend the money available

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

#### **Further Information**

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

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

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

### Financial review

# Register of significant commercial activities – as at 13 October 2017

Significant	Commercial	<b>Activity</b>
Significant	Commercial	ACTIVITY

Council approval under section 8(3)(h) of the Act and significant commercial activities of controlled entities.

#### Bendigo Surplus Property Divestment

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, 32, 34, 36, 38, 46, 48, 50, 52 & 54 Friswell Ave have sold

32 Garsed St has sold

#### Central Innovation Park (CVIP)

121-129 Edwards Rd

Meeting No.462 - 5 Sept 16

Council authorised the sale of property not less than valuations of Lot 1 (land) \$1,260,000; Lot 3 (land) \$1,630,000; and Lot 2 (building and land) \$2,030,000.

#### **Hesse Estate**

5 Friswell Avenue

Meeting No.464 - 14 Nov 16

Council authorized proceeding with a sale process that accommodates both Option 2 ("Selling with Permit") and Option 3A ("University Develops Land in JV") subject to IEPC considering final sale.

#### Independent (stand alone) Commercial Leases

#### **Reltek Systems**

Building RD2, Suite 14 12 months \$6,000 p.a. Software development

#### Department of Economic Development, Jobs, Transport and Resources (DEDJTR)

Glasshouse RD4A 3 years with two further options of 1 year \$119,400 p.a. R&D in agricultural science

Other commercial activities considered sufficiently important or of interest

Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
Victoria Police [R&D Park - former VABC] Council approved the proposed lease to Victoria Police (Meeting 441, 15 September 2014) as a Commercial Activity.  Status This lease replaces previous leases to DPI (Victorian AgriBiosciences Centre) and Victoria Police which were surrendered in favour of a new Head Lease.  Option exercised and expies 30 Nov 21. Further option available to 30 Nov 2025 including options. The reviewed commencing rental is \$1,270,687 p.a.	Note: The Guidelines were Gazetted in early 2011 in accordance with Part 6 of the La Trobe University Act 2009. A number of Commercial Activities (Leases) were transacted prior to that date. These include:  Optus Tower, Melbourne, Expiry 2024, passing rent \$24,045.  Telstra Tower, Melbourne, Exp 2025, passing rental \$20,000  Optus Tower II, Melbourne, Expiry 2019, passingrental \$24,950  Telstra Tower, Bendigo, Expires 2017, passing rental \$4,919  Optus Tower, Wodonga, Expires 2025, passing rental \$12,410  Telstra Tower, Mildura, Expires 2023, passing rental \$16,000.	Healthscope (ACN108807370 Pty Ltd)  Council approval to four year lease commencing 7 July 2015 (Meeting 445 - 15 December 2014). Commencing rental \$208,000. Companion agreements executed to operate concurrently include Education Agreement and Facilities Management Agreement.  Heads of Agreement to Lease rooftop premises for Optus Base Station and Antenna: \$372,000 over 15 years	Other leases for noting (not significant in terms of LTU expenditure or liability):  LUMC  Lifecare Physiotherapy - 1 Jul 15 4 yrs \$35,000 p.a.  La Trobe Pharmacy - 1 Jul 15, 4 yrs, \$60,000 p.a.  Blood Bank - 1 Jul 15, 4 yrs, \$130,000 p.a.  Greening Aust 1 Jul 15, 2 yrs, \$82,000 p.a. with rebate provisions for collaborative research outcomes.  Melbourne's Northern Economic Wedge Inc - 1 Feb 16, 3 yrs, \$16,000 p.a. net of subsidy  Cornerstone Computing P/L (sitting tenant): 3+2 years, Comm rent \$39,600 p.a., Exp Feb 2018.  Ecowise P/L, \$198,000, 3 yrs, exp 2017
Not applicable.			

# Financial review (cont...)

# Register of significant commercial activities – as at 13 October 2017

Significant Commercial Activity	Bendigo Surplus Property Divestment	Independent (stand alone) Commercial Leases
Participation University involvement in this activity:	The University is the vendor to the property transaction(s)	Lessor only.
University staff or council member that occupy a board seat in connection with this activity and Directors' and Officers' liability insurance or other insurance arrangements that apply to the activity:	Not applicable.	Nil
Results of any assessment undertaken (if any) to determine whether the activity is meeting its purposes and objectives	Approval of a Business Case. A Project Control Group constituted by the Vice-Chancellor was the responsible body for overseeing the sales. The PCG has been superceded by Project Steering Committee (Bendigo Transformation) chaired by the VP (Admin) who will oversee any further divestment activities of Bendigo land including the parcels identified above. No assessment to determine the activity is meeting its objectives is warranted.	No
Whether the activity is ongoing or its anticipated termination date	The project will remain operative until all Commercial Activities cease.	On lease expiry. Note that the above leases have a connection with the University's research/ commercialisation or industry collaboration activities.

Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
La Trobe is Lessor. The University and Forensics have scientific collaboration including a number of supervised post graduates.		Lessor only.	Lessor only.
Nil	Nil	Nil	Nil
This was largely a consolidation exercise of existing leases but rental return was enhanced by increasing net lettable areas and taking up vacancies in building. The rental is subject to annual increments and periodic market reviews.	N/A	No	No
The next option is available effective 1 Dec 2021.	Various expiry dates	Lease expires 2019. Negotiations in progress for new hospital.	On lease expiry.

# University disclosure index table

Item No	Source reference	Summary of reporting required	Page(s)
1	FRD 22H	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	2-27
2	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions and Australian Accounting Standards.	42
3	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved.	43
4	SD 5.2.2	<ul> <li>Financial Statements are prepared in accordance with:</li> <li>Australian Accounting Standards (AAS and Australian Accounting Standards Board standards) and other mandatory professional reporting requirements;</li> <li>financial reporting directions</li> <li>Financial Management Act 1994.</li> </ul>	42-43, 50
5	SD 5.2.2(a) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements:	42-43, 50
		<ul> <li>Present fairly the financial transactions during reporting period and the financial position at end of the period;</li> </ul>	
		Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards;	
		Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and	
		Comply with applicable Australian Accounting Standards (AAS and Australian Accounting Standards Board standards) and other mandatory professional reporting requirements.	
6	FRD 30D	Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than:	52
		• \$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.	
7	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee established by the Responsible Body, or Responsible Body prior to finalisation and submission.	38-41
8	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework.	38-41
9	FRD 03A	Accounting for dividends.	N/A
10	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements.	53
11	FRD 10A	Disclosure Index.	28-30
12	FRD 11A	Disclosure of Ex-gratia Payments.	100
13	FRD 17B	Long service leave and annual leave for employees.	58-59, 72
14	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report.	90-92

Item No	Source reference	Summary of reporting required	Page(s)
15	FRD 22H	Consultants:	22
		Report of Operations must include a statement disclosing each of the following	
		1. Total number of consultancies of \$10,000 or more (excluding GST)	
		Location (e.g. website) of where details of these consultancies over \$10,000 have been made publicly available	
		3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	
		<b>AND</b> for each consultancy more than \$10,000, a schedule is to be published on the University website listing:	
		consultant engaged	
		brief summary of project	
		total project fees approved (excluding GST)	
		expenditure for reporting period (excluding GST)	
		any future expenditure committed to the consultant for the project.	
16	FRD 22H	Manner of establishment and the relevant Minister.	10
17	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	4-7, 10-11
18	FRD 22H	Nature and range of services provided including communities served.	5-7
19	FRD 22H	Organisational structure and chart, including responsibilities.	8
20	FRD 22H	Names of Council members.	9
21	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements.	16-18, 35
22	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at 6.10 (a) to (e) in the FRD.	15
23	FRD 22H	Workforce data for current and previous reporting period, including a statement on employment and conduct principles, and that employees have been correctly classified in the workforce data collections.	11-13
24	FRD 22H	Summary of the financial results for the year including previous 4 year comparisons.	34-37
25	FRD 22H	Significant changes in financial position during the year.	35
26	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	21, 34
27	FRD 22H	Major changes or factors affecting performance.	34
28	FRD 22H	Discussion and analysis of operating results and financial results.	34-36
29	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	90
30	FRD 22H	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included.	N/A
31	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) – (d) in the FRD.	N/A
32	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982.	20

# **University disclosure index table** (cont...)

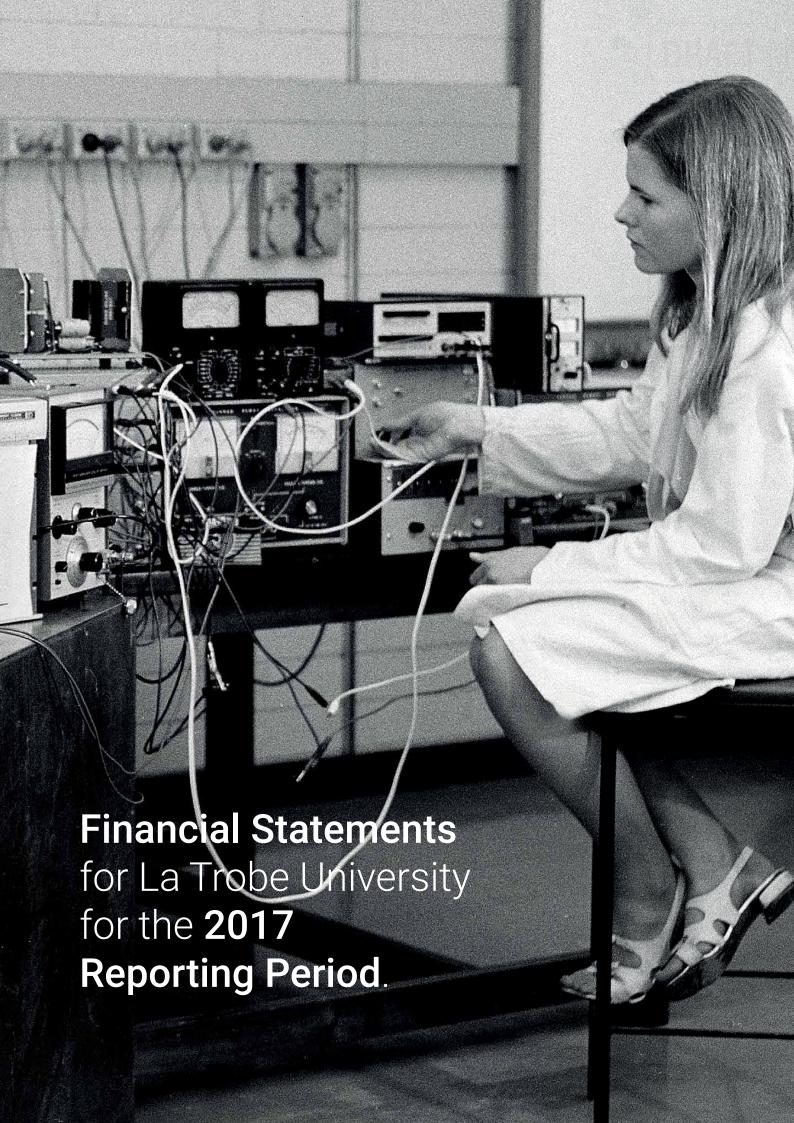
Item No	Source reference	Summary of reporting required	Page(s)
33	FRD 22H	Statement of compliance with building and maintenance provisions of the Building Act 1993.	20
34	FRD 22H	Statement where applicable on the implementation and compliance with the National Competition Policy.	20
35	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012.	21
36	FRD 22H	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	N/A
37	FRD 22H and 24C	Summary of Environmental Performance including a report on office based environmental impacts.	16-18
38	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at 6.19 (a) $-$ (l) in the FRD).	23
39	FRD 25C	Victorian Industry Participation Policy in the Report of Operations.	34
40	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004.	N/A
41	FRD 102A	Inventories.	N/A
42	FRD 103F	Non-financial physical assets.	66-68
43	FRD 105B	Borrowing Costs.	60
44	FRD 106A	Impairment of assets.	52
45	FRD 107B	Investment properties.	N/A
46	FRD 109A	Intangible assets.	68
47	FRD 110A	Cash flow statements.	
48	FRD 112D	Defined benefit superannuation obligations.	85-86
49	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities.	88-89
50	FRD 119A	Transfers through contributed capital.	N/A
51	FRD 120K	Accounting and reporting pronouncements applicable to the reporting period.	50-100
52	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2017.	22
53	PAEC	Financial and other information relating to the university's international operations.	N/A
54	University Commercial Activity Guidelines	<ul> <li>Summary of the university commercial activities</li> <li>If the university has a controlled entity, include the accounts of that entity in the university's Annual Report.</li> </ul>	24-27, 99

#### Key to abbreviations

FRD Financial Reporting Directions available at:

dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Reporting-Policy/Financial-reporting-directions-andguidance

SD Standing Directions (updated as at July 2014) available at: dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-



# Financial statements for year ending 31 December 2017



**OFFICE OF THE CHANCELLOR** 

21 March 2018

Financial statements for year ending 31 December 2017

#### Certification

In our opinion:

- (a) The attached financial statements of La Trobe University and the consolidated entity present a true and fair view of the financial transactions during the financial year ended 31 December 2017;
- (b) The attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, the Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2017 Reporting Year by Australian Higher Education Institutions as issued by the Department of Education and Training;
- (c) At the date of this certification, there are reasonable grounds to believe that La Trobe University and the consolidated entity will be able to pay its debts as and when they fall due; and
- (d) The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and La Trobe University has complied fully with the requirements of applicable legislation, contracts, agreements and various Programme guidelines that apply to the Australian Government financial assistance identified in these financial statements. In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

Yours sincerely

Professor Richard G Larkins AO Chancellor

Professor John Dewar Vice-Chancellor

Mark Smith Chief Financial Officer

#### Mailing address

La Trobe University Victoria 3086 Australia

T +61 3 9479 5268 F +61 3 9479 1045 E chancellor@latrobe.edu.au

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MELBOURNE CAMPUSES Bundoora Collins Street CBD Franklin Street CBD

REGIONAL CAMPUSES Bendigo Albury-Wondonga Mildura Shepparton

ABN 64 804 735 113 CRICOS Provider 00115M

### **Contents**

- 34 Corporate governance statement
- 34 Report of operations
- 35 Key performance indicators
- 36 Income and expenditure graphs
- 37 Consolidated five-year financial summary
- 38 Auditor General's report
- 41 Auditor General's Independence Declaration
- 42 Statement by Principal Accounting Officer and Chief Financial Officer
- 43 Statement by the Chancellor and the Accountable Officer
- 44 Income statement
- 45 Statement of comprehensive income
- 46 Statement of financial position
- 47 Statement of changes in equity
- 48 Statement of cash flows
- 49 Notes to and forming an integral part of the financial statements

# Corporate governance statement – Report of operations

La Trobe University and its controlled entities recorded an Operating surplus after income tax of \$29.0m for the year ended 31 December 2017 (2016 surplus \$37.4m) representing an operating margin of 4.0% (2016: 5.9%).

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

	2017 \$000s	2016 \$000s
Total revenue	770,809	735,273
Total expenses		697,794
Operating result after income tax		37,479
LESS		
Capital development grants	4,125	-
ADD		
Termination benefits		6,071
Underlying result from normal operations		43,550

The underlying result excludes a number of transactions which are either 'non-recurring' or not considered 'core' operational in nature. These items include non-recurring grant revenue for funding capital projects that is not available to meet other operating activities of the University and employee termination payments.

#### (b) Significant matters of note during 2017:

- The operating result is down on 2016 by \$8.4m primarily due to one-off income of \$14.5m in 2016 relating to CGS funding previously withheld associated with the 2015 and 2016 efficiency dividend.
- Total Revenue (not including Deferred Government superannuation contributions) of \$770.8m increased by \$35.5m (4.8%). The increase was driven across all income areas except interest. The key driver was the improvement of teaching revenues by \$20.9m.
- Cash and cash equivalents were \$52.0m at 31 December 2017, an increase of \$6.8m on 2016 (15.1% increase).
- Land, buildings and infrastructure were independently valued by AssetVal Pty Ltd as at 31 December 2017.
   Works of Art owned and/or controlled by the University were independently valued by Simon Storey Valuers as at 31 December 2017.

The University undertakes market valuations of its land, buildings and infrastructure every three years. During the intermitting years the University complies with the process as outlined in FRD103F Non-Financial Physical Assets and undertakes a managerial review of the movement of land and buildings values using indices as published by the Valuer General.

#### (c) Investment objective for 2018:

The University has committed to investing in its core teaching and research infrastructure and will continue developing the capability for reinvestment in these areas. The 2018 capital budget is based on a capital works program that responds to the 2018-2022 Strategic Plan, improves asset utilisation and delivers projects that support high quality teaching initiatives across all campuses and improves research outcomes.

#### (d) Victorian Industry Participation Policy

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

## Corporate governance statement – Key performance indicators

#### Key performance indicators

#### 31 December 2017

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

Year	Current asset ratio	Debt service coverage ratio	Debt to equity ratio %	Underlying operating margin %
2017	0.6	9.5	4.1	4.0
2016	0.8	14.7	4.6	5.9
2015	1.0	2.2	4.8	8.9
2014	1.0	4.7	9.8	8.0
2013	1.0	3.1	11.4	6.6

#### **Current asset ratio**

This ratio is a measure of short-term liquidity and is derived by dividing current assets by current liabilities. The University's current asset ratio is 0.6 in 2017. Although the ratio is below 1.0 at 31 December 2017, the university has \$52.0m of cash on hand and \$10.5m of deposits at that date and minimal debt.

#### Debt service coverage ratio

The debt service coverage ratio (based on EBITDA) decreased to 9.5 in 2017. The University remains satisfactorily placed to service its current debts. The ratio is calculated as (Operating result before tax + Depreciation + Interest expense) divided by (Interest payments + Principle repayment on loans + Finance lease payments). The ratio is based on the nominal result not the underlying result.

#### Debt to equity ratio

The debt to equity ratio is the total of interest bearing liabilities as a proportion of total equity and measures the proportion of repayable debt funding to retained equity balances. The higher the ratio, the greater the proportion of debt funding. The Debt to Equity Ratio decreased in 2017 to 4.3% (from 4.6% in 2016).

#### Underlying operating margin

The underlying operating margin has decreased in 2017 to 4.0% (2016 5.9%). The operating margin measures the ability of the University to contain its expenditure within the constraints of its available funding. This measure is derived by dividing the net underlying operating surplus/(deficit) into the total underlying revenue.

#### Key performance targets 2017

La Trobe University's Future Ready: Strategic Plan 2013-2017 outlines a number of aspirational targets. In 2017, the final year of the Future Ready Strategic Plan, we continued to progress our teaching, research and other significant reforms towards the delivery of the 2017 targets. La Trobe is now focused toward delivery of the 2018 targets based on the new '2018- 2022 Strategic Plan' core objectives of:

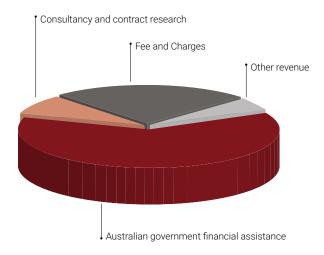
- · outstanding student experience,
- · research excellence,
- student employability and
- partner of choice for industry, education and the community.

	2017 Actual	2017 Budget	2016 Actual
International Student Revenue as a % of Underlying Revenue	20%	20%	19%
Research Revenue	75.4m	76.3m	72.7m
Underlying revenue per staff dollar	1.85	1.90	1.86
Underlying Operating Margin	4.0%	8.8%	5.9%

### Income and expenditure graphs

### for the year ended 31 December 2017

#### Income



#### Total operating revenues

Consolidated operating revenues were \$770.8m (2016 \$735.2m), an increase of 4.8% when compared to 2016. The increase was primarily driven by improvements in Fees and charges \$15.2m, Australian Government financial assistance \$14.4m, Consultancy and contracts \$4.8m and Other revenue \$4.2m.

#### Australian government financial assistance

Australian government financial assistance (excluding Fee-Help) increased by \$11.3m (2.5%) compared to previous year increase of \$27.4m (7%). This is mainly due to increases in Commonwealth funding due to an increase in CSP students and is less than the increase reported in 2016, due to the impact of the refund in 2016 of the 2015 and 2016 efficiency dividend initially withheld.

#### Fees and charges

Fees and charges increased by \$15.1m (9.1%) compared to previous year increase of \$7.9m (5%), mainly due to an increase in EFTSL for international fee-paying students in addition to pricing increases.

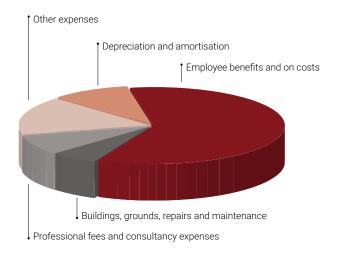
#### Consultancy and contract research

Consultancy and contract research increased by \$4.7m (8.6%) (2016 \$3.9m, -6.7%) due to additional research industry and partnership contract-related revenue.

#### Other revenue

Other revenue increased by \$4.0m (12.6%) compared to previous year decrease of \$11.8m (-27%), mainly relating to storm damage insurance claim receipts and donations revenue.

#### Expenditure



#### Total expenditure

Total expenditure from continuing operations, excluding deferred superannuation contributions, is \$741.7m, which represents an increase of \$43.9m (6.3%) compared to previous year increase of \$45.3m (6.9%).

#### Employee benefits and on costs

Expenditure on salaries increased by \$35.9m (9.3%) compared to previous year increase of \$31.4m (8.9%).

#### Buildings, grounds, repairs and maintenance

Includes expenditure on repairs, maintenance, equipment hire and refurbishment categories which increased by \$5.3m (11.2%) compared to prior year decrease of \$8.5m (15.3%).

#### Professional fees and consultancy expenses

Includes expenditure on professional fees, consulting and contractor costs, which decreased by \$9.2m (-13.7%) compared to previous year increase of \$11.3m (20%).

#### Depreciation and amortisation

Depreciation and amortisation has decreased by \$0.2m (-0.3%) compared to previous year increase of \$9.8m (16.6%).

#### Other expenses

Other expenses have increased by \$14.3m (14.6%) compared to previous year increase of \$17.1m (34.8%) mainly due to higher ICT software licences, utility and occupancy costs.

## Consolidated five-year financial summary

## 31 December 2017

	2017 \$000s	2016 \$000s	2015 \$000s	2014 \$000s	2013 \$000s
INCOME STATEMENT					
Total revenue and income from continuing operations	770,809	735,273	715,823	672,385	630,198
Total expenses including tax and joint venture expenses	(741,764)	(697,794)	(652,455)	(654,208)	(584,860)
Operating result after income tax and joint venture expenses	29,045	37,479	63,368	18,177	45,338
Abnormal items*	-	-	8,495	35,815	(3,531)
Underlying surplus after tax and abnormal items	29,045	37,479	71,863	53,992	41,807
BALANCE SHEET					
Current assets	110,748	125,974	142,058	167,658	134,388
Non-current assets	1,480,412	1,463,905	1,396,844	1,343,861	1,306,711
Total assets	1,591,160	1,589,879	1,538,902	1,511,519	1,441,099
Current liabilities	178,203	160,533	142,975	165,132	135,673
Non-current liabilities	127,606	135,149	139,712	193,328	202,219
Total liabilities	305,809	295,682	282,687	358,460	337,892
Total net assets	1,285,351	1,294,197	1,256,215	1,153,059	1,103,207
Reserves	708,249	746,140	745,637	700,511	665,291
Accumulated funds	577,102	548,057	510,578	452,548	437,916
Total equity	1,285,351	1,294,197	1,256,215	1,153,059	1,103,207
Net cash provided by operating activities	119,805	119,876	87,149	103,276	95,314
Net cash (used in) investing activities	(105,106)	(106,924)	(83,515)	(73,341)	(82,952)
Cash flow provided by (used in) investing activities	(7,869)	(3,844)	(51,880)	(8,304)	(8,703)
Net increase/(decrease) in cash and cash equivalents held	6,830	9,108	(48,246)	21,631	3,659

<sup>\*</sup> The abnormal items for 2013 to 2015 are primarily composed of capital grants, donations of previously unallocated assets, unspent research grant monies and expenditure relating to the payment of termination benefits as a result of implementing the Funding Future Ready Program. The effect of these items has been removed from the Operating result to provide an Underlying result.

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



### **Independent Auditor's Report**

#### To the Council of La Trobe University

#### Opinion

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

- consolidated entity statement of financial position as at 31 December 2017
- consolidated entity income statement and statement of comprehensive income for the year then ended
- consolidated entity statement of changes in equity for the year then ended
- consolidated entity statement of cash flows for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- statements by the Principal Accounting Officer, Chief Financial Officer, Chancellor and Accountable Officer.

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

- giving a true and fair view of the financial position of the university and the consolidated entity as at 31 December 2017 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

#### Basis for Opinion

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

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

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

Level 31 / 35 Collins Street, Melbourne Vic 3000 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

#### Council's responsibilities for the financial report

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

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

#### Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the university and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the university and the consolidated entity. I remain solely responsible for my audit opinion.

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

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

MELBOURNE 22 March 2018 Charlotte Jeffries as delegate for the Auditor-General of Victoria

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### **Auditor General's Independence Declaration**



### **Auditor-General's Independence Declaration**

#### To the Council, La Trobe University

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

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

#### Independence Declaration

As auditor for La Trobe University for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE 22 March 2018 Charlotte Jeffries as delegate for the Auditor-General of Victoria

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# Statement by Principal Accounting Officer and Chief Financial Officer

31 December 2017



OFFICE OF THE CHIEF FINANCIAL OFFICER

#### Mailing address

La Trobe University Victoria 3086 Australia

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MELBOURNE CAMPUSES Bundoora Collins Street CBD Franklin Street CBD

REGIONAL CAMPUSES Bendigo Albury-Wondonga Mildura Shepparton

21 March 2018

#### Statement by Principal Accounting Officer and Chief Financial Officer

In my opinion:

- (a) The financial report of LaTrobe University and its controlled subsidiaries present a true and fair view of the financial transactions of the University and its controlled subsidiaries during the financial year ended 31 December 2017 and its financial position as at that date:
- (b) Australian Government financial assistance received during the financial year ended 31 December 2017 was expended for the purposes for which it was provided;
- (c) The University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in this financial report.

The financial report has been prepared in accordance with the provision of the Australian Charities and Non-for-profit Commission Act 2012, Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2017 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education and Training. In addition, I am not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate and there are reasonable grounds to believe that La Trobe University will be able to pay its debts as and when they fall due.

Mark Smith

Chief Financial Officer and Principal Accounting Officer

Melbourne

ABN 64 804 735 113

# Statement by the Chancellor and the Accountable Officer

31 December 2017



OFFICE OF THE CHANCELLOR

21 March 2018

#### Statement by the Chancellor and Accountable Officer

In our opinion:

- (a) The financial report of La Trobe University and its controlled subsidiaries present a true
  and fair view of the financial transactions of the University and its controlled
  subsidiaries during the financial year ended 31 December 2017 and its financial position
  as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2017 was expended for the purposes for which it was provided;
- (c) The University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in this financial report.

The financial report has been prepared in accordance with the provision of the Australian Charities and Non-for-profit Commission Act 2012, Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2017 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education and Training. In addition, we are not aware at the date of signing this report of any circumstances which would render any particulars included in the report to be misleading or inaccurate, and there are reasonable grounds to believe that La Trobe University will be able to pay its debts as and when they fall due.

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

Professor Richard G Larkins AO Chancellor

P. lad 6 lates

Professor John Dewar Vice-Chancellor and Accountable Officer

> ABN 64 804 735 113 CRICOS Provider 00115M

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### **Income statement**

# for the year ended 31 December 2017

	Note	2017 \$000s	2016 \$000s
Australian Government financial assistance			
Australian Government grants	2	295,432	286,735
HELP payments	2	180,237	174,495
State and local government financial assistance	3	4,329	4,120
HECS-HELP student payments		9,443	10,107
Fees and charges	4	180,909	165,743
Investment revenue	5	3,892	6,339
Consultancy and contracts	6	60,306	55,527
Other revenue	7	36,261	32,207
Total income from continuing operations		770,809	735,273
Employee related expenses	8	419,610	383,709
Depreciation and amortisation	9	68,667	68,851
Repairs and maintenance	10	12,938	13,761
Borrowing costs	11	2,761	3,655
Buildings and grounds - occupancy expenses	12	39,703	33,550
Professional fees and consultancy expenses		58,077	67,343
Loss on disposal of assets	13	552	588
Bad and doubtful debts		254	156
Scholarships, grants and prizes		26,666	28,001
Other expenses	14	112,536	98,180
Total expenses from continuing operations		741,764	697,794
Net operating result		29,045	37,479

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

## Statement of comprehensive income

## for the year ended 31 December 2017

	Note	2017 \$000s	2016 \$000s
Net operating result		29,045	37,479
Items that may be reclassified to profit or loss			
Gain on value of available-for-sale financial assets	25.2	7,129	153
Items that will not be reclassified to profit or loss			
Gain / (loss) on revaluation of property, plant and equipment	19.1	(44,642)	-
Deferred Government superannuation (contributions)		(308)	2,448
Deferred superannuation expense		308	(2,448)
Total other comprehensive income for the year, net of tax		(37,513)	153
Total comprehensive income for the year		(8,468)	37,632

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

# **Statement of financial position** As at 31 December 2017

	Note	2017	2016
ASSETS		\$000s	\$000s
Current assets			
Cash and cash equivalents	15	52,036	45,206
Trade and other receivables	16	20,829	28,084
Inventories		61	158
Financial assets at fair value	17	10,510	25,864
Other non-financial assets	18	27,312	26,662
Total current assets		110,748	125,974
NON-CURRENT ASSETS			
Trade and other receivables	16	67,666	67,038
Financial assets at cost and fair value	17	69,686	58,727
Property, plant and equipment	19	1,306,738	1,303,787
Intangible assets	20	36,322	34,353
Total non-current assets		1,480,412	1,463,905
Total assets		1,591,160	1,589,879
LIABILITIES			
Current liabilities			
Trade and other payables	21	74,740	60,411
Borrowings	22	8,089	7,869
Employee benefit provisions	23	74,439	71,089
Other liabilities	24	20,935	21,164
Total current liabilities		178,203	160,533
NON-CURRENT LIABILITIES			
Borrowings	22	44,095	52,184
Employee benefit provisions	23	77,020	76,253
Other liabilities	24	6,491	6,712
Total non-current liabilities		127,606	135,149
Total liabilities		305,809	295,682
Net assets		1,285,351	1,294,197
EQUITY			
Reserves	25.1	708,249	746,140
Retained surplus	25.3	577,102	548,057
Total equity		1,285,351	1,294,197

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

# Statement of changes in equity

# for the year ended 31 December 2017

		Retained Surplus	Reserves	Total
<b>2017</b> Not	e	\$000s	\$000s	\$000s
Balance at 1 January 2017	54	18,057	746,140	1,294,197
Net operating result	2	29,045	-	29,045
Gain on value of available-for-sale financial assets		-	7,129	7,129
Gain / (loss) on revaluation of property, plant and equipment		-	(44,642)	(44,642)
Deferred Government superannuation (contributions)		-	(308)	(308)
Deferred superannuation expense		-	308	308
Total comprehensive income	2	29,045	(37,513)	(8,468)
Transfers		-	(378)	(378)
Sub-total	2	29,045	(37,891)	(8,846)
Balance at 31 December 2017	57	77,102	708,249	1,285,351

#### 2016

Balance at 1 January 2016	510,578	745,637	1,256,215
Net operating result	37,479		37,479
Gain on value of available-for-sale financial assets	-	153	153
Deferred Government superannuation (contributions)	-	2,448	2,448
Deferred superannuation expense	-	(2,448)	(2,448)
Total comprehensive income	37,479	153	37,632
Transfers	-	350	350
Sub-total	37,479	503	37,982
Balance at 31 December 2016	548,057	746,140	1,294,197

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

## Statement of cash flows

# for the year ended 31 December 2017

	Note	2017 \$000s	2016 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Australian Government grants		454,672	442,901
State Government grants		4,329	4,120
HECS-HELP student payments		9,443	10,107
OS-HELP (net)		21,331	18,187
Receipts from student fees and other customers		282,995	253,023
Investment income received		1,735	5,615
Payments to suppliers and employees (inclusive of GST)		(651,939)	(610,422)
Interest paid		(2,761)	(3,655)
Net cash provided by operating activities	27	119,805	119,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		90,778	98,357
Proceeds from sale of property, plant and equipment		657	537
Payments for property, plant and equipment		(119,444)	(137,810)
Payments for financial assets		(77,097)	(68,008)
Net cash used in investing activities		(105,106)	(106,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(7,869)	(3,844)
Net cash used in financing activities		(7,869)	(3,844)
Net increase/(decrease) in cash and cash equivalents held		6,830	9,108
Cash and cash equivalents at beginning of financial year		45,206	36,098
Cash and cash equivalents at end of financial year	15	52,036	45,206

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

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

# for the year ended 31 December 2017

Note	Content	Page	Note	Content	Page
	About this report	50	24	Other liabilities	74
1	Summary of significant accounting policies	52	25	Reserves and retained surplus	74
2	Australian government financial assistance including HECS-HELP and other Australian government loans	54	26	Remuneration of auditors	76
3	State and local government financial assistance	56	27	Reconciliation of operating result to net cash flows from operating activities	76
4	Fees and charges	57	28	Financial risk management	73
5	Investment revenue	57	29	Fair value measurement	79
6	Consultancy and contract research	57	30	Commitments	85
7	Other revenue	58	31	Superannuation plans	85
8	Employee related expenses	58	32	Joint operations	88
9	Depreciation and amortisation	59	33	Contingencies	90
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10	Repairs and maintenance	60	34	Events occurring after the reporting date	90
11	Borrowing costs	60	35	Key management personnel disclosures	90
12	Buildings and grounds – occupancy and maintenance expenses	60	36	Acquittal of Australian government financial assistance	93
13	Loss on disposal of assets	61	37	Subsidiaries	99
14	Other expenses	61	38	Related parties	100
15	Cash and cash equivalents	61	39	Ex-gratia payment	100
16	Trade and other receivables	62			
17	Financial assets at fair value	63			
18	Other non-financial assets	66			
19	Property, plant and equipment	66			
20	Intangible assets	68			
21	Trade and other payables	69			
22	Borrowings	69			
23	Employee benefit provisions	72			

### **About this report**

#### Basis of preparation

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

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

The annual financial statements represent the audited general purpose financial statements of La Trobe University. They have been prepared on an accrual basis in accordance with Australian Accounting Standards. La Trobe University applies Tier 1 reporting requirements.

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

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

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

#### Date of authorisation for issue

The financial statements were authorised for issue by the University Council of La Trobe University on 21 March 2018.

#### Historical cost convention

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

#### Critical accounting estimates and judgments

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying La Trobe University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

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

The University carries its land and buildings at fair value with changes in the fair value recognised in the revaluation reserve. Independent valuations are obtained at least triennially. At the end of each reporting period, management update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

Land, buildings, leasehold improvements and infrastructure assets are measured and disclosed at fair value for financial reporting purposes as per Note 19. In order to determine fair value of an asset the valuers have used market-observable data to the extent it is available.

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

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

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

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

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

#### (b) Works of art

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

An external revaluation process is required every three years but may occur more frequently if material movements in fair value are identified. An independent valuation of the University's works of art assets was performed by Simon Storey Valuers with a valuation date of 31 December 2017.

Professional judgement was required to establish fair value during the valuation process. This involved taking into account the artist, art work, condition, provenance and market place. In applying professional judgment, the expert valuer had to evaluate their valuations for reasonableness against market and academic research as well as other transactions of artwork. The process included layers based on location and value across entire collection. Previous valuation data was used to assign sample sizes to each stratum. The following boundaries were used to form strata within location; \$0 - \$5,000, \$5,000+ and items in the \$5,000+ strata were completely enumerated. This is demonstrated through the relative standard error (RSE) calculated from the process, where RSE was calculated for each category. RSE represents the variability due to sampling and random adjustment.

The overall fair value valuation as at 31st December 2017 was calculated to be \$20,260,228 with a relative standard error (RSE) of 1%. There is an approximately 67% chance that a sample valuation estimate will differ by less than one standard error from the valuation estimate if all the assets were valued. There is an approximately 95% chance that a sample valuation estimate will differ by less than two times the standard error from the valuation estimate if all the assets were valued.

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

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

#### (d) Provisions

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

### Summary of significant accounting policies

### for the year ended 31 December 2017

# Summary of significant accounting policies

#### 1.1 Impairment of assets

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

#### 1.2 Income tax

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

#### 1.3 Goods and services tax (GST)

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

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

#### 1.4 Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

#### 1.5 Comparative amounts

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

#### 1.6 Rounding of amounts

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

#### 1.7 New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017 reporting periods. La Trobe University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial instruments and amending standards AASB 2010-7	1 January 2018	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.  While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed. The assessment has also identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.
AASB 15 Revenue from contracts with customers	1 January 2019 (early adoption permitted)	The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 1058 Income for not-for-profit entities	1 January 2019	The objective of this standard is to establish the principles applicable to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the financial treatment for receipt of volunteer services.	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.
AASB 16 Leases	1 January 2019	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.
			Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.
			The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.
			No change for lessors.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- (a) AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9
- (b) AASB 2016-3 Amendments to Australian Accounting Standards Clarifications to AASB 15
- (c) AASB 2016-7 Amendments to Australian Accounting Standards Deferral of AASB 15 for not-for-profit entities
- (d) AASB 2016-8 Amendments to Australian Accounting Standards Australian implementation guidance for not-for-profit entities

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

#### 2.1 Commonwealth grants scheme and other grants

Note	2017 \$000s	2016 \$000s
Commonwealth grants scheme	229,780	227,853
Indigenous support program	815	563
Partnership and participation program	4,917	5,718
Disability support program	326	296
Promotion of excellence in learning and teaching	20	30
Australian maths & science partnership program	-	381
Other	4,388	4,949
Commonwealth grants scheme and other grants 36.1	240,246	239,790

#### 2.2 Higher education loan programs

HELP payments	155,647	153,132
FEE - HELP payments	21,331	18,187
SA-HELP payments	3,259	3,176
Higher education loan programs 36.2	180,237	174,495

#### 2.3 Scholarships

Australian postgraduate awards *	-	5,680
International postgraduate research scholarships *	-	450
Indigenous Commonwealth education costs scholarship	124	91
Indigenous Commonwealth accommodation scholarships	55	26
Indigenous access scholarships	13	59
Scholarships 36.3	192	6,306

<sup>\*</sup> The University did not receive Australian postgraduate awards and international postgraduate research scholarships due to a change in the government funding model. A new Commonwealth block grant funding model was implemented in 2017 whereby the 2016 research scholarship and block grant funding was superseded by the Research Training Program and Research Support Program funding.

#### 2.4 Education research

Note	2017 \$000s	2016 \$000s
Joint research engagement program*	-	7,405
Research training scheme *	-	11,786
JRE engineering cadetships*	-	119
Research infrastructure block grants *	-	2,092
Sustainable research excellence in universities *	-	1,887
Research Training Program	18,164	-
Research Support Program	13,546	-
Education research 36.4	31,710	23,289

<sup>\*</sup> The University did not receive funding for the Joint research engagement program, Research training scheme, JRE engineering cadetships, Research infrastructure block grants and Sustainable research excellence in universities due to a change in the government funding model. A new Commonwealth block grant funding model was implemented in 2017 whereby the 2016 research scholarship and block grant funding was superseded by the Research Training Program and Research Support Program funding.

#### 2.5 Other capital funding

Sports and education		4,125	-
Total other capital funding	36.5	4,125	-

#### 2.6 Australian research council

(I) Discovery			
Discovery - Projects		4,720	4,876
Discovery - Fellowships		2,131	2,624
Total Discovery		6,851	7,500
(II) Linkages			
Linkages - Infrastructure		-	=
Linkages - Projects		603	940
Total Linkages		603	940
Australian research council	36.6	7,454	8,440

#### 2.7 Other Australian government financial assistance

Note	2017 \$000s	2016 \$000s
Non-capital		
National Health & Medical Research Council ^	11,225	8,811
Other Australian government financial assistance	480	99
Other Australian government financial assistance 36.7	11,705	8,910
Total Australian government financial assistance	475,669	461,230

#### 2A Reconciliation

Australian government grants *	295,432	286,735
HELP payments	155,647	153,132
FEE - HELP payments	21,331	18,187
SA-HELP payments	3,259	3,176
Total HELP payments	180,237	174,495
Total Australian government financial assistance	475,669	461,230

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

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

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

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

#### 3 State and local government financial assistance

Non-capital – health funding	4,329	4,120
Total State and local government financial assistance	4,329	4,120

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

#### 4 Fees and charges

	2017 \$000s	2016 \$000s
Course fees and charges		
Fee-paying offshore overseas students	139,132	128,728
Continuing education	16,466	13,439
Fee-paying domestic postgraduate students	7,332	6,359
Fee-paying domestic undergraduate students	2	22
Course and conference fees	339	548
Total course fees and charges	163,271	149,096
Other non-course fees and charges		
Parking fees	2,918	2,847
General service fees	5,041	4,977
Other services	9,679	8,823
Total other fees and charges	17,638	16,647
Total fees and charges	180,909	165,743

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

#### 5 Investment revenue

Dividends from available-for-sale financial assets	2,070	1,367
Dividends from equity investments	42	550
Interest income on bank deposits	1,769	3,448
Realised gain on investments	154	380
Unrealised gain/(loss) on investments	(143)	594
Total investment income	3,892	6,339

Interest revenue is recognised as it is earned. Dividend revenue is recognised as received.

#### 6 Consultancy and contract research

Contract research	37,268	34,471
Total consultancy and contract research	60,306	55,527

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

#### 7 Other revenue

	2017 \$000s	2016 \$000s
Sale of goods	1,946	2,398
Other trading revenue	2,417	2,550
Total trading revenue (A)	4,363	4,948
Accommodation revenue	22,325	21,163
Donations and bequests	1,939	1,104
Scholarships and prizes	1,462	1,187
Other revenue	6,172	3,805
Total non-trading revenue (B)	31,898	27,259
Total other revenue (A) + (B)	36,261	32,207

Trading revenue is generated from the sale of goods by the commercial and trading bodies which include:

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

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

#### 8 Employee related expenses

Academic		
Salaries	164,008	154,255
Contributions to superannuation and pension schemes:		
Contributions to unfunded schemes	2,230	2,332
Contributions to funded schemes	24,492	20,804
Payroll tax	9,267	7,848
Workers' compensation	1,593	1,190
Long service leave	5,734	2,718
Annual leave	(667)	1,032
Allowances	5,024	3,805
Other	486	406
Termination benefits	2,213	2,093
Total academic	214,380	196,483
Non-academic		
Salaries	156,499	139,402
Contributions to superannuation and pension schemes:		
Contributions to unfunded schemes	2,284	2,782
Contributions to funded schemes	24,766	24,053

#### 8 Employee related expenses (cont...)

	2017 \$000s	2016 \$000s
Payroll tax	9,384	8,858
Workers' compensation	1,144	670
Long service leave	6,060	5,089
Annual leave	(3,923)	(2,734)
Allowances	4,521	4,384
Other	519	744
Termination benefits	3,976	3,978
Total non-academic	205,230	187,226
Total employee related expenses	419,610	383,709
Deferred superannuation expense	308	(2,448)
Total employee related expenses, including deferred government employee benefits for superannuation	419,918	381,261

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

Past service costs are recognised in profit or loss immediately.

#### 9 Depreciation and amortisation

DEPRECIATION		
Buildings - owned	21,727	23,105
Buildings - leased	1,610	1,610
Leasehold improvements	3,056	2,597
Infrastructure	3,475	5,130
Plant and equipment	11,235	10,720
Furniture, fixtures and office equipment	2,810	2,521
Motor vehicles	252	334
Computer hardware	4,696	6,974
Library collection	7,809	6,836
Total depreciation	56,670	59,827
AMORTISATION		
Intangible assets	11,997	9,024
Total amortisation	11,997	9,024
Total depreciation and amortisation	68,667	68,851

#### 9 Depreciation and amortisation (cont...)

Land and works of art is 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:

	2017 (%)	2016 (%)
Fixed asset class		
Buildings	2.1 average	2.5 average
Leasehold improvements*	8-12	4-6
Infrastructure	5	5
Plant and equipment	5-10	5-10
Furniture, fixtures and fittings	10	10
Motor vehicles	6.67-10	6.67-10
Computer equipment	33	33
Library collections	10	10

<sup>\*</sup>Based on Life of Lease

#### 10 Repairs and maintenance

	2017 \$000s	2016 \$000s
Buildings	5,198	6,928
Plant and equipment	7,740	6,833
Total repairs and maintenance	12,938	13,761

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

#### 11 Borrowing costs

Interest expense	2,761	3,655
Total borrowing costs expensed	2,761	3,655

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

#### 12 Buildings and grounds – occupancy expenses

Occupancy expenses	30,327	23,106
Materials and equipment	8,900	9,333
Operating rental lease expense	476	1,111
Total Buildings and grounds - occupancy expenses	39,703	33,550

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 30).

#### 13 Loss on disposal of assets

Note	2017 \$000s	2016 \$000s
Proceeds from sale	(657)	(532)
Less carrying amount of assets sold	552	417
Loss / (profit) on sale of assets	(105)	(115)
Obsolescence of assets	657	703
Total loss on disposal of assets	552	588

#### 14 Other expenses

Advertising	11,547	12,757
Computer expenses	9,413	12,151
Telecommunications	13,243	7,366
Non-capitalised equipment	2,457	4,506
Teaching partners - payments	15,157	6,509
Non-salary expense recoveries and research support expenses	6,082	1,115
Student amenities	4,052	3,667
Bank and investment management charges	1,947	1,495
Publications	8,668	5,810
Staff training and development	3,513	3,900
Travel, accommodation and entertainment	10,745	9,668
Research participant payments	11,471	10,859
Miscellaneous expenses	14,241	18,377
Total other expenses	112,536	98,180

#### 15 Cash and cash equivalents

Cash at bank and on hand	51,846	42,983
Short-term deposits at call	190	2,223
Total cash and cash equivalents	52,036	45,206

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

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

Balances as above	52,036	45,206
Balance as per statement of cash flow	52,036	45,206

Cash on hand is non-interest bearing. Cash at bank earns a weighted average interest rate of 1.66% (2016: 1.90%).

#### 15 Cash and cash equivalents (cont...)

#### 15.2 Deposits at call

The deposits are at floating weighted average interest rates of 2.48% (2016: 2.68%).

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

Term deposits with a term of over 90 days are disclosed as Other financial assets.

#### 16 Trade and other receivables

Note Programme Transfer of the Control of the Contr	2017 \$000s	2016 \$000s
Current		
Trade receivables	14,207	18,940
Provision for doubtful debts	(798)	(778)
Deferred Government benefit for superannuation 31.3	4,712	5,135
GST receivable	2,708	4,787
Total current receivables	20,829	28,084
Non-current		
Trade receivables	980	1,083
Deferred Government benefit for superannuation 31.3	66,686	65,955
Total non-current receivables	67,666	67,038
Total trade and other receivables	88,495	95,122

As at 31 December 2017 trade receivables of \$3,587 (2016: \$10,752) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

Between 15 to 90 days	1,810	3,515
Between 91 to 180 days	287	1,389
Over 181 days	1,490	5,848
Total trade receivables past due but not impaired	3,587	10,752

#### Impaired receivables

As at 31 December 2017, current receivables of the University with a nominal value of \$798,000 (2016: \$778,000) were deemed to be impaired and provided for as doubtful debts. The individually impaired receivables relate to debts from students who are no longer enrolled, are in unexpected difficult economic situations and have been outstanding for greater than 12 months.

Over 180 days	798	778
Total current impaired receivables	798	778

#### 16 Trade and other receivables (cont...)

Note	2017 \$000s	2016 \$000s
Movements in the provision for doubtful debts are:		
At 1 January	778	1,516
Provision for impairment recognised/(relieved) during the year	208	(517)
Receivables written off during the year as uncollectible	(148)	(215)
Impaired receivables collected	(40)	(6)
Total movements in the provision for doubtful debts	798	778

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

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

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

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

#### 17 Financial assets at fair value

#### 17.1 Financial assets – current

Current		
Held to maturity investments		
Term Deposits	10,079	24,368
Fair value through profit or loss		
Debentures	-	480
Units in unit trusts	94	319
Listed shares	337	697
Total current financial assets	10,510	25,864
Movement of current financial assets		
Opening net book value	25,864	57,555
Additions	75,000	24,366
Disposals and redemptions	(90,778)	(56,087)
Reclassification (to) / from Non-Current portion	337	-
Unrealised gains/(losses)	87	30
Closing net book value	10,510	25,864

#### 17 Financial assets at fair value (cont...)

#### 17.2 Financial assets – non-current

Note	2017 \$000s	2016 \$000s
Non-current	7000	
Available-for-sale shares at cost	2,514	2,603
Available-for-sale shares at fair value	16,330	11,047
Available-for-sale financial assets at fair value <sup>^</sup>	50,842	45,077
Total non-current financial assets	69,686	58,727
Movement of non-current financial assets		
Opening net book value	58,727	56,508
Additions	2,097	43,640
Disposals	-	(42,269)
Income reinvested	2,070	596
Reclassification (to) / from current portion	(337)	-
Realised gains/(losses)	-	(2,500)
Unrealised gains/(losses)	7,129	2,752
Closing net book value	69,686	58,727

<sup>^</sup> Available-for-sale financial assets comprise long-term managed funds.

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

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

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

#### (b) Loans and receivables

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

#### (c) Held-to-maturity investment

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University's management has the positive intention and ability to hold to maturity.

#### (d) 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 from the reporting date.

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

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

#### (e) Fair value

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

#### (f) Subsequent measurement

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

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

#### (g) Impairment

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

#### 18 Other non-financial assets

	2017 \$000s	2016 \$000s
Current		
Prepayments	27,078	26,428
Property, plant and equipment in joint operations	234	234
Total current other non-financial assets	27,312	26,662

#### 19 Property, plant and equipment

	Gross c	, ,	Accum depred		Net ca amo	, ,
	2017 '\$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Land at valuation	302,358	296,724	-	-	302,358	296,724
Buildings at valuation	595,615	598,632	(475)	(23,103)	595,140	575,529
Leased buildings at cost	64,404	64,404	(10,661)	(9,051)	53,743	55,353
Buildings-leasehold improvements at valuation	38,387	34,688	(2,775)	(8,663)	35,612	26,025
Infrastructure at valuation	55,769	91,958	(6)	(5,122)	55,763	86,836
Plant and equipment at cost	140,528	132,907	(79,152)	(69,601)	61,376	63,306
Furniture, fixtures and office equipment at cost	31,030	26,191	(12,276)	(9,828)	18,754	16,363
Motor vehicles at cost	2,734	4,059	(1,581)	(2,032)	1,153	2,027
Computer hardware at cost	32,692	42,634	(25,911)	(35,841)	6,781	6,793
Library collection at cost	210,795	199,976	(162,191)	(154,382)	48,604	45,594
Works of art at valuation	20,260	14,219	-	-	20,260	14,219
Work in progress at cost	107,194	115,018	-	-	107,194	115,018
Total property, plant and equipment	1,601,766	1,621,410	(295,028)	(317,623)	1,306,738	1,303,787

Land (excluding Bundoora campus), buildings, leasehold improvements and infrastructure were independently valued by AssetVal Pty Ltd with a valuation date of 31 December 2017.

Works of art were independently valued by Simon Storey Valuers with a valuation date of 31 December 2017.

### 19.1 Property, plant and equipment - Movement schedule

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

	Land	Buildings	Leased	Buildings – leasehold improve- ments	Infrastruc- ture	Plant and equipment	Furniture, fixtures and office equipment	Motor vehicles	Computer	Library collection	Works of art	Works in progress	Total
	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$	\$000\$
Year ended 31 December 2017	Jecember 20'	17											
Balance at the beginning of year	296,724	575,529	55,353	26,025	86,836	93,306	16,363	2,027	6,793	45,594	14,219	115,018	1,303,787
Additions	269	16,216	1	1,721	8,817	7,147	1,829	ß	1,363	10,819	505	62,369	116,060
Disposals - written down value	ı	•	ı	•	1	(264)	(207)	(627)	(8)	•	•	•	(1,106)
Transfers within PPE	312	29,769	1	4,546	20,545	2,422	3,579	1	3,329	ı	•	(64,502)	1
Transfers to intangibles	ı	1	'	ı	•		,	,	'	1	•	(10,691)	(10,691)
Revaluation increase/ (decrease)	5,053	(4,647)	1	6,376	(56,960)	,	•	•	,	•	5,536	,	(44,642)
Depreciation expense	1	(21,727)	(1,610)	(3,056)	(3,475)	(11,235)	(2,810)	(252)	(4,696)	(7,809)	'	'	(56,670)
Closing net book amount	302,358	595,140	53,743	35,612	55,763	61,376	18,754	1,153	6,781	48,604	20,260	107,194	1,306,738
Year ended 31 December 2016	December 20'	16											
Balance at the beginning of year	296,724	579,428	56,964	28,606	85,472	64,226	15,237	2,760	8,425	39,151	14,219	46,966	1,238,178
Additions	1	83	1	ı	52	7,310	1,563	92	514	13,279	ī	114,456	137,348
Disposals - written down value	1	(23)	1	1	(157)	(382)	(45)	(491)	(9)	1	ı	1	(1,107)
Transfers within PPE	1	19,146	1	16	6,599	2,875	2,129	1	4,834	1	1	(32,599)	
Transfers to intangibles	1	•	1	•	•	•	•	,	,	,	•	(10,805)	(10,805)
Depreciation expense	•	(23,105)	(1,611)	(2,597)	(5,130)	(10,720)	(2,521)	(334)	(6,974)	(6,836)	,	•	(59,827)
Closing net book amount	296,724	575,529	55,353	26,025	86,836	908'89	16,363	2,027	6,793	45,594	14,219	115,018	1,303,787

for the year ended 31 December 2017

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

Accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The minimum value of assets brought to account and depreciated is \$5,000.

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

(c) Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is University policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Works of art owned and/or controlled by the University were independently valued by Simon Storey Valuers as at 31 December 2017.

Land, buildings, leasehold improvements and infrastructure owned and/or controlled by the University were independently valued by AssetVal Pty Ltd. as at 31 December 2017.

Land, buildings, leasehold improvements and infrastructure are valued at fair value and in accordance with financial reporting directions, Australian Accounting Standards and Victorian Government Policy. The resultant changes are recorded through the property, plant and equipment revaluation reserve.

#### 20 Intangible assets

	Note	2017 \$000s	2016 \$000s
Computer software development			
Cost		99,572	87,028
Accumulated amortisation and impairment		(63,250)	(52,675)
Net carrying value		36,322	34,353
Total intangible assets		36,322	34,353
Movement of intangible assets			
Opening net book amount		34,353	32,394
Additions - Computer software development costs		3,378	209
Transfers from Work-in-progress		10,691	10,805
Disposals		(103)	(31)
Amortisation charge		(11,997)	(9,024)
Closing net book amount		36,322	34,353

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.

#### 21 Trade and other payables

Note	2017 \$000s	2016 \$000s
Current		
Trade creditors	33,961	30,497
Accrued expenses	31,559	18,540
Salary related creditors	6,905	8,388
OS-HELP liability to government	1,568	2,160
Other payables	747	826
Total current trade and other payables	74,740	60,411
Total trade and other payables	74,740	60,411

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

#### 22 Borrowings

Current		
Secured Commercial bills**	1,069	1,005
Secured Debenture loans**	2,520	2,364
Secured Fixed rate loan**	4,500	4,500
Total current secured borrowings	8,089	7,869
Non-current		
Secured Commercial bills**	1,431	2,500
Secured Debenture loans**	7,039	9,559
Secured Fixed rate loan**	35,625	40,125
Total non-current secured borrowings	44,095	52,184
Total borrowings	52,184	60,053

<sup>\*\*</sup>The debenture loans, fixed rate loan and commercial bills have fixed interest rates and terms. They are secured by a charge over the University's revenue via a security trust deed.

#### **22** Borrowings (cont...)

#### 22.1 Assets pledged as security

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

Current		
Floating charge		
Cash and cash equivalents	52,036	45,206
Fixed charge		
Trade receivables	13,409	18,162
Total current assets pledged as security	65,445	63,368
Non-current		
Trade receivables	980	1,083
Total non-current assets pledged as security	980	1,083
Total assets pledged as security	66,425	64,451

The University has executed a security trust deed for \$150,000,000 (2016 \$150,000,000) towards the borrowings. The exposure is limited to the loan amount as stipulated in Note 22.

#### 22.2 Financing arrangements

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

Note	2017 \$000s	2016 \$000s
Credit standby arrangements - Total facilities		
Debenture loans	27,300	27,300
Commercial bills	11,700	11,700
Fixed rate loan	45,000	45,000
Used at balance date		
Debenture loans	9,559	11,923
Commercial bills	2,500	3,505
Fixed rate loan	40,125	44,625
Unused at balance date		
Debenture loans	17,741	15,377
Commercial bills	9,200	8,195
Fixed rate loan	4,875	375

Debenture loans were taken to redevelop Argus building in the city. This building has since been sold. The loans carry an interest rate of 6.51% p.a. The outstanding borrowing at 31 December 2017 is repayable in 14 quarterly installments.

Commercial Bills were taken to fund the Construction of the Victorian Agribiosciences Centre (VABC) building in the Research and Development Park. The loans carry an interest rate of 6.12% p.a. The outstanding borrowing at 31 Dec 2017 is repayable in 9 quarterly installments.

Fixed Rate Loan was taken to finance the construction of La Tobe Building in Melbourne. The loan carry an interest rate of 4.39% p.a. The outstanding borrowing at 31 December 2017 is repayable through monthly installments ending in Oct 2026.

## 22.3 Risk exposures

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

Within one year	8,089	7,869
Between one and five years	26,470	30,059
Later than five years	17,625	22,125
Total borrowings	52,184	60,053
Current borrowings	8,089	7,869
Non-current borrowings	44,095	52,184
	52,184	60,053

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

## 22.4 Reconciliation of liabilities arising from financing activities

Particulars	2016	Cash flows	Non-cash changes	2017
	'000s	'000s	'000s	'000s
Long-term borrowings				
Secured Debenture loans	11,923	(2,364)	-	9,559
Secured Commercial bills	3,505	(1,005)	-	2,500
Secured Fixed rate loan	44,625	(4,500)	-	40,125
Total	60,053	(7,869)	-	52,184

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

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

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

#### **Employee benefit provisions** 23

	Note	2017 \$000s	2016 \$000s
Current provisions expected to be settled within 12 months			
Employee benefits			
Defined benefit superannuation obligations	31.3	4,712	5,135
Annual leave		15,920	15,018
Long service leave		5,785	5,421
Employment on-cost provisions		4,659	4,720
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		12,558	12,372
Long service leave		23,143	20,770
Employment on-cost provisions		7,662	7,653
Total current provisions (A)		74,439	71,089
Non-current provisions			
Employee benefits			
Long service leave		8,508	8,366
Employment on-cost provisions		1,826	1,932
Defined benefit superannuation obligations	31.3	66,686	65,955
Total non-current provisions (B)		77,020	76,253
Total provisions (A+B)		151,459	147,342

#### i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables.

#### ii) Long-term obligations

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

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

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

#### iii) Defined benefit superannuation obligations

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

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

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

Past service costs are recognised in profit or loss immediately.

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

#### iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. When it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

### 24 Other liabilities

Note	2017 \$000s	2016 \$000s
Current		
Fees and charges received in advance	16,139	17,390
Grants received in advance	2,677	2,343
Bonds and deposits	319	286
Lease revenue received in advance	221	221
Other	1,579	924
Total current other liabilities	20,935	21,164
Non-current		
Lease revenue received in advance	6,491	6,712
Total non-current other liabilities	6,491	6,712
Total other liabilities	27,426	27,876

## 25 Reserves and retained surplus

### 25.1 Reserves

Property, plant and equipment revaluation reserve	674,680	719,322
General reserve	5,826	6,204
Perpetual funds	8,507	8,507
Available-for-sale reserve	19,236	12,107
Total reserves	708,249	746,140

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

## 25.2 Movements

Note	2017 \$000s	2016 \$000s
Property, plant and equipment revaluation reserve		
Balance as at 1 January	719,322	719,322
Revaluation increase / (decrease) (net)	(44,642)	-
Balance as at 31 December	674,680	719,322
General reserve		
Balance as at 1 January	6,204	5,854
Transfer from MDFRC*	(378)	350
Balance as at 31 December	5,826	6,204
Perpetual funds		
Balance as at 1 January	8,507	8,507
Transfers from accumulated funds	-	-
Balance as at 31 December	8,507	8,507
Available-for-sale reserve		
Balance as at 1 January	12,107	11,954
Net movements in financial assets classified as available-for-sale	7,129	153
Balance as at 31 December	19,236	12,107
Total reserves	708,249	746,140

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

## 25.3 Movements in retained surplus

Opening balance	548,057	510,578
Net operaing result for the year	29,045	37,479
Retained surplus at end of the financial year	577,102	548,057

## 26 Remuneration of auditors

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

	Note	2017 \$000s	2016 \$000s
Audit and review of the financial statements			
Fee paid to Victorian Auditor General's Office (refer note below)		125	106
Total paid for audit and review		125	106

Note: Excludes credit received pertaining to audit for the financial year 2016

Other audit and assurance services		
Fees paid to other auditors	56	61
Total paid for audit and assurance	56	61

## 27 Reconciliation of operating result to net cash flows from operating activities

	Note	2017 \$000s	2016 \$000s
Operating result for the year		29,045	37,479
Non cash flow items in operating result			
Depreciation and amortisation	9	68,667	68,851
Net loss on disposal of property, plant and equipment	13	552	588
Provision for bad and doubtful debts		254	156
Dividend income reinvested		(2,070)	(596)
Unrealised capital gain/(loss) on investments		(87)	(128)
Net cash inflow from operating activities before change in assets and liabilities		96,361	106,350
Change in operating assets and liabilities:			
(Increase) / decrease in trade and other receivables		6,303	1,489
(Increase) / decrease in inventories		97	359
(Increase) / decrease in other non-financial assets		(647)	(7,746)
Increase / (decrease) in payables		14,332	17,268
Increase / (decrease) in other current liabilities		(450)	(2,006)
Increase / (decrease) in provision for employee benefits		3,809	4,162
Net cash inflow from operating activities		119,805	119,876

#### Financial risk management 28

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

		Weighted average effective interest rate	average live t rate	Variable interest	interest	Maturing within 1 year	thin 1 year	Maturing 1 to 5 years	to 5 years	Maturing over 5 years	er 5 years	Non-interest bearing	t bearing	Total	-a
-	Note	2017	2016	2017 '000s	2016 '000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assets															
Cash and cash equivalents	15	1.66	1.90	52,036	45,206	•	'	•	'	•	1	•	1	52,036	45,206
Trade and other receivables	16	1	,	'	'	1	,	•	'	٠	,	14,389	19,245	14,389	19,245
Held to maturity investments															
Term deposits over 90 days	17	2.48	2.68	•		10,079	24,368	•	'	•	1	,	'	10,079	24,368
Fair value through profit or loss															
Debentures	17	•	6.05	1	480	1	1	•	1	•		1	'	1	480
Units in unit trusts	17	•	1	ı		ı	1	1	1	•	'	94	319	94	319
Listed shares	17	•	1	ľ		ľ	'	1	1	1	'	337	269	337	697
Deferred receivable for superannuation	16	•	1	•		•	1	•	1		1	71,398	71,090	71,398	71,090
Available for sale financial assets															
Shares at cost and at fair value	17	ı	'	1	1	1	1	1	1	•	1	18,844	13,650	18,844	13,650
Long term managed funds	17	1	'	•	'	1	'	•	'	•	'	50,842	45,077	50,842	45,077
Total financial assets		•		52,036	45,686	10,079	24,368	•	ı	,	1	155,904	150,078	218,019	220,132
Financial liabilities															
Trade and other payables	21	•	'	1	1	Т	1	1	'	1	'	73,172	58,251	73,172	58,251
Fees and charges received in advance	24	1	'	•	ı	•	1	•	'	,	'	16,139	17,390	16,139	17,390
Debentures loans	22	6.51	6.65	Т	'	2,520	2,364	7,039	6,559	1	1	•	'	9,559	11,923
Grants and donations received in advance	24	r	1	•	1	'	1	1	ı	•	ı	2,677	2,343	2,677	2,343
Other revenue received in advance	24	r	1	•	ı	'	ı	•	'	•	1	8,070	7,857	8,070	7,857
Bonds and deposits	24	•	1	T	'	T	'	1	1	1	1	319	286	319	286
Commercial bills	22	6.12	6.12	1	1	1,069	1,005	1,431	2,500	1	1	•	1	2,500	3,505
Fixed rate loan	22	4.39	6.84	1	1	4,500	4,500	22,500	18,000	13,125	22,125	•	'	40,125	44,625
Defined benefit superannuation obligation	23	1	'	•	1	•	1	•	1	•	'	71,398	71,090	71,398	71,090
Total financial liabilities		•		•		8,089	7,869	30,970	30,059	13,125	22,125	171,775	157,217	223,959	217,270

## **28** Financial risk management (cont...)

### 28.2 Risk management

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

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

#### 28.3 Market risk

#### Price risk

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

#### Interest rate risk

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

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

				Interest	rate risk	Price	risk
	2017			+/-1%	+/-2%	+/-3%	+/-10%
31 December 2017	Carrying amount	Current rate	Annual return at current rate	Result	Result	Result	Result
	\$	%	\$000s	\$000s	\$000s	\$000s	\$000s
Listed shares	337	-	-	-	-	10	34
Cash and cash equivalents	52,036	1.66	864	520	1,041	-	-
Total increase/(decrease)	52,373		864	520	1,041	10	34

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

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

#### Foreign exchange risk

The University has minor exposure to foreign exchange movements via foreign purchases of goods or services. The University manages material foreign exchange risk by hedging the purchases using forward exchange contracts. As at 31 December 2017, the University had no outstanding contracts (2016 \$ nil).

#### 28.4 Credit risk

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

### 28.5 Liquidity risk

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

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

#### 29 Fair value measurement

#### 29.1 Fair value measurements

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

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

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

		Carry val		Fai valu	
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assets					
Trade and other receivables	16	14,389	19,245	14,389	19,245
Other financial assets - Term deposits over 90 days	17	10,079	24,368	10,079	24,368
Debentures	17	-	480	-	480
Units in unit trusts	17	94	319	94	319
Listed shares	17	337	697	337	697
Available-for-sale shares at fair value	17.2	16,330	11,047	16,330	11,047
Available-for-sale financial assets at fair value	17.2	50,842	45,077	50,842	45,077
Deferred receivable for superannuation	16	71,398	71,090	71,398	71,090
Total financial assets		163,469	172,323	163,469	172,323
Financial liabilities					
Trade and other payables	21	73,172	58,251	73,172	58,251
Fees and charges received in advance	24	16,139	17,390	16,139	17,390
Government financial assistance received in advance	24	2,677	2,343	2,677	2,343
Other revenue received in advance	24	8,070	7,636	8,070	7,636
Bonds and deposits	24	319	286	319	286
Debentures loans		9,559	11,923	9,559	11,923
Commercial bills		2,500	3,505	2,500	3,505
Fixed rate loan		40,125	44,625	40,125	44,625
Defined benefits superannuation obligations	31.3	71,398	71,090	71,398	71,090
Total financial liabilities		223,959	217,049	223,959	217,049

## **29** Fair value measurement (cont...)

The University measures and recognises the following assets and liabilities at fair value on a recurring basis:

- · Financial assets at fair value through profit or loss
- · Derivative financial instruments
- · Available-for-sale financial assets
- · Land and buildings

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). The quoted market price used for assets held by the University is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter-derivatives) is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held.

Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the University for similar financial instruments.

This applies to fair value items recognised in notes 29.1 through 29.5.

## 29.2 Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

Fair value measurements at 31 December 2017		2247			
	Note	2017 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
Recurring fair value measurements:					
Financial assets					
Units in unit trusts	17.1	94	94	-	-
Listed shares	17.1	337	337	-	-
Shares at fair value	17.2	16,330	130	-	16,200
Available-for-sale financial assets	17.2	50,842	50,842	-	-
Total financial assets		67,603	51,403	-	16,200
Non-financial assets					
Land	19	302,358		22,388	279,970
Buildings	19	595,140	-	-	595,140
Infrastructure	19	55,763	-		55,763
Works of art	19	20,260	-	-	20,260
Total non-financial assets		973,521	-	22,388	951,133

Fair value measurements at 31 December 2016					
	Note	2016 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
Recurring fair value measurements					
Financial assets					
Debentures	17.1	480	480	-	-
Units in unit trusts	17.1	319	319	-	-
Listed shares	17.1	697	697	-	-
Shares at fair value	17.2	11,047	333	-	10,714
Available-for-sale financial assets	17.2	45,077	45,077	-	-
Total financial assets		57,620	46,906	-	10,714
Non-financial assets					
Land	19	296,724	-	14,574	282,150
Buildings	19	575,529	-	-	575,529
Infrastructure	19	86,836	-	-	86,836
Works of art	19	14,219	-	14,219	-
Total non-financial assets		973,308	-	28,793	944,515

## **29** Fair value measurement (cont...)

#### i) Recognised fair value measurements

Fair value measurements recognised in the Statement of financial position are categorised into the following levels at 31 December 2017. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard. There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

#### Non-specialised land and works of art

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

For non-specialised land, an independent valuation was performed by AssetVal Pty Ltd. to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 31 December 2017.

For artwork, valuation of the assets is determined by a research of recent records of Australian and international sales, purchases and other forms of acquisition. The collection was valued from catalogue descriptions with reference to published price indicators. The effective date of the valuation was 31 December 2017.

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

#### Specialised land and specialised buildings

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

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

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

An independent valuation of the University' specialised land and specialised buildings was performed by AssetVal Pty Ltd. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2017.

Note: The valuers, AssetVal Pty Ltd. provided the University with a valuation for land assets at Bundoora. Management's discussion including that with the auditors agreed that the University will obtain a second opinion on these land assets in 2018. As a result, the value of University's land at Bundoora campus has been kept at existing book value based on the valuation performed at the end of 2015 financial year.

#### Infrastructure

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

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

An independent valuation of the University's infrastructure was performed by the AssetVal Pty Ltd. The effective date of the valuation is 31 December 2017.

#### Investment in Education Australia

The fair value of listed shares was determined by independent valuer ShineWing Australia Pty Ltd. The University owns shares in Education Australia Ltd. IDP Education Ltd jointly owned by listed job search company SEEK and Education Australia, which represents 38 Australian universities. Each of the 38 Universities owns an equivalent amount of shares in Education Australia. IDP Education Ltd listed on the Australian Stock Exchange (ASX) in November 2015 under the ASX code "IEL". As at 31 December 2017, the ASX share price was \$6.15 resulting in a market value of \$771,195 million. ShineWing Australia assessed the fair market value of Education Australia as \$615,638 million after taking into consideration a 30% discount on the value of Education Australia's investment in IDP Education Ltd due to escrow arrangement and this equates to a value of \$16,200 million (level 3).

IDP Education Ltd shares held by Education Australia are traded in an active market. As such the valuation of these shares has been determined by an appropriately skilled independent third party. The basis of the valuation is to include the cash balance in Education Australia and ASX share price of IDP Education Limited at 31 December 2017 and then a apply a discount due to the shareholder agreement and timing of potential share divestment by the 38 university shareholders.

Where the valuation techniques including discounting and other techniques considered appropriate in the circumstance have been employed in pricing or valuing investments, the valuation are inherently subject to estimation uncertainty. Given the inherent subjectivity, the underlying inputs and assumptions are reviewed on an on-going basis to ensure the valuations reflect the best estimates of the economic conditions at reporting date.

#### (ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as financial assets at fair value through profit or loss – debenture, unit in Unit trust and Listed shares – disclosed in note 17) is based on quoted market prices for identical assets or liabilities at the reporting date (level 1). This is the most representative of fair value in the circumstances.

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

The fair value of non-current borrowings disclosed in note 22 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the University for similar financial instruments. For the period ending 31 December 2017, the borrowing rates were determined to be between 6% and 7%, depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

#### Recurring fair value measurements

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

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

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

- The use of quoted market prices or dealer quotes for similar instruments:
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Land and buildings are valued independently every three years. At the end of each reporting period, the University updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The University determines the property's value within a range of reasonable fair value estimates.

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

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

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

## **29** Fair value measurement (cont...)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2017 and 2016.

Level 3 Fair value measurement 2017	Land	Buildings	Infrastructure	Works of art	Shares	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Opening balance	282,150	575,529	86,836	-	10,714	955,229
Transfers from level 2	-	-	-	14,219	-	14,219
Additions	-	16,216	8,817	505	-	25,538
Transfers from work in progress	-	29,769	20,545	-	-	50,314
Revaluation increase/(decrease)	(2,180)	(4,647)	(56,960)	5,536	5,486	(52,765)
Disposals	-	-	-	-	-	-
Depreciation expense	-	(21,727)	(3,475)	-	-	(25,202)
Closing balance	279,970	595,140	55,763	20,260	16,200	967,333
Level 3 Fair value measurement 2016	Land	Buildings	Infrastructure	Works of art	Shares	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Opening balance	282,150	579,428	85,472	-	9,198	956,248
Additions	-	83	52	-	1,516	1,651
Transfers from work in progress	-	19,146	6,599	-	-	25,745
Disposals	-	(23)	(157)	-	-	(180)

(23,105)

575,529

(5,130)

86,836

(28,235)

955,229

10,714

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

282,150

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment.
Specialised buildings	Depreciated Replacement Cost (DRC)	DRC starts with the replacement cost of the building. An assessment of depreciation is undertaken, with consideration for various areas of obsolescence, including physical, technological and functional.
Infrastructure	Depreciated Replacement Cost (DRC)	DRC starts with the replacement cost of the building. An assessment of depreciation is undertaken, with consideration for various areas of obsolescence, including physical, technological and functional.
Works of art	Sample Survey Valuation Methodology	Statistical calculation based on extrapolation of sample valuations.
Investments	Market approach	The investment in IDP Education Ltd was discounted by 30% to reflect the illiquid market to sell the shares after the escrow period ceased with the only viable method of executing a transaction would be via a trade sale (due to the transaction would likely involve a material number of shares). Together with the complexity in the Shareholders Agreement to execute a sale of the shareholding, results in difficulty to realise the value of the investment. The Board of Education Australia has not initiated any action that would allow a University Shareholder to realise their investment in Education Australia.

Depreciation expense

Closing balance

#### 30 Commitments

## 30.1 Lease commitments

#### **Operating leases**

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

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

Note	2017 \$000s	2016 \$000s
Within one year	8,504	4,718
Between one year and five years	9,282	7,246
Later than five years	12,892	8,691
Total future minimum lease payments	30,678	20,665

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

### 30.2 Capital commitments

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

Property, plant and equipment		
Within one year	65,143	51,492
Between one to five years	2,400	24,492
Total	67,543	75,984

## 31 Superannuation plans

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

## 31.1 Summary of superannuation scheme payments

UniSuper defined benefit division accumulation super (2) (DBD)	31.2	35,154	31,557
Unisuper accumulation super (1)	31.2	13,875	12,868
Victorian superannuation board (Unfunded-Emerging)	31.3	4,852	5,042
Total		53,881	49,467

## 31 Superannuation plans (cont...)

### 31.2 UniSuper Limited

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

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

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

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

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

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

The employer contribution rate for 2017 is 14% of employee salaries and represents an employer/employee contribution rate of 2:1. These rates are based on the actuarial review completed on 31 December 2017 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$35,154,245 (2016 \$31,556,602). It should be noted that effective 1 July 1995 employees had the option of making the equivalent of their 7% contributions from pre-tax income. Therefore the employer paid \$7,730,911 (2016 \$7,229,624) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2017 totalled \$nil (2016 \$nil). There are no loans to fund members.

#### **UniSuper Accumulation Super (1)**

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

The University contributes the equivalent of 3% of base salary in respect of those employees who were members of the Defined benefit plan or the Investment choice plan.

Casual and non-permanent employees who do not qualify for membership of the DBD will have a minimum contribution 9.5% of their annual salary contributed by the University to the APP prescribed under the Superannuation Guarantee Charge Act 1992.

The employer contribution rate is 3% of employee salaries where the staff member is a member of the DBD. Where UniSuper Accumulation Super (1) is the only scheme the current contribution rate is 9.5%. Employer contributions for the year totalled \$13,874,937 (2016 \$12,867,776). There were no outstanding employer contributions as at 31 December 2017 (2016 \$nil). There are no loans to fund members.

### 31.3 Victorian Superannuation board

(ESS) (formerly State Government Superannuation Fund). Amounts reported herein relate to unfunded superannuation liabilities as determined by the above mentioned fund.

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

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

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

The movements in the liability and the payable of \$308,000 during the 2017 year (2016 decrease by \$2,448,000) has no financial impact on the operating result. While the Net assets has not altered with these changes, both the Total assets and Total liabilities have increased by \$308,000 (2016 decrease by \$2,448,000).

During 2017, La Trobe University's contributions to the Fund totalled \$4,851,539 (2016 \$5,042,719). There were no outstanding employer contributions as at 31 December 2017 (2016 \$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.

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

for the year ended 31 December 2017

The relevant accounting transactions are detailed below:

#### (i) Statement of comprehensive income items

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

Note	2017 \$000s	2016 \$000s
Salary related expenditure increase/(decrease) in Superannuation liability	308	(2,448)
Miscellaneous income / (decrease) in amount receivable for superannuation	308	(2,448)

Amounts relate to the overall increase/decrease in the outstanding superannuation liability and the corresponding receivable from \$71,090,000 at 31 December 2016 to \$71,398,000 at 31 December 2017 as determined by the Fund.

#### (ii) Amounts receivable from the Commonwealth Government

Current		4,712	5,135
Non-current Non-current		66,686	65,955
Total	16	71,398	71,090

#### (iii) Unfunded superannuation liability

Current		4,712	5,135
Non-current		66,686	65,955
	23	71,398	71,090

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

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

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the PricewaterhouseCoopers Securities Limited ("actuaries") and relates to State Superannuation Fund based on the 31 December 2017 valuation date, adjusted for applicable sensitivities to discount rates at Statement of financial position date.

An arrangement exists between the Australian government and the State government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Statement of financial position under Employee benefits and provisions with a corresponding asset recognised under Trade and other receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University.

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

## 32 Joint operations

## 32.1 Joint operations and associates

#### **Biosciences Research Centre**

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

The BRC is:

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

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

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

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

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

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

#### Murray-Darling Freshwater Research Centre

The Murray-Darling Freshwater Research Centre is a joint venture between La Trobe University and CSIRO that focuses on the generation and communication of freshwater ecological knowledge of floodplain ecosystems in the Murray-Darling basin, in particular providing advice and solutions to water managers to optimise their management decisions. The Board of MDFRC decided that from 7 August 2015 La Trobe University would take over the role as Centre agent for the Murray darling freshwater research centre from the previous Centre agent (MDFRC Pty Ltd) on behalf of the joint venture. This was done to achieve efficiencies in delivery of administrative functions, reduce duplication of systems and strengthen governance and accountability of the Centre.

The Centre is:

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

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

The MDFRC board is currently reviewing the JV agreement and continuation of Joint venture within the same capacity.

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

for the year ended 31 December 2017

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Own	erch	ın ın	itere	ST %

Name of joint arrangement/associate	Nature of relationship	Principal place of business	2017	2016
Biosciences Research Centre	Joint operations	La Trobe University, Melbourne	25	25
Murray-Darling Freshwater Research Centre	Joint operations	La Trobe University, Wodonga and Mildura	50	50

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

	2017 \$000s	2016 \$000s
Cash	-	-
Receivables	1,760	1,316
Prepayments	15	15
Inventory	-	-
Non-current assets	220	233
Leased assets	53,743	55,353
Total assets	55,738	56,917
Payables	626	745
Income in advance	880	773
Provisions	149	90
Non-current liabilities	69	81
Total liabilities	1,725	1,689

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

Research revenue	11,562	10,848
Other revenue	35	424
Total revenue	11,598	11,272
Staff and related costs	(3,155)	(3,888)
Occupancy costs	(1,051)	(1,577)
Administrative costs	(2,918)	(2,669)
Depreciation	(33)	(52)
Amortisation expense-finance lease asset	(1,610)	(1,610)
Other categories of expenditure	(4,865)	(4,631)
Total expenditure	(13,633)	(14,427)
Net operating loss from jointly controlled operations and assets	(2,035)	(3,155)

Capital commitments and contingent liabilities arising from the University's interests in joint ventures are included in notes 30 and 33 respectively.

#### Joint arrangements

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

#### Joint operations

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

## 33 Contingencies

### 33.1 Contingent assets

There were no contingent assets to report.

### 33.2 Contingent liabilities

During 2017, 29 new WorkCover claims have been raised against the University. However, 48 active claims are currently under review by the insurer. The impact of these claims on the consolidated operating results of the University cannot be reasonably estimated at this time.

The December 2016 storm damage was significant and remains unfinalised at this time. The exposure to La Trobe remains limited to the excess of \$50,000.

A freezer failure in November 2017 at the AgriBio facility has led to the loss of research samples and holds a current estimate of \$250,000, however the exposure to La Trobe is limited to the excess of \$50,000.

A further storm claim occurring in December 2017 holds a preliminary estimate of \$150,000. Whilst the University is gathering the requisite information to establish the full quantum of loss, the exposure to La Trobe is limited to the policy excess of \$50,000.

### 34 Events occurring after the reporting date

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

## 35 Key management personnel disclosures

# 35.1 Names of responsible persons and executive officers

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

#### (a) Responsible Minister of Training and Skills

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

#### (b) Accountable officer

The person who held the position of accountable officer:

· John Dewar, Vice-Chancellor

Remuneration received by the Accountable officer in connection with the management of the University during the reporting period was in the range \$910,000 to \$920,000 (\$840,000 to \$850,000 in 2016).

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

- Professor Richard G Larkins, Chancellor (Term started 28 February 2017)
- Adrienne E Clarke, Chancellor (Term concluded 28 Feb 2017)
- 3) Professor John Dewar, Vice Chancellor (Accountable Officer)
- 4) Professor Christine Bigby (Chair, Academic Board)
- 5) Mr Andrew Eddy
- 6) Mr Kevin Kapeke
- 7) Mr Peter McDonald
- 8) Dr Philip Moors
- 9) Dr Jillian Murray
- 10) Ms Deborah Radford
- 11) Ms Yvonne von Hartel
- 12) Mr Adam Furphy
- 13) Ms Christine Christian
- 14) Ms Margaret Burdeu
- 15) Mr Michael Gay
- 16) Professor Edwina Cornish
- Professor Marilyn Anderson (Term concluded 31 March 2017)

## 35.2 Remuneration of responsible persons

	2017 Number	2016 Number
\$1 to \$9,999		1
\$10,000 to \$19,999	1	-
\$20,000 to \$29,999	1	-
\$30,000 to \$39,999	3	-
\$40,000 to \$49,999	7	7
\$70,000 to \$79,999	1	-
\$80,000 to \$99,999	-	1
Responsible Persons who received no remuneration (Community representatives)	4	5
Total numbers	17	14

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

#### 35.3 Remuneration of executive officers

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

\$30,000 - \$39,999	1	-
\$150,000 - \$159,999	1	-
\$180,000 - \$189,999	1	-
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	-	1
\$330,000 - \$339,999	-	1
\$350,000 - \$359,999	2	1
\$390,000 - \$399,999	-	1
\$400,000 - \$409,999	-	1
\$440,000 - \$449,999	1	-
\$460,000 - \$469,999	1	2
\$540,000 - \$549,999	1	1
\$580,000 - \$589,999	1	-
Total numbers	11	8
Total annualised employee equivalent (AEE)	7.97	7.77
Total Remuneration of Executive Officers for the Year	3,601	3,279

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

The total remuneration of Executive Officers is disclosed below:

	2017 \$000s	2016 \$000s
Short-term employment benefits	3,108	
Post-employment benefits	366	
Other long-term benefits	126	
Termination benefits	-	
Total remuneration	3,601	

This is the first year of implementation and hence no comparatives have been disclosed.

### 35.4 Key management personnel compensation

	2017 \$000s	2016 \$000s
Short-term employment benefits	1,399	
Post-employment benefits	58	
Other long-term benefits	-	
Termination benefits	-	
Total remuneration	1,457	

This is the first year of implementation and hence no comparatives have been disclosed.

## 35.5 Other related party transactions

A responsible person Adrienne Clarke AC, Chancellor of La Trobe University, was a shareholder of Hexima Limited which has provided contract research to the University. During the year 2017, she is no longer a shareholder of Hexima Limited.

A responsible person Marilyn Anderson, Member of Council (term ended 31 March 2017) was a shareholder, Chief Scientist and Executive Director for Hexima Limited. The aggregate amounts of the research services provided by Hexima Limited, during the period of relationship were:

	Total ex (Exclusive	penses e of GST)
	2017 \$	2016 \$
Hexima Limited	-	3,159

A responsible person Peter McDonald, Member of Council, is a Board director of Northern Health, which enters into partnership with La Trobe on an ongoing basis. During the year 2017, Peter McDonald is no longer a Board member in Northern Health. The aggregate amounts in respect of transactions during the period of relationship were:

	Total ex (Exclusiv	rpenses e of GST)
	2017 \$	2016 \$
Northern Health	1,248	1,069

## 36 Acquittal of Australian government financial assistance

## 36.1 Education - CGS and other education grants#

	Commonwealth grants Indigenous Partnership at scheme no. 1 support program participation pro				Professional Control				
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian government for the program)		229,780	227,853	815	563	4,875	5,862	326	296
Net accrual adjustments		-	-		-	42	(144)	-	-
Revenue for the period	2.1	229,780	227,853	815	563	4,917	5,718	326	296
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		229,780	227,853	815	563	4,917	5,718	326	296
Less expenses including accrued expenses		(229,780)	(227,853)	(815)	(563)	(4,917)	(5,718)	(326)	(296)
Surplus/(deficit) for the reporting period		-	-	-	-	-	-	-	-

		Promotion of Excellence in Learning and Teaching			Maths and Superannuation artnership Program			Total	
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian government for the program)		20	30	-	381	4,788	5,558	240,604	240,543
Net accrual adjustments		-	-		-	(400)	(609)	(358)	(753)
Revenue for the period	2.1	20	30	-	381	4,388	4,949	240,246	239,790
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		20	30	-	381	4,388	4,949	240,246	239,790
Less expenses including accrued expenses		(20)	(30)		(381)	(4,388)	(4,949)	(240,246)	(239,790)
Surplus/(deficit) for the reporting period		-	-	-	-	-	-	-	-

<sup>#1</sup> basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading. #2 Includes Equity Support Program.

## **36** Acquittal of Australian government financial assistance (cont...)

## 36.2 Higher education loan programmes (excl. OS-HELP)

		HECS-I (Australian G payment	overnment	FEE-I	HELP	SA-F	HELP
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Cash Payable/(Receivable) at the beginning of the year		(2,575)	-	260	210	(111)	86
Financial assistance received in cash during the reporting period		157,538	150,276	23,273	18,187	3,466	3,176
Cash available for the period		154,963	150,276	23,533	18,397	3,355	3,262
Revenue earned	2.2	155,647	153,132	21,331	18,187	3,259	3,176
Net accrual adjustments		(634)	(281)	(133)	(50)	(2)	197
Cash Payable/(Receivable) at the end of the year		(50)	(2,575)	2,335	260	98	(111)

## 36.3 Scholarships

		Austr Postgradua		International Postgraduate Research Scholarships		Indigenous Commonwealth Education Cost Scholarships	
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)			5,680	-	450	124	91
Revenue for the period	2.3	-	5,680	-	450	124	91
Surplus/(deficit) from the previous year		1,830	941	10	86	-	-
Total revenue including accrued revenue		1,830	6,621	10	536	124	91
Less expenses including accrued expenses		(1,830)	(4,791)	(10)	(526)	(124)	(91)
Surplus/(deficit) for the reporting period		-	1,830	-	10	-	-

## 36.4 Education research

		Joint Re Engag		JRE Eng Cadet	ineering ships	Rese Training	
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)			7,405		119		11,786
Revenue for the period	2.4	-	7,405	-	119	-	11,786
Surplus/(deficit) from the previous year		-	-	263	144	-	-
Total revenue including accrued revenue		-	7,405	263	263	-	11,786
Less expenses including accrued expenses			(7,405)	(147)	-		(11,786)
Surplus/(deficit) for the reporting period		-	-	116	263	-	-

Total							
2017 \$000s	2016 \$000s						
(2,426)	296						
184,277	171,639						
181,851	171,935						
180,237	174,495						
(769)	(134)						
2,383	(2,426)						

	ommonwealth on scholarships		enous cholarship	То	tal	
2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	
55	26	13	59	192	6,306	
55	26	13	59	192	6,306	
-	-	-	5	1,840	1,032	
55	26	13	64	2,032	7,338	
(55)	(26)	(13)	(64)	(2,032)	(5,498)	
-	-	-	-	-	1,840	

Research In Block (		Sustainable Excellence in			Research Support Training Program Program			To	tal
2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
	2,092		1,887	18,164	-	13,546	-	31,710	23,289
-	2,092	-	1,887	18,164	-	13,546	-	31,710	23,289
-	-	-	-	-	-	-	-	263	144
-	2,092	-	1,887	18,164	-	13,546	-	31,973	23,433
	(2,092)		(1,887)	(17,095)	-	(13,546)	-	(30,788)	(23,170)
-	-	-	-	1,069	-	-	-	1,185	263

#### $\textbf{Acquittal of Australian government financial assistance} \ (\textit{cont...})$ 36

## 36.5 Other capital funding

	Education Investment Fund			Otl	her	Total	
	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-		-	-	-
Revenue for the period	2.5	-	-	4,125	-	4,125	-
Surplus/(deficit) from the previous year		(39,564)	(39,564)	-	-	(39,564)	(39,564)
Total revenue including accrued revenue		(39,564)	(39,564)	4,125	-	(35,439)	(39,564)
Less expenses including accrued expenses		-	-	(4,125)	-	(4,125)	-
Surplus/(deficit) for the reporting period		(39,564)	(39,564)	-	-	(39,564)	(39,564)

## 36.6 Australian research council grants

		Projects Fellowships				Researchers pment	Total		
(i) Discovery	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		4,657	4,940	2,131	2,624	-	-	6,788	7,564
Net accrual adjustments		63	(64)	-	-	-	-	63	(64)
Revenue for the period	2.6(i)	4,720	4,876	2,131	2,624	-	-	6,851	7,500
Surplus/(deficit) from the previous year		5,133	5,042	3,208	2,708	25	25	8,366	7,775
Total revenue including accrued revenue		9,853	9,918	5,339	5,332	25	25	15,217	15,275
Less expenses including accrued expenses		(4,805)	(4,785)	(2,708)	(2,124)	-	-	(7,513)	(6,909)
Surplus/(deficit) for the reporting period		5,048	5,133	2,631	3,208	25	25	7,704	8,366

		Infrastructure International		ational	Proj	ects	Total		
(ii) Linkages	Note	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s	2017 \$000s	2016 \$000s
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)			-	-	-	515	940	515	940
Net accrual adjustments		-	-	-	-	88	-	88	-
Revenue for the period	2.6(ii)	-	-	-	-	603	940	603	940
Surplus/(deficit) from the previous year		145	145	13	13	621	593	779	751
Total revenue including accrued revenue		145	145	13	13	1,224	1,533	1,382	1,691
Less expenses including accrued expenses		-	-	-	-	(1,163)	(912)	(1,163)	(912)
Surplus/(deficit) for the reporting period		145	145	13	13	61	621	219	779

## 36.7 Other Australian government financial assistance

Note	2017 Number	2016 <b>Number</b>
Non-capital		
National Health and Medical Research Council <sup>^</sup>	11,225	8,811
Other Australian government financial assistance	480	99
Other Australian government financial assistance	11,705	8,910

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

# **Notes to and forming an integral part of the financial statements** for the year ended 31 December 2017

## 36.8 OS-HELP

Cash received during the reporting period	1,695	3,322
Cash spent during the reporting period	(2,287)	(2,787)
Net cash received	(592)	535
Cash surplus/(deficit) from the previous period	2,161	1,626
Cash surplus/(deficit) for the reporting period	1,569	2,161

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

## 36.9 Superannuation supplementation

Cash received during the reporting period	4,788	5,558
University contribution in respect of current employees	-	-
Cash available	4,788	5,558
Cash surplus / (deficit) from the previous period	366	(243)
Cash available for current period	5,154	5,315
Contributions to specified defined benefit funds	(4,387)	(4,949)
Cash surplus/(deficit) for this period	767	366

## 36.10 Student services and amenities fee

Unspent/(overspent) revenue from previous period		1,905	1,291
SA-HELP revenue earned	2.2	3,259	3,176
Student services fees direct from students	4	5,041	4,977
Total revenue expendable in period		10,205	9,444
Student services expenses during period		(8,312)	(7,539)
Unspent/(overspent) student services revenue		1,893	1,905

#### 37 Subsidiaries

The subsidiaries of the University are listed below.

		Total comprehensive income of the subsudiary		University's ownership interest in the subsidiary	
	Country of incorporation	2017 \$000s	2016* \$000s	2017 %	2016* %
Name of entity					
Unitemps La Trobe Ltd	Australia	25	NA	100	NA

<sup>\*</sup> The entity was incorporated on 1 May 2017 and hence prior period information is not applicable.

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

2017	\$000s
Income statement	
Total revenue	163
Total expenses	138
Net operating profit	25
Balance sheet	
Current assets	163
Total assets	163
Current liabilities	(138)
Total liabilities	(138)
Net assets	25

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

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

Subsidiaries are all those entities (including structured entities) over which the University has control. The University has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Power over the investee exists when the University has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

for the year ended 31 December 2017

## 38 Related parties

### 38.1 Subsidiaries

Interests in subsidiaries are set out in note 37.

## 38.2 Key management personnel

Disclosures relating to Council Members and specified executives are set out in note 35.

## 38.3 Transactions with related parties

The following transactions occurred with related parties:

	2017 \$000s	2016 \$000s
Amounts received on behalf of the subsidiary	163	-
Expenses incurred on behalf of the subsidiary	138	-

## 38.4 Outstanding balances

	2017 \$000s	2016 \$000s
Current receivables - subsidiary	122	-
Current payables - subsidiary	164	-

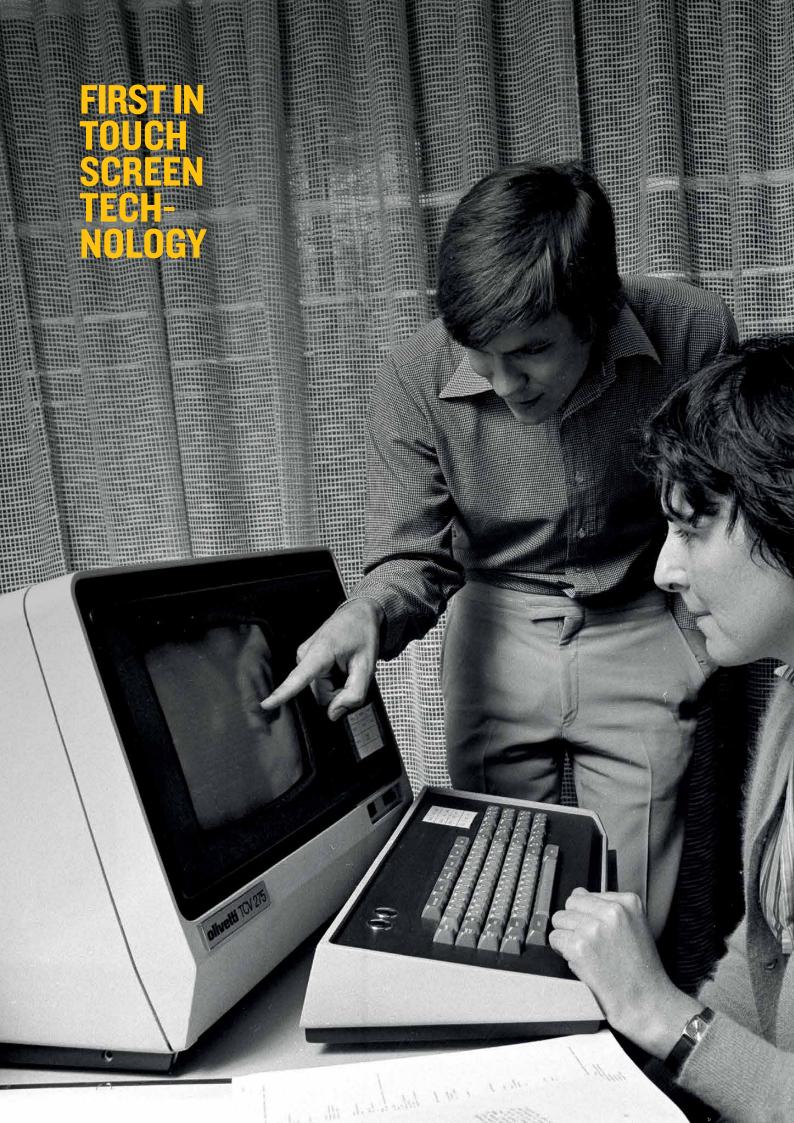
No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

## 39 Ex-gratia payment

### Payments made to employees during 2017

Ex-gratia payments associated with negotiated staff departures from the University in 2017 totalled \$496,041 (2016: \$791,121). These payments form part of termination benefits as reflected under Note 8 - Employee related expenses. The payments are categorised as per below:

Non-academic staff	\$439,571
Research staff	\$32,217
Academic staff	\$24,253



The Annual Report 2017 is available online at:

latrobe.edu.au/council/resources

## Contact

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