

## ANNUAL REPORT 2015



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## IMAGE

In 2015 the University welcomed a significant new addition to our sculpture collection – a family of Rhinos! Entitled 'Run for your Life', the family of three black Rhinos, created by artists Gillie and Marc, were gifted by Wonderment Walk Victoria. Wonderment Walk Victoria is a not-for-profit organisation committed to bringing art to public places, with installations that combine science, mathematics and art to engage passers-by with wonder, delight and curiosity. The University has developed a close relationship with Wonderment Walk Victoria, and is continuing to collaborate on new projects.

# LETTER OF TRANSMITTAL



**LA TROBE**  
UNIVERSITY

OFFICE OF THE CHANCELLOR

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**MELBOURNE CAMPUSES**

Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

22 March 2016

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 2015.

Yours sincerely

**Adrienne E Clarke AC**  
Chancellor

ABN 64 804 735 113  
CRICOS Provider 00115M

# MESSAGES

## Chancellor's message



Council's work during 2015 focused on two major projects which are transformational for the University. The first is monitoring implementation of the changes set out in the *Future Ready: Strategic Plan 2013-2017*. The second is the implementation of the campus masterplans for both Bundoora and Bendigo.

We also had some changes in Council membership. Professor Marilyn Anderson AO FAA FTSE had her position as a Ministerial Appointment extended to the end of 2016. Mr Andrew Eddy and Dr Phil Moors AO, both of whom are Deputy Chancellors, were reappointed. Mr Bill Kelty AC was also reappointed to the end of 2016. The three members who were appointed last year have brought their expertise to different sub committees of Council. Ms Yvonne von Hartel AM is contributing to the Infrastructure and Estates Planning Committee. Emeritus Professor Richard Larkins AO is contributing to both the Human Resources Committee and Corporate Governance Audit and Risk Committee. Ms Deborah Radford has joined both the Finance and Resources Committee and Corporate Governance Audit and Risk Committee. In addition, she has taken on the very important role of chairing the Foundation Committee. This is a critical role as planning for the 50th Anniversary celebrations in 2017 progresses. We are very grateful that Ms Radford has agreed to take on this additional leadership role.

Towards the end of 2015, legislation was passed in the Victorian Parliament to add elected staff and student members to Council. Elections will take place in the first half of 2016 for these positions.

The reform program as set out in the Strategic Plan is starting to yield results. Our financial result is strong, which gives us a stable platform for growth. Our research performance improved significantly and consequently our position in the national and international rankings also improved. We look forward to further successes during 2016.



**Adrienne E Clarke AC**  
Chancellor

## Vice-Chancellor's message



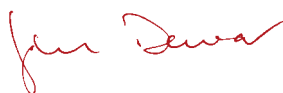
During 2015 we updated La Trobe University's *Future Ready: Strategic Plan 2013-2017* with a renewed focus on our mission, our culture, our regions and four pillars of a distinctive La Trobe: outstanding student experience, student employability, research excellence and brilliant basics. We restated our vision 'to be a University where inclusiveness and globally recognised excellence meet' and maintained our ambitious enrolment targets and our aspiration to be ranked amongst the world's best universities.

We made considerable progress towards our goals during 2015, a year in which we grew our teaching, research, partnership and community engagement activities and simultaneously implemented the most significant reform program this University has seen. The changes we made were essential for our advancement and by year's end we had some clear evidence that the University's transformation was taking effect. The 2015 Excellence in Research for Australia (ERA) results showed an astonishing improvement in our performance compared to the previous assessment in 2012, with La Trobe ranked as one of the top 10 research universities in Australia.

In 2015, we also saw the University regain its place in the top 400 universities in the world according to both the QS and Times Higher Education rankings; jumping 25 positions to number 75 in the Times Higher Education list of the world's top 100 universities under 50 years of age; and rank among the top 100 universities in the world for Arts and Humanities.

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

I would like to congratulate all staff and students on their achievements. Together, we have set the platform for the University to achieve the ambitious targets we have set ourselves for 2017.



**Professor John Dewar**  
Vice-Chancellor  
La Trobe University



# LA TROBE AT A GLANCE

## Purpose/Mission

The purpose of La Trobe University is set out in the *La Trobe University Act 2009*.

“La Trobe’s founding mission was, and remains, to serve the community of Victoria for the purposes of higher education, for the education, economic, social and cultural benefit of Victorians and for wider Australian and international communities.

From inception, La Trobe has been particularly focused on providing access to quality higher education to those from disadvantaged backgrounds and has become an internationally recognised leader in this field. Innovation in teaching and research was, and remains, central to its mission.

Through this re-enactment of its foundation legislation, La Trobe University reaffirms its commitment to the pursuit of excellence and innovation, providing for the needs of the Victorian, Australian and international communities.”

## Vision and aspiration

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

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

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

## Our culture

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

## Connected

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

## Innovative

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

## Accountable

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

## Care

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

## Our values

La Trobe University’s values are outlined in *Future Ready: Strategic Plan 2013-2017*. Five values guide everything we do.

At La Trobe University we:

- take a world view
- pursue ideas and excellence with energy
- treat people with respect and work together
- are open, friendly and honest
- hold ourselves accountable for making great things happen.

## Quick facts

- Established in 1964
- First enrolments in 1967–552
- Student load (EFTSL) in 2015 (provisional) – 27,587
- Staff (full-time equivalent) in 2015 (provisional) – 1,880
- More than 178,000 alumni
- Campuses in Melbourne (Bundoora and CBD), Bendigo, Albury-Wodonga, Mildura and Shepparton
- Colleges: Science, Health and Engineering (SHE); and Arts, Social Sciences and Commerce (ASSC)

## Acknowledgement

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

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

# LA TROBE UNIVERSITY – 50 YEARS IN THE MAKING

We believe that higher education is transformative. It shapes people and transforms societies. Our purpose is and always has been to serve our communities for their social, economic and cultural benefit.

More than 178,000 students have graduated from La Trobe since we opened our doors in 1967. Next year we celebrate our 50th birthday.

Among our graduates are the CEOs of prominent organisations, parliamentarians, human rights activists, medical researchers and Olympians. They are also nurses, teachers, journalists, engineers, artists and lawyers who have transformed lives, professions and communities.

## Learning Essentials

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

## Research excellence

Ours is a community that creates knowledge. Researchers at the La Trobe Institute for Molecular Science are looking for new ways to fight disease, while at the Centre for AgriBioscience we're tackling climate change, drought and other threats to Australia's agriculture. At the La Trobe Rural Health School, we're improving health and wellbeing in rural and regional communities.

To ensure that we stay at the forefront of fields that are changing the world – molecular science, biotechnology, nanotechnology, health science and agricultural bioscience – we've invested more than \$500 million in new centres of learning and research.

We have a long proud history in the humanities, challenging the status quo, leading debates and championing issues of social justice.

## Ranked top three in Victoria

We have been ranked among the top 10 universities in Australia, and the top three in Victoria, for the numbers of specific fields of research ranked at 'well above world standard' in the latest official Government Excellence in Research for Australia (ERA) survey. We achieved top rank in three broad discipline groups.

La Trobe's strengths extend to the Arts and Humanities. La Trobe is among the world's elite institutions in more than a third of subjects assessed in the 2015 QS World University Rankings. We featured in the top 100 global universities in History (number six in Australia), Sociology (7th nationally), and Communication and Media studies (9th nationally). Seven La Trobe subjects were in the world's top 200 list: Linguistics, Agriculture, Psychology, Accounting and Finance, Education, Law, Politics and International Studies.

Overall, La Trobe is ranked in the top 400 Universities by QS World University Rankings and the Times *Higher Education* World University Rankings.

## Global connections

To solve global problems, you need a global perspective. So, we've formed partnerships with more than 150 institutions in 45 countries and we encourage our students to take part in overseas programs as part of their studies. In 2015, we gave travel grants or scholarships to more than 800 students to study with partners like the National University of Singapore, Michigan State University and the University of Essex.

## Charles La Trobe

Our University is named after the pioneering government administrator Sir Charles Joseph La Trobe, who played a significant role in establishing the cultural, government, educational and artistic foundations of the state of Victoria more than 200 years ago.

Sir Charles arrived in Australia in the 1830s, just four years after white settlement. He was the state's first Lieutenant-Governor and oversaw the creation of vital infrastructure, services and parklands.

He was also motivated by progressive social values. That sentiment is echoed in the University's founding mission and inspired a tradition that continues to this day – a commitment to excellence and to increasing higher education attainment for students from all walks of life.



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

## Strategic research focus

Our research activity recognises the challenges of the modern world and focuses the University's efforts and expertise in five key areas:

- Building healthy communities
- Securing food, water and the environment
- Sport, exercise and rehabilitation
- Transforming human societies
- Understanding disease

These focus areas are based on multidisciplinary research collaborations. La Trobe is building on our strengths, and forging alliances with industry and community partners to develop our expertise and capability.

We will further develop in these five areas of research strength through investment in research leadership and infrastructure.

## A strong regional presence

We are Victoria's largest provider of university education in regional Victoria, with campuses in Albury-Wodonga, Bendigo, Mildura and Shepparton. We are committed to providing quality tertiary education to these communities. The majority of our regional graduates develop careers in their local areas, building stronger communities in regional Victoria and reducing the flow of young people to capital cities.

## A class above

La Trobe University offers subjects and courses ranging from science, health and engineering to arts, social sciences and commerce.

Our graduates are renowned for their employability, for their deep understanding of the most pressing challenges facing the global community and their ability to address those challenges intelligently and decisively.

Our students are thriving at our lively, friendly, connected campuses. Our curriculum is relevant and respected, and delivered by exceptional teaching staff. We constantly renew our curriculum and redevelop teaching facilities to embrace advances in technology and teaching practice.

## Part of our community

La Trobe's campuses are reaching outward. We want to engage more effectively with our neighbours and reinvigorate campus life. We are playing a leading role in developing a new regional strategy for Melbourne's north and aim to form deep relationships with the communities adjoining our campuses. These relationships are supported by our Research and Development Parks in Melbourne, Bendigo and Albury-Wodonga. This is the largest university-owned technology park network in Australia.

Our parks are already home to a branch of the Walter and Eliza Hall Institute of Medical Research, Victoria Police Forensic Services Department, Hexima Limited and the Co-operative Research Centre for Vaccine Technology.

## Making Bendigo a university city

The central Victorian city of Bendigo hosts our second-largest campus. Home to about 5,000 students this campus plays a key role in Bendigo's economy, serving as an education hub, prominent employer and a valued cultural resource. We've established the La Trobe Art Institute in conjunction with Bendigo Art Gallery, Bendigo Institute of TAFE and Bendigo Senior Secondary College. We are forging stronger links with cultural, economic and government leaders in the Bendigo region to build local capacity and self-reliance.



Professor Marilyn Anderson AO, LIMS Professor of Biochemistry and Charles La Trobe Fellow was awarded a \$1M award

### La Trobe research rankings improve

2015 Excellence in Research for Australia (ERA) results show an astonishing improvement in our research performance compared to the last assessment in 2012.

La Trobe has increased the number of specific research fields assessed at '4' and '5' from 16 in 2012 to 30 in 2015. We are clearly among the top 10 nationally, and one of the big three in Victoria, when it comes to the number of fields rated at 5 ('well above world standard'), and ahead of some smaller Group of Eight Universities on this measure.

We are also among the top 10 most improved universities since 2012.

In summary the results are:

- The best university in Australia for Biological Sciences (equal with ANU)
- The best university in Australia for Agricultural and Veterinary Studies
- The only top-rated university in Australia for Physiology

- Top rated with only two other universities in Veterinary Sciences, Animal Production, Biochemistry and Cell Biology, and Other Medical and Health Science
- Top rated with only three other universities in Archaeology, Analytical Chemistry, Crop and Pasture Production, and Microbiology
- Political Science, Social Work and Banking, Finance and Investment have moved from world standard (3) to above world standard (4).

On the research front, there were many achievements in 2015. We established expert research teams in Sports Medicine and Data Analytics, opened the Graduate Research School and were selected as the preferred academic partner for the Centre for Alcohol Policy Research (CAPR).

Our researchers were published in some of the world's most prestigious journals, and worked to make important discoveries that will have a major impact on society, exemplified by the discovery of the molecule that causes cachexia (wasting of the body) in cancer patients by Professor Nick Hoogenraad AO, Dr Amelia Johnston and the team in the Department of Biochemistry and Genetics.

Some of our early career researchers shone on the international stage: Mr John Tsartsafllis and Dr Phillip Bader from the Department of Mathematics and Statistics were selected to attend the Heidelberg Laureate Forum in Germany; Dr Lilit Thwaites from the Department of Languages and Linguistics won the inaugural \$5,000 Early Career Translator Prize at the 2015 NSW Premier's Literary Awards; and Dr Jodie McClelland and Mr Alex Schenk won prestigious Victoria Fellowships.

Professor Marilyn Anderson AO, LIMS Professor of Biochemistry and Charles La Trobe Fellow, also shared in a \$1M award from the Ramaciotti Foundation to support next-generation research into pharmaceuticals in plants.





Professor John Dewar formally welcomes our newest Aspire students to La Trobe



Student First launched a new La Trobe-wide Service Commitment to students, and rolled out an innovative customer service training program to over 800 staff



Jane Kelley is studying the disease-causing parasite liver fluke which she's discovered has developed drug resistance in some Victorian dairy herds, reducing their productivity

## Excellence in action

In 2015, we have seen many other highlights including a doubling in applications for our Aspire early admissions program; the opening of \$18 million student learning space The Learning Commons; the incredible popularity of Dr Rhiannon Evans' *Emperors of Rome* podcast, which surpassed one million downloads; the opening of a national centre of excellence managed by Dr Paul Pigram at our Melbourne Campus, which houses one of the country's best fabrication facilities; the launch of Wominjeka La Trobe, Victoria's first mandatory Indigenous learning program; the strengthening of our partnership with Melbourne City through the establishment of the City Football Group's Australian City Football Academy; our leadership in the national regional higher education policy debate; and the launch of our Bendigo campus master plan.

During 2015 we also launched the University's China Strategy, appointed Professor Chris Mackie as our inaugural Professor of Public Scholarship and the La Trobe Business School opened the first Yunus Social Business Centre in Australia. We presented a pop up winter elective at the Bendigo Art Gallery, with *Exhibiting Culture: Imagining Ned* taught at the Gallery by Dr Sue Gillett; and Professor Jane Farmer organised a group of La Trobe professors, lecturers and PhD students to set up a temporary community campus of the University for a special weekend of learning at Warracknabeal in June.

Dr Andrew Harvey's Access and Achievement Research Unit continued to win an impressive share of national research funding, and devised a methodology for ranking universities that includes measures of equity and diversity as well as narrow research metrics (on which La Trobe ranked equal second nationally). The University was also ranked as one of the most inclusive Australian universities for people of diverse sexual orientation, sex or gender identity, following the release of the first-ever Australian lesbian, gay, bisexual, transgender and intersex (LGBTI) University Guide in February.

## Teaching and learning excellence

In teaching and learning, we worked to redesign 127 subjects under the Digital Learning Strategy, and funded 26 Innovation Grants. Dr Felicity Blackstock, Dr Brianna Julien and Dr Louise Lexis received prestigious Citations for Outstanding Contributions to Student Learning from the Australian Government's Office for Learning and Teaching.

During 2015 we also sought to place students at the centre of our work by launching a new customer experience improvement program, Student First, and we began offering the Regional Reward to boost job prospects and provide international exchange opportunities for our regional students.

We also enhanced our commitment to Science Technology Engineering and Mathematics (STEM) education through a new partnership with LifeJourney, a US-based online mentoring program. As LifeJourney's foundation Australian university partner, from next year 10,000 students will have access to mentor programs specifically developed for La Trobe.

## Stories of student success

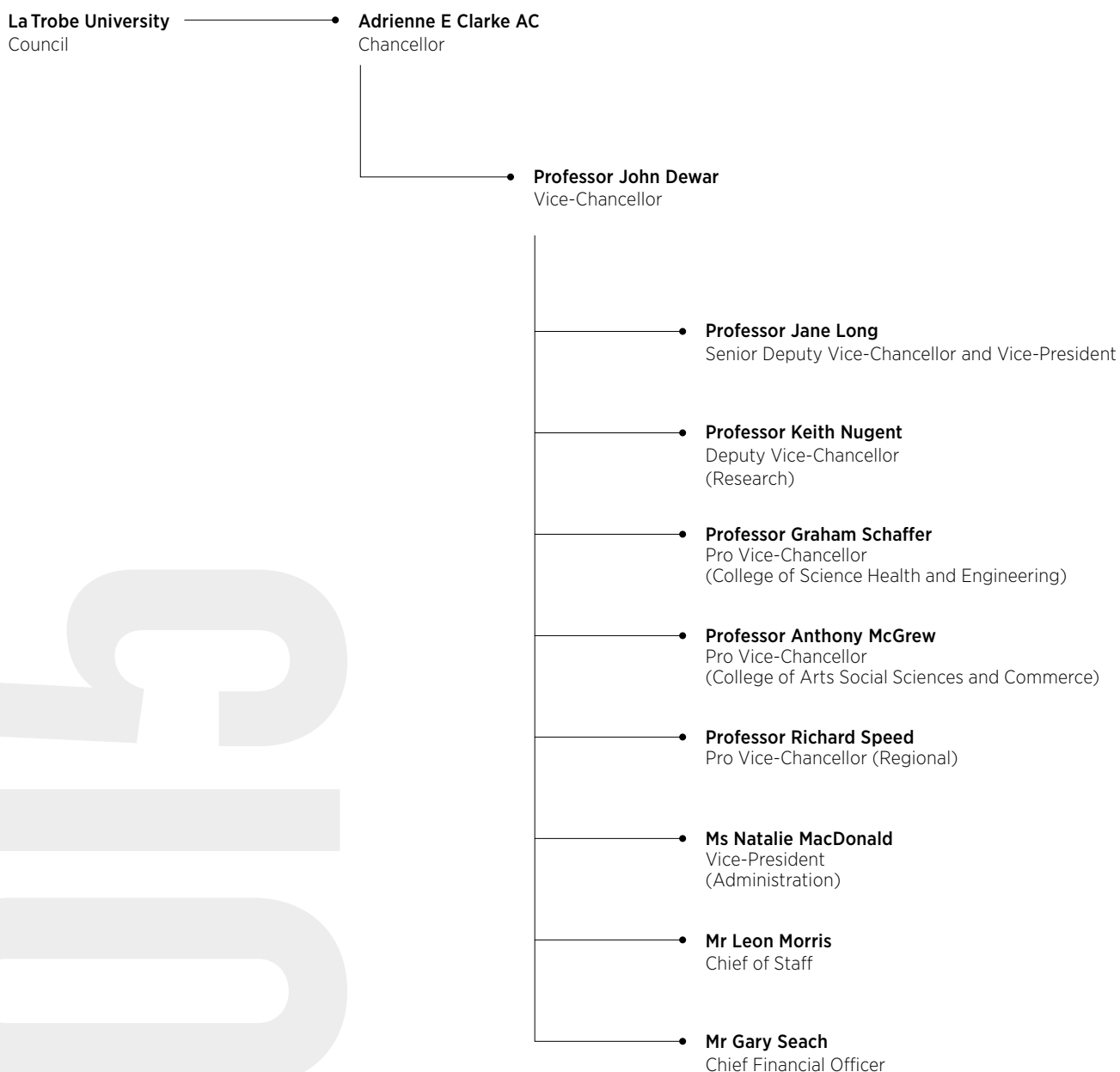
Our students had some extraordinary success in 2015. PhD student Ms Jody Gerdt, who is studying in the School of Life Sciences at the Bendigo campus, secured funding of \$150,000 from the Rural Industries Research and Development Corporation, Horticulture Innovation Australia Limited and the Australian Government to study chalkbrood, a disease that affects honey bees. Mathematics PhD student Mr Murray Neuzerling was joint winner of the prestigious B. H. Neumann prize from the Australian Mathematical Society; and Ms Kate Ryan, who is studying for a PhD in Creative Writing, was the inaugural winner of the \$20,000 Melbourne Prize for Literature's 2015 Writers Prize.

Another of our PhD students, Ms Jane Kelley, won the Rural Finance Corporation's Ian Morton Memorial Scholarship, gave an invited talk at the annual meeting of the Australian & New Zealand College of Veterinary Scientists (ANZCVS) Cattle Chapter, and secured a \$20,000 grant through the prestigious Federal Government Science and Innovation Award to partly fund her PhD.

Our students also had great success in team pursuits. A team of La Trobe students was first runner-up in the 2015 Telstra University Challenge for its invention of a device that monitors foetal movement. We are the most successful university to compete over the three years of the competition, having won first place in 2013 and Best Technical Development award last year. Three students from the Albury-Wodonga campus won the top prize in Australia's premier social enterprise pitch contest, The Big Idea, the second time in three years La Trobe has won the competition. 2015 also saw seven La Trobe students travel to Paris for the 9th UNESCO Global Youth Forum Young Global Citizens for a Sustainable Planet, a trip which was supported through our partnership with the Australian Futures Project.

# ORGANISATION

## Senior Officers 2015



## Membership of La Trobe University Council 2015

### **Adrienne E Clarke AC, FAA, FTSE** **Ex officio (Chancellor)**

*BSc(Hons), PhD Melbourne*

Distinguished career in education, research and innovation and public service; Laureate Professor, School of Botany (University of Melbourne); Former Chair of CSIRO and Lieutenant Governor of Victoria.

Appointment to Council: 24/08/2010

Reappointed: 26/02/2014

Meetings attended in 2015: ten (10)

### **Professor John Dewar** **Ex officio (Vice-Chancellor)**

*BCL, MA Oxon, PhD Griffith*

Commenced as Vice-Chancellor in January 2012.

Meetings attended in 2015: nine (9)

### **Professor Simon Crowe** **Ex officio (Chair, Academic Board)**

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

Meetings attended in 2015: nine (9)

### **Mr Andrew Eddy** **Governor-in-Council appointment**

*BComm Melbourne*

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

Appointed to Council: 19/10/2010

Reappointed: 01/01/2013

Appointed Deputy Chancellor: August 2013

Meetings attended in 2015: nine (9)

### **Ms Jennifer Williams** **Council appointment (part year)**

*BEC La Trobe, MSc WashingtonDC, FAICD*

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

Appointed to Council: 01/01/2009

Reappointed: 16/02/2015

Meetings attended in 2015: eight (8)

### **Mr William Kelty AC** **Council appointment**

*BEC La Trobe*

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

Appointed to Council: 02/06/08

Reappointed: 01/01/2013

Meetings attended in 2015: eight (8)

### **Mr Peter McDonald** **Council appointment**

*BA, MPA*

Fellow CPA Australia (FCPA), Fellow Australian Health Services Financial Management Association, Member Australian Institute of Company Directors (MAICD)

Appointed to Council: 13/09/2012

Reappointed: 01/01/2015

Meetings attended in 2015: ten (10)

### **Professor Marilyn Anderson AO** **Ministerial appointment**

*BSc Hons Melb, PhD in Biochemistry La Trobe*

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

Appointed to Council: 01/08/2013

Meetings attended in 2015: eight (8)

### **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

Appointed Deputy Chancellor: February 2015

Meetings attended in 2015: ten (10)

### **Ms Deb Radford** **Governor-in-Council appointment**

*BEC La Trobe University; Grad Dip Finance & Investment FINSIA*

Director Bendigo & Adelaide Bank; director SMS Management & Technology Ltd and chair La Trobe University Foundation.

Career in merchant banking, State Treasury, consulting and specialist in government business enterprises.

Appointed to Council: 14/10/2014

Meetings attended in 2015: ten (10)

### **Ms Yvonne von Hartel AM** **Governor-in-Council appointment (part year)**

*B.Arch (Hons) Melbourne*

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

Appointed to Council: 14/10/2014

Meetings attended in 2015: eight (8)

### **Emeritus Professor Richard Larkins AO** **Governor-in-Council appointment**

*LLD Melb (Hon), LLD Monash (Hon), PhD (London), MD Melbourne, MB BS Melbourne, FRACP, FRCP, FRCPI, FAMM, FAMSing*

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

Appointed to Council: 14/10/2014

Meetings attended in 2015: 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 current Victorian Government is The Hon. Steve Herbert, MP Minister for Training and Skills.

## Objectives, functions, powers and duties

### Objectives

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

- (a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard
- (b) to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University
- (c) to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the well-being of the Victorian, Australian and international communities
- (d) to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community
- (e) to serve the Victorian, Australian and international communities and the public interest by:
  - i) enriching cultural and community life
  - ii) elevating public awareness of educational, scientific and artistic developments
  - iii) promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society

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

### Powers and duties

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

- (a) Section 8 prescribes the Council as the principal governing body of the University
- (b) Sections 9 and 10 set out the key powers and functions of the Council, including the power to confer any degree or grant any diploma or other award to a student of the University
- (c) Section 15 sets out the responsibilities of Council members
- (d) Section 18 provides that the Council may, by instrument, delegate its powers or functions under the Act to any member or committee of the Council, a member of the staff of the University, the Academic Board or any other entity prescribed in a University Statute
- (e) Section 20 provides for the establishment of the Academic Board
- (f) Section 26 provides for the appointment of the Vice-Chancellor by the Council



- (g) Section 28 gives the Council power to make Statutes and Regulations for or with respect to all matters governing the University
- (h) Sections 35 and 38 regulate the acquisition and disposal of property, including land, by the University
- (i) Sections 44 to 47 deal with the application and auditing of funds of the University
- (j) Sections 48 to 51 regulate the formation and auditing of joint ventures and companies
- (k) Sections 52 to 60 deal with the development and application of Ministerial Guidelines for University commercial activities.

## La Trobe's Code of Conduct

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

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

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

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

The Code is applicable to all staff, conjoints, volunteers, 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.



La Trobe University promotes full and equal participation in the University for all students and staff. We strive to meet all current State and Federal human rights, anti-discrimination and equal opportunity legislation in all of our University practices.

We have policies, procedures and measures in place to continuously monitor and initiate efforts towards a work and study environment which is free from unacceptable behaviour including discrimination, harassment, bullying, victimisation, violence and racial/religious vilification and other forms of unacceptable behaviour as deemed by the University. All members of our University community are treated with dignity and respect.

In 2015, we established the Diversity and Inclusion Unit within Human Resources to harness the benefits of diversity and enhance inclusivity. The Unit has joined in partnership with other key areas across the University to form the Equity, Diversity and Inclusion Working Group. This group is successfully coordinating activities across the University to ensure that staff and students are engaged and supported in a holistic way.

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

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

The University has in place gender equity initiatives, such as the Women in Research Strategy 2016-2020, which aims to build and sustain a workforce that demonstrates our commitment to equality.

# KEY STATISTICS

Students	2012	2013	2014	Provisional 2015
Total students (persons)	33,726	34,066	35,326	35,021
Commencing enrolments	13,881	13,900	14,918	13,708
Rural/remote*	8,139	8,383	8,687	8,534
Non-English speaking background*	722	807	840	818
Low socio-economic status*	4,498	4,814	5,118	5,311
Students with a disability*	1,487	1,709	1,814	1,931
Indigenous*	164	158	224	223
<b>STUDENT LOAD (EFTSL)</b>				
Total student load (includes International)	26,158.0	26,542.1	27,436.2	27,587.3
Undergraduate	21,380.7	21,631.9	22,063.7	22,260.8
Postgraduate coursework	3,649.2	3,826.0	4,299.0	4,278.2
Research higher degree	1,128.1	1,084.2	1,073.6	1,048.3
International	6,081.5	5,690.9	5,812.1	5,686.3
<b>WORK CONTRACT (FTE)</b>				
Full-time continuing staff	2,066.0	2,040.0	2,076.0	1,888.0
Part-time continuing staff	534.6	574.0	531.6	450.7
Casual staff	537.9	578.9	610.1	655.6
<b>CLASSIFICATION (FTE)</b>				
Academic	1,495.4	1,463.5	1,481.6	973.6**
Professional	1,643.1	1,729.3	1,736.2	1,365.2**
<b>GENDER (PERSONS)</b>				
Female	4,030	4,134	4,129	1,639**
Male	2,562	2,547	2,448	984**
<b>FUNCTION (FTE)</b>				
Teaching only	275.0	300.6	325.1	Available Q3 2016
Research only	317.2	255.5	233.0	228.0**
Teaching and Research	901.3	888.6	886.4	744.6**
Other	1,645.0	1,748.1	1,773.2	1,366.2**
<b>TEACHING AND LEARNING PERFORMANCE</b>				
Market share of Victorian Tertiary Admission Centre first preferences	12.6%	12.9%	12.1%	12.1%
Retention rate	0.78	Provisional 0.79	Provisional 0.78	Available Q4 2016
Overall graduate satisfaction mean score (Course Experience Questionnaire)	La Trobe: 50.3 National: 49.8	La Trobe: NP National: 50.0	La Trobe: NP National: 50.0	La Trobe: 44.3 National: available Q2 2016
Percent of graduates in full-time employment (Graduate Destination Survey)	La Trobe: 76.9% National: 76.1%	La Trobe: 69.5% National: 71.3%	La Trobe: 65.2% National: 68.1%	La Trobe: 65.9% National: 68.8%
Percent of graduates in full-time study (Graduate Destination Survey)	La Trobe: 22.5% National: 20.8%	La Trobe: 27.1% National: 20.7%	La Trobe: 22.3% National: 20.8%	La Trobe: 21.0% National: 19.7%
<b>RESEARCH PERFORMANCE</b>				
Research income (Higher Education Research Data Collection)	\$49,919,561	\$53,254,000	\$55,381,431	Available Q3 2016
Research publications (Higher Education Research Data Collection)	1,068	1,140	1,050	Available Q3 2016
Research higher degree load (EFTSL)	1,128.1	1,084.2	1,073.6	1,048.3
Research degree completions	185	238	240	184

All employees have been correctly classified in the workforce data collections.

## NOTES

**EFTSL** Equivalent full-time student load

**FTE** Full-time equivalent

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

\* Includes domestic students only

\*\* Excludes casual staff



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

### Details of indemnity for members of Council and senior officers

#### Professional liability protection

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

The 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 2014 to 31 October 2015 (Protection number: LTU15 PL), and 1 November 2015 to 31 October 2015 (LTU 15 PL). In 2014/2015 the University retained the first \$100,000 for each and every claim, with cover limited to \$30,000,000 for each and every claim but limited to \$120,000,000 in the aggregate for the protection period (the \$120,000,000 aggregate is a combined single limit across professional liability, malpractice and general clinical trials). Extension to the standard cover is endorsed for infringement of rights of intellectual property or breach of confidentiality.

#### Directors and officers liability protection

The protection period is 1 November 2014 to 31 October 2015 (Policy number: 93306133) and 1 November 2015 to 31 October 2016 (Policy number: 93306133). Previously this protection has been maintained with Unimutual from 2 January 2003 to 31 October 2010. Since 1 November 2011 Directors and Officers Liability Insurance has been obtained from Chubb Insurance Company of Australia (AFS Licence Number: 239778).

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

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

#### University's risk management strategy

The University Council places emphasis on risk management as a key platform of corporate governance and a vital component of effective decision making. The Council's Corporate Governance, Audit and Risk Committee (CGARC) provides a strong oversight of risk management and compliance activities throughout the University. Activities in 2015 included examinations of the adequacy of the legislation and regulatory requirements and the effectiveness of the University's control environment. Work also commenced on a revised Risk Management Policy and Procedure, and Risk Appetite Statement.



## The University Council places emphasis on risk management as a key platform of corporate governance and a vital component of effective decision making.

The Corporate Governance Audit and Risk Committee of Council included the conduct of a range of reviews, including internal audits and compliance framework reviews:

- continuing examination of strategic and operational risk
- ongoing analysis of fraud and corruption risk
- conduct of management assurance of all Budget Centres
- legislative and regulatory compliance reviews (including Copyright Act)
- compliance audits of University financial policies, procedures and practices
- departmental spot audits
- reviews of tender and contract probity
- specific audit reviews of:
  - consultancies and core services
  - non resident academics and visa status
  - software licensing
  - IT general controls
  - compliance with Public Records of Victoria standards
  - purchasing cards
  - major contract commitments
  - finance controls
  - accounts receivable
  - clinical governance
  - commercial probity
  - tender probity
  - fraud detection testing
  - contract probity
  - Corporate Governance
- continuous control monitoring for Accounts Payable
- control and fraud self assessment
- probity advice and audits for major tenders
- special investigations
- legislative compliance framework

### Risk Management Office

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

- Conduct of strategic, operational, and major projects risk management
- Ongoing development of the University Risk Profile and individual functional and project risk management, focusing on safety, financial, regulatory, reputational, business performance, people, stakeholder and technology risks
- Development and implementation of complex and multidisciplinary risk treatment solutions
- Development of improved governance and decision making frameworks for the University
- Conduct of the fraud risk management program
- Management of the University's legislative and regulatory compliance framework
- Conduct of due diligence review of proposed commercial relationships

- Provision of probity advice
- Conduct of investigations into alleged corruption
- Development of new risk management tools
- High-risk behaviour threat assessment and behavioural intervention
- Research into emerging risk methodologies, causal relationships in critical infrastructure failures and characteristics of organisational and community resilience.

### Critical incident and emergency management

- Critical incident and emergency management planning, training and exercising. In 2015 this included the conduct of a major live disaster exercise at the Melbourne campus involving the participation of nine emergency services organisations and hospitals
- Critical incident and emergency response, on campuses, for staff and students working at remote locations within Australia or at overseas locations, including coordinating evacuation and repatriation for overseas medical emergencies
- Development and coordination of business continuity management arrangements for over one hundred critical business functions.

### Internal Audit Office

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

### Insurance Office

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

## Risk management approach

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

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

# RISK MANAGEMENT (CONT.)

## Health and safety statement

### General statement

There has been a significant restructure of OHS in 2015 with focus on organisational re-alignment. Performance indicators are to be developed in 2016 as part of strategic renewal.

### Entity statement

The restructure of OHS during the operational year has been of primary focus, hence performance indicators have remained static and will be renewed during 2016.

- The number of reported **hazards** for the year per 100 full-time equivalent staff members is 2.5, while the number of reported **incidents** (all categories) is 13.7.
- The number of lost time standard claims for the year per 100 full-time equivalent staff members is 0.61.

The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs) is \$7,639.

#### ▪ Equivalent data for 2014

- The number of reported **hazards** for 2014 per 100 full-time equivalent staff members was 2.3, while the number of reported **incidents** (all categories) was 19.56.
- The number of lost time standard claims for 2014 per 100 full-time equivalent staff members is unavailable.
- The average cost per claim for 2014 is unavailable.

LTU undertook significant organisational re-structure and renewed strategic direction in 2014 which had a disruptive effect as reflected in the increase in reported incidents. This increase was broadly in the psycho-social category.

#### ▪ Equivalent data for 2013

- The number of reported **hazards** for 2013 per 100 full-time equivalent staff members was 3.6 whilst the number of reported **incidents** (all categories) was 16.6.
- The data for the number of lost time standard claims for 2013 per 100 full-time equivalent staff members is unavailable.
- The average cost per claim for 2013 is unavailable.

- There are no reported fatalities.

## Associates and commercial ventures

Associate/Commercial Venture	Principal Objectives	Level of Financial Risk	Level of Reputational Risk
Residential Services	Provision of student accommodation	Low	Medium/Significant
Medical Centre Developments Pty Ltd	Owner and landlord of Medical Centre Building	Medium	Low
La Trobe University Children's Centre	Provision of child minding services	Low	Medium
Campus Graphics	Printing services	Low	Low
LTU Cogeneration Plant	Production of electricity	Low	Low

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

# SUSTAINABILITY REPORTING

## Environmental Sustainability Data – 2015 Calendar Year

Indicator		Unit	Total Data
E1	Total Energy Usage Segmented by Primary Source (including GreenPower)	Megajoules	553,380,945.51
	Natural Gas	Megajoules	447,265,492.12
	Purchased Grid Electricity	Megajoules	105,301,450.00
	Renewables (Onsite Solar PV)	Megajoules	104,283.40
	Stationary Diesel	Megajoules	97,750.00
	Stationary LPG	Megajoules	611,970.00
E2	Greenhouse Gas Emissions Associated with Energy Use, Segmented by Primary Source and Offsets	tCO2-e	62,974.16
	Natural Gas	tCO2-e	24,748.44
	Purchased Grid Electricity	tCO2-e	38,178.40
	Stationary Diesel	tCO2-e	7.34
	Stationary LPG	tCO2-e	39.98
E3	Percentage of Electricity Purchased as Green Power	% of total electricity consumption	0%
E4	Units of Office Energy Used (Megajoules per FTE/EFTPL)	FTE	24,074.99
		EFTPL	2,357.30
E5	Units of Office Energy Used per Unit of Office Space	Megajoules/m2	1,661.47
<b>WASTE</b>			
Ws1	Total Units of Waste Disposed of by Destination	Kilograms	1,301,752.40
	Landfill (Inc. C&D waste)	Kilograms	1,038,040.00
	Commingled Recyclables	Kilograms	85,011.00
	Paper/Cardboard Recyclables	Kilograms	120,887.00
	Glass Recyclables	Kilograms	2,069.00
	Metal Recyclables	Kilograms	7,750.00
	E-Waste Recyclables	Kilograms	7,022.70
	Printer Toner Cartridge Recyclables	Kilograms	67.10
	Fluorescent Tube Recyclables	Kilograms	1,826.00
	Furniture Recyclables	Kilograms	3,211.20
	Chemical Waste Recyclables	Kilograms	6,360.40
	Green Waste Recyclables	Kilograms	12,660.00
	Grease Trap/Triple Interceptor Recyclables	Kilograms	14,608.00
	Battery Recyclables	Kilograms	240.00
	White Goods (Fridge/Freezer) Recyclables	Kilograms	2,000.00
Ws2	Units of Office Waste Disposed of (kg per FTE/EFTPL by destination)	FTE	56.63
		EFTPL	5.55
Ws3	Recycling rate	% of total waste	20%
Ws4	Greenhouse Gas Emissions associated with waste disposal	tCO2-e	1,349.45
<b>PAPER</b>			
P1	Total units of A4 Equivalent Copy Paper Used	Reams	41,885.1
P2	Units of A4 Equivalent Copy Paper Used (Reams per FTE/EFTPL)	FTE	1.82
		EFTPL	0.18
P3	Percentage of Recycled Content of Copy Paper Purchased	%	92%
<b>WATER</b>			
W1	Total Units of Metered Water Consumption by Water Source	Kilolitres	357,514.00
	Potable Water	Kilolitres	348,210.00

# SUSTAINABILITY REPORTING (CONT..)

Indicator	Unit	Total Data
Recycled Water	Kilolitres	9,304.00
W2 Units of Metered Water Consumed in Offices (Kilolitres per FTE/EFTPL)	FTE	15.55
	EFTPL	1.52
T1 Total Energy Consumption Segmented by Vehicle Type	Megajoules	8,196,570.00
Diesel	Megajoules	2,864,410.00
ULP	Megajoules	5,053,320.00
LPG	Megajoules	278,840.00
T2 Total Vehicle Travel Associated with Entity Operations Segmented by Vehicle Type	Kilometres	35,243.72
Diesel	Kilometres	11,243.56
ULP	Kilometres	22,387.61
LPG	Kilometres	1,612.54
T3 Total Greenhouse Gas Emissions from Vehicle Fleet Segmented by Vehicle Type	tCO2-e	601.25
Diesel	tCO2-e	216.17
ULP	tCO2-e	366.75
LPG	tCO2-e	18.32
T4 Greenhouse Gas Emissions from Vehicle Fleet per 1,000km Segmented by Vehicle Type	tCO2-e/1,000km	17.06
Diesel	tCO2-e/1,000km	19.23
ULP	tCO2-e/1,000km	16.38
LPG	tCO2-e/1,000km	11.36
T5 Total Distance Travelled by Air	Kilometres	13,684,640.83
T6 Employees regularly (>75% of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home by locality type.	% of total employees	34%
G1 Total Greenhouse Gas Emissions Associated with Energy Use	tCO2-e	62,974.16
G2 Total Greenhouse Gas Emissions from Vehicle Fleet	tCO2-e	601.25
<b>GREENHOUSE GAS EMISSIONS</b>		
G3 Total Greenhouse Gas Emissions from Air Travel	tCO2-e	3,083.57
G4 Total Greenhouse Gas Emissions Associated with Waste Disposal	tCO2-e	1,349.45
G5 Greenhouse Gas Emissions Offsets Purchased	tCO2-e	-

## PROCUREMENT

La Trobe procures a number of sustainable products and services which are driven by internal policies and preferred supplier agreements. Green ICT provides environmentally friendly disposal of outdated equipment, new VOIP phones and network switches with power management enabled, and the installation of more efficient data storage. The wireless network across campuses has improved energy-efficiency through an increased number of wireless access points. Standard copier paper is 100% post-consumer recycled content and is the default option for all purchases. In line with the organisations' Fair Trade status, staff kitchens use Fairtrade Certified tea and coffee and on-site retailers are also encouraged to supply Fairtrade coffee and other products to students and staff.

## CONTEXT NOTES

### EFTPL

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

### E1, Ws1, W1 Data

Any data unavailable at the time of reporting have been estimated using data from the corresponding consumption period one year prior to the period in which it is unavailable. Where billing periods do not correspond with the commencement and completion dates for the calendar year data has been normalised by averaging the consumption per day and prorating for the relevant number of days each side of the calendar year boundary.

### E1

Significant increase in energy consumption due to increased operation of Melbourne campus cogeneration system in 2015 compared to 2014.

### E2

Increase in energy related greenhouse gas emissions due to ceasing of GreenPower purchases in 2014.

### E3

University ceased purchasing GreenPower at the end of 2014.

### Ws1

The reporting of this indicator has been improved. Some Bendigo landfill and Melbourne and Bendigo recycling data excluded in 2014 is now included.

### Ws4

Greenhouse gas emissions calculated using C&I waste emissions factor detailed in Table 43, National Greenhouse Accounts Factors, August 2015.

### T4

Estimated kilometres travelled based on average fuel efficiency of 6.6ltr/100km (based on 2014 Toyota Corolla 1.8ltr, 4 cyl. automatic transmission) across the fleet.

### T6

Calculation methodology changed for 2015. New methodology based on results from an online transport survey distributed to all university staff.



# RISK MANAGEMENT STATEMENT



**LA TROBE  
UNIVERSITY**

OFFICE OF THE CHANCELLOR

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Victoria 3086 Australia

**T** +61 3 9479 5268

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**E** [chancellor@latrobe.edu.au](mailto:chancellor@latrobe.edu.au)  
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**MELBOURNE CAMPUSES**

Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

19 February 2016

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

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

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

Yours sincerely

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

**Professor John Dewar**  
Vice-Chancellor  
La Trobe University

ABN 64 804 735 113  
CRICOS Provider 00115M

# EXTERNAL REPORTING OBLIGATIONS

## Freedom of information

### *Freedom of Information Act 1982*

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

During 2015, the University received five (5) applications under the Victorian FOI legislation. Of these applications, three (3) were provided with the full documents requested, two (2) were provided in part with edited documents which withheld personal information that did not pertain to the applicant, one (1) had no documents located.

## Information privacy

### *Privacy and Data Protection Act 2014*

During 2015, the University received one (1) privacy complaint under the Privacy and Data Protection Act 2014 (Victoria).

## Whistleblowers, grievances and complaints

### *Investigation of Complaints*

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

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

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

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

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

During the calendar year 2015, the Ombudsman dealt with 234 complaints from members of the University.

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

### *Whistleblowers Protection Act 2001*

This Act was repealed and replaced by 'Protected Disclosure Act 2012' on 10/2/2013. In 2015, no matters were reported.

## 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 compliance with competitive neutrality principles.

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

## Conformity with the Building Act 1993

The La Trobe Infrastructure and Operations (I&O) Group is responsible for providing a safe, fit-for-purpose, amenable built and natural environment within which the University community lives and works in pursuit of its teaching, learning and research objectives. In 2015, the I&O Group delivered 29 projects that were valued over \$50,000 each and included:

- two (2) major projects including refurbishment and services upgrades
- sixteen (16) capital projects comprising of refurbishments and engineering upgrades
- fourteen (14) capital maintenance projects comprising of engineering upgrades, building services upgrades
- nineteen (19) minor works projects comprising of refurbishments
- two (2) security service upgrades.

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

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

The I&O Group 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.

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

## La Trobe Infrastructure and Operations (I&O) Projects 2015

Project Name	Total Project Budget	2015 Actual Spend
<b>La Trobe Melbourne Pathways Building</b> This is 6 storey new build office and teaching facility for La Trobe International staff and students.	<b>\$37,002,095</b>	\$71,833
<b>Business Services – Ballarat Student Accommodation</b> This is a Commonwealth funded project to deliver 25 bed facilities in Ballarat for Allied Health and Dental students.	<b>\$2,600,000</b>	\$289,039
<b>Northern Health Academic Accommodation</b> This is a joint funded project with North Health, La Trobe University and University of Melbourne to build a new facility for medical teaching and research for Allied Health.	<b>\$7,349,768</b>	\$99,655
<b>Physical Science 3 (PS3) Building</b> This is a 4 storey building refurbishment to deliver innovative teaching facilities.	<b>\$18,441,881</b>	\$7,549,035
<b>Eastern Campus Redevelopment (ECR) Stage 3A</b> This project involves the full refurbishment of the heritage listed Terraces into offices for administration staff.	<b>\$10,017,900</b>	\$3,643,714
<b>La Trobe Institute for Molecular Science (LIMS) Project</b> This is a 7 storey new building which houses research labs/ teaching spaces and staff offices.	<b>\$1,463,925</b>	\$72,787
<b>Reid Building Adaptive Reuse Project</b> This is a four storey refurbishment to house new research labs, teaching spaces and offices for staff for the School of Life Sciences.	<b>\$24,247,455</b>	\$3,749,156
<b>Agora Retail Development Phase 1</b> This project involves the construction of a bus interchange on Science Drive.	<b>\$8,265,001</b>	\$300,498
<b>Eastern Campus Redevelopment (ECR) 3B</b> This project involves upgrades to a number of existing buildings to create new teaching spaces and offices for staff.	<b>\$54,010,000</b>	\$3,739,333

# EXTERNAL REPORTING OBLIGATIONS

## La Trobe University consultants 2015

### Financial Reporting Direction FRD22G

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

The University advises that during the year ending 31 December 2015:

There were 91 separate consultancy arrangements in 2015 over \$10,000.00 totalling \$7,002,084.79

The website location to view details of 2015 consultancies over \$10,000.00 is: [latrobe.edu.au/council/resources](http://latrobe.edu.au/council/resources)

There were 106 separate consultancy arrangements in 2015 under \$10,000.00 totalling \$320,595.41

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

### *Tertiary Education (Amendment) Act 1994*

#### COMPULSORY FEES STUDENT SERVICES AND ADMINISTRATION FEE – 2015

Study Load	2015	2014
<b>Albury/Wodonga Campus</b>		
Full-time	\$286	\$281
Part-time	\$214	\$210
<b>Bendigo Campus</b>		
Full-time	\$286	\$281
Part-time	\$214	\$210
<b>Bundoora Campus</b>		
Full-time	\$286	\$281
Part-time	\$214	\$210
<b>City campus</b>		
Full-time	\$286	\$281
Part-time	\$214	\$210
<b>Mildura Campus</b>		
Full-time	\$286	\$281
Part-time	\$214	\$210
<b>Shepparton Campus</b>		
Full-time	\$286	\$281
Part-time	\$214	\$210



## 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 – 2015

Campus	Total
Albury-Wodonga	\$181,092.00
Bendigo	\$1,160,568.00
Bundoora	\$6,147,906.00
City	\$146,162.00
Mildura	\$110,635.00
Shepparton	\$128,874.00

## Purposes for fees

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

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

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

Campus	Organisation
Albury/Wodonga	Wodonga Student Association Inc.
Bendigo	Bendigo Student Association Inc.
Bundoora	La Trobe University Student Union Inc.

## Purposes for which the organisations spend the money available

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

# FINANCIAL OVERVIEW

## Commercial activities table

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
Council approval under section 8(3)(h) of the Act and significant commercial activities of controlled entities	<p>Council endorsed the Finance and Resources Committee recommendation (December 2010) to close the Beechworth Hotel and divest the Beechworth Campus. Reference: Council Minute 405.9, 12 February 2011</p> <p><b>Status</b></p> <p>Council approved the EOI process to proceed subject to separate approval to sell. Reference: Council Minute 420.7.3, 13 August 2012.</p> <p>The Council authorised the Vice Chancellor to sign a contract of sale (Council Minute # 425 – C13/1 18 March 2013, 9); contracts were exchanged 7 March 2013. The contract is conditional upon rezoning being concluded by the Purchaser within 18 months.</p> <p>The rezoning of the former Beechworth campus has been completed by the Purchaser and the contract of sale was settled on 30 May 2014.</p>	<p>Council approved that the Bendigo Surplus Property Divestment PCG commence divestment of 11 properties in Friswell Ave Flora Hill, 32 Garsed Street Bendigo and 131 Edwards Road Flora Hill. Reference: Council Minute 407.8.1, 21 May 2011.</p> <p><b>Status</b></p> <p>131 Edwards Road has sold.</p> <p>28, 30, 32, 34, 36, 38, 46, 48, 50, 52 &amp; 54 Friswell Ave have sold.</p> <p>32 Garsed St has sold.</p>	<p>Council approved a four year lease with Healthscope Pty Ltd (ACN 108807370) Commencing on 7 July 2015.</p> <p>Meeting 445 – Dec 2014</p> <p><b>Status</b></p> <p>Lease commenced and companion agreements executed. Lease expires 2019</p>	<p>Victoria Police [R&amp;D Park – former VABC]: Council approved the lease to Assistant Treasurer on behalf of Victoria Police (Meeting 441, 15 September 2014) as a Commercial Activity.</p> <p><b>Status</b></p> <p>This lease replaces previous leases to DPI (Victorian AgriBiosciences Centre) and Victoria Police which were surrendered. Latest expiry date 2025.</p>	<p><b>Note</b></p> <p>The Guidelines were Gazetted in early 2011 in accordance with Part 6 of the <i>La Trobe University Act 2009</i>.</p> <p>A number of Commercial Activities (Leases) were transacted prior to that date.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>▪ Optus Tower, Melbourne Campus, Expiry 2024</li> <li>▪ Telstra Tower, Melbourne Campus, Expiry 2025</li> <li>▪ Optus Tower, Melbourne Campus, Expiry 2019</li> <li>▪ Telstra Tower, Bendigo Campus, Expiry 2017</li> <li>▪ Optus Tower, Wodonga, Expiry 2025</li> <li>▪ La Trobe University Medical Centre, Expiry 2015</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>▪ Telstra Tower, Mildura Campus, Expiry 2023</li> </ul>

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
Other commercial activities considered sufficiently important or of interest		In addition to the above mentioned Council approved properties to be divested, the BSPD PCG is also endorsed to investigate and undertake works on several other properties being land known as the Hesse Estate Friswell Ave Flora Hill, CVIP and the Osborne Street campus which may ultimately be recommended to Council for divestment.	In addition to the above mentioned properties, Council approved properties to be divested, the MOSPD PCG is also endorsed to investigate and undertake works on several other parcels of land which surround the Melbourne campus. This work is on-hold as noted above.		

#### PARTICIPATION

University involvement in this activity:	The University is the vendor to the property transaction.	The University is the vendor to the property transaction(s).	The University is the vendor to the property transaction(s).	LaTrobe is Lessor. The University and Forensics have scientific collaboration including a number of supervised post graduates.
University staff or council member that occupy a board seat in connection with this activity and Directors' and Officers' liability insurance or other insurance arrangements that apply to the activity:	Not applicable.	Not applicable.	Not applicable.	Nil.

# FINANCIAL OVERVIEW

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
Results of any assessment undertaken (if any) to determine whether the activity is meeting its purposes and objectives.	<p>Approval of a Business Case.</p> <p>A Project Control Group constituted by the Vice-Chancellor.</p> <p>No assessment to determine the activity is meeting its objectives is warranted.</p>	<p>Approval of a Business Case.</p> <p>A Project Control Group constituted by the Vice-Chancellor was the responsible body for overseeing the sales. The PCG has been superseded by a Project Steering Committee chaired by the VP (Admin) who will oversee any further divestment activities of Bendigo land including the parcels identified above.</p> <p>No assessment to determine the activity is meeting its objectives is warranted.</p>	<p>A Project Control Group constituted by the Vice-Chancellor.</p> <p>No assessment to determine the activity is meeting its objectives is warranted.</p>	<p>A consolidation of the whole building under a single lease to the Assistant Treasurer as part of Victoria Police Forensics Macleod redevelopment. Periodic market rental reviews apply.</p>	
Whether the activity is ongoing or its anticipated termination date.	This activity has ceased as settlement has occurred.	The PCG will cease once all properties within the divestment project are sold. The target completion date for the sale and settlement of the sites being investigated is not determined due to rezoning and other technical considerations, and the Steering Committee considering all options prior to any recommendations being made for Council consideration.	No dates have been established pending the outcome of the strategic review / visioning exercise due to multiplicity of options and outcomes.	The activity will terminate on the expiry of the lease; latest date 2025, unless options are not exercised by the Assistant Treasurer.	

# UNIVERSITY DISCLOSURE INDEX TABLE

Item No	Source reference	Summary of reporting required	Page(s)
<b>STANDING DIRECTIONS OF THE MINISTER FOR FINANCE</b>			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the <i>Financial Management Act 1994</i> .	1-26, 48
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	40
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	41
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> <li>▪ Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements</li> <li>▪ financial reporting directions</li> <li>▪ business rules.</li> </ul>	34, 41, 48-57
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> <li>▪ balance sheet and income statement</li> <li>▪ statement of recognised income and expense</li> <li>▪ cash flows statement</li> <li>▪ notes to the financial statements.</li> </ul>	42-105
6	SD 4.2(c) and FMAs 49	Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> <li>▪ present fairly the financial transactions during reporting period and the financial position at end of the period</li> <li>▪ were prepared in accordance with Standing Direction 4.2(c) and applicable financial reporting directions</li> <li>▪ comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements.</li> </ul>	40, 41, 48-57
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> <li>▪ \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000</li> <li>▪ \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li> </ul>	55
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	38
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	38
10	FRD 03A	Accounting for dividends.	N/A
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements.	56
12	FRD 10	Disclosure Index.	27-29
13	FRD 11	Disclosure of Ex-gratia Payments.	105
14	FRD 17B	Long Service Leave Wage Inflation and Discount Rates.	61, 73
15	FRD 21B	Responsible Person and Executive Officer Disclosure in the Financial Report.	93
16	FRD 22G	Consultants: <ul style="list-style-type: none"> <li>▪ Report of Operations must include a statement disclosing each of the following</li> <li>▪ Total number of consultancies over \$10,000</li> <li>▪ Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available</li> <li>▪ Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period.</li> </ul>	22



# UNIVERSITY DISCLOSURE INDEX TABLE

Item No	Source reference	Summary of reporting required	Page(s)
16 (Cont..)	FRD 22G	AND publication on university website required, for each consultancy more than \$10,000, of a schedule listing: <ul style="list-style-type: none"> <li>▪ consultant engaged</li> <li>▪ brief summary of project</li> <li>▪ total project fees approved</li> <li>▪ expenditure for reporting period</li> <li>▪ any future expenditure committed to the consultant for the project.</li> </ul>	22
17	FRD 22G	Manner of establishment and the relevant Minister.	10
18	FRD 22G	Objectives, functions, powers and duties.	4-7, 10-11
19	FRD 22G	Nature and range of services provided including communities served.	10-11
20	FRD 22G	Organisational structure and chart, including accountabilities.	8
21	FRD 22G	Names of Council members.	9
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements.	2-18, 35
23	FRD 22G	Occupational health and safety statement including performance indicators, performance against those indicators, and how they affected outputs.	16
24	FRD 22G	Workforce data for current and previous reporting period including a statement on employment and conduct principles.	12-13
25	FRD 22G	Summary of the financial results for the year including previous four year comparisons.	35-37
26	FRD 22G	Significant changes in financial position during the year.	35
27	FRD 22G	Key initiatives and major projects.	21, 34
28	FRD 22G	Major changes or factors affecting performance.	34
29	FRD 22G	Discussion and analysis of operating results and financial results.	34-37
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	93
31	FRD 22G	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included.	N/A
32	FRD 22G	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) - (d) in the FRD.	N/A
33	FRD 22G	Summary of application and operation of the <i>Freedom of Information Act 1982</i> .	20
34	FRD 22G	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i> .	20
35	FRD 22G	Statement on National Competition Policy.	20
36	FRD 22G	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> .	20
37	FRD 22G	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	N/A
38	FRD 22G	Summary of environmental performance.	17
39	FRD 22G	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) - (l) in the FRD).	N/A
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations (the University broadly follows the above through its own procurement and tendering policy).	N/A

Item No	Source reference	Summary of reporting required	Page(s)
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004.	N/A
42	FRD 102	Inventories.	50, 66
43	FRD 103E	Non-current physical assets.	50, 67
44	FRD 104	Foreign currency.	55
45	FRD 105A	Borrowing costs.	53
46	FRD 106	Impairment of assets.	51
47	FRD 107	Investment properties.	N/A
48	FRD 109	Intangible assets.	53, 71
49	FRD 110	Cash flow statements.	45
50	FRD 112D	Defined benefit superannuation obligations.	54, 87
51	FRD 113	Investments in subsidiaries, jointly controlled associates and entities.	49, 91, 104
52	FRD 119A	Transfers through contributed capital.	N/A
53	FRD 120I	Accounting and reporting pronouncements applicable to the reporting period.	48–57
<b>FINANCIAL MANAGEMENT ACT 1994 (FMA)</b>			
54	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014.	22–23
55	PAEC	Financial and other information relating to the university's international operations.	N/A
56	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"> <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>	24–26, 104–105

#### Key to abbreviations

**FRD** Financial Reporting Directions available at:

[dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Reporting-Policy/Financial-reporting-directions-and-guidance](http://dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Reporting-Policy/Financial-reporting-directions-and-guidance)

**SD** Standing Directions (updated as at July 2014) available at:

[dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance](http://dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance)

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# **Financial Statements** for La Trobe University consolidated for the **2015 Reporting Period.**

# FINANCIAL STATEMENTS FOR YEAR ENDING 31 DECEMBER 2015



OFFICE OF THE CHANCELLOR

22 March 2016

## FINANCIAL STATEMENTS FOR YEAR ENDING 31 December 2015

### 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 2015;
- (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 2015 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

**Adrienne E Clark AC**  
Chancellor

**Professor John Dewar**  
Vice-Chancellor

**Gary Seach**  
Chief Financial Officer

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### MELBOURNE CAMPUSES

Bundoora  
Collins Street CBD  
Franklin Street CBD

### REGIONAL CAMPUSES

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

ABN 64 804 735 113  
CRICOS Provider 00115M



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# CORPORATE GOVERNANCE STATEMENT

## Report of operations

La Trobe University and its controlled entities recorded an Operating surplus after income tax of \$63.4 million for the year ended 31 December 2015 (2014 surplus \$18.2 million) representing an operating margin of 8.9% (2014 2.7%).

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>OPERATING RESULT AFTER INCOME TAX</b>	<b>63,368</b>	18,177	<b>67,250</b>	13,329
Less				
Capital development grants	(566)	(2,386)	(566)	(2,386)
Add				
University Medical Centre debt redemption	-	2,462	-	2,462
Termination benefits	9,061	35,739	9,061	35,739
<b>Underlying result from normal operations</b>	<b>71,863</b>	53,992	<b>75,745</b>	49,144

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 2015:

- Total Revenue (not including Deferred Government superannuation contributions) of \$715.8m increased by \$43m (6.4%). The majority of the increase was due to Australian Government Financial Assistance \$24.7m, Fees and Charges \$26.7m and Consultancy and Contract Research \$5.3m.
- Cash and cash equivalents were \$36.1m at 31 December 2015, a decrease of \$43.1m on 2014 (54.4% reduction) due primarily to the full repayment of AgriBio finance lease facility.
- Employee related expenses include \$9.1m termination benefits both paid and payable resulting from change programs implemented in 2015.
- Land, buildings and infrastructure were independently valued by the Valuer General as at 31 December 2015. 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.

In 2016 the University will continue to invest in its Campus Masterplan with capital investment in the Eastern campus redevelopment, Bendigo Campus redevelopment and our City campus providing improvements to our teaching spaces and research laboratories. Additional investments to improve teaching, through initiatives such as Digital Learning and Postgraduate Coursework development, and research outcomes, via expansion in Sports Medicines and other research focus areas, will continue in 2016.

# CORPORATE GOVERNANCE STATEMENT

## Key performance indicators

### 31 December 2015

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 %
2015	<b>1.0</b>	<b>2.2</b>	<b>4.8</b>	<b>10.0</b>
2014	1.0	4.7	9.8	8.0
2013	1.0	3.1	11.4	6.6
2012	1.2	4.7	12.8	4.7
2011	1.5	10.7	4.5	3.7

### Current asset ratio

This ratio is a measure of short-term liquidity and is derived by dividing current assets by current liabilities. The University's current asset ratio is 1.0 in 2015. With a ratio of 1.0 or more the University is satisfactorily placed to meet its current obligations.

### Debt service coverage ratio

The debt service coverage ratio (based on EBITDA) decreased to 2.2 in 2015 notwithstanding an improvement in underlying result due to higher debt payments which primarily relates to AgriBio finance lease facility. The University remains satisfactorily placed to service its current debts. The ratio is calculated as (Operating result before tax + Depreciation + Interest expense) divided by (Interest payments + Principle repayment on loans + Finance lease payments). The ratio is based on the nominal result, not the underlying result.

### Debt to equity ratio

The debt to equity ratio is the total of interest bearing liabilities as a proportion of total equity and measures the proportion of repayable debt funding to retained equity balances. The higher this ratio, the greater the proportion of debt funding. The Debt to Equity Ratio decreased in 2015 to 4.9% (from 9.8% in 2014) due to full repayment of AgriBio finance lease facility and higher reserves caused primarily by increases in land and buildings valuations in 2015).

### Underlying operating margin

The underlying operating margin has increased in 2015 to 10.0% (2014 8.0%). The operating margin measures the ability of the University to contain its expenditure within the constraints of its available funding. This measure is derived by dividing the net underlying operating surplus/(deficit) into the total underlying revenue.

### Key performance targets 2015

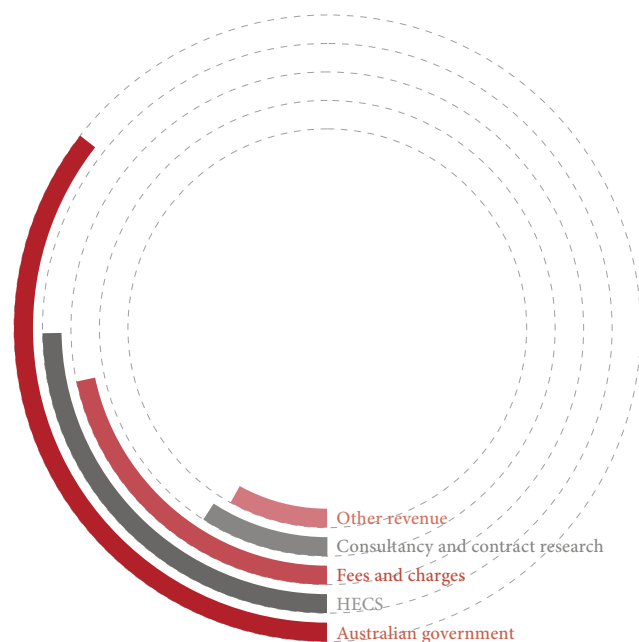
La Trobe University's Future Ready: Strategic Plan 2013-2017, outlines a number of aspirational targets and in 2015 we continue to progress our teaching, research and other significant reforms toward delivery of our 2017 targets.

	2015 Actual	2015 Budget
International Student Revenue as a % of Underlying Revenue	<b>17.7%</b>	<b>17.7%</b>
Research Revenue	<b>\$71.2m</b>	<b>\$70.9m</b>
Underlying revenue per staff dollar	<b>\$2.03</b>	<b>\$2.08</b>
Underlying Operating Margin	<b>10%</b>	<b>7.5%</b>

# INCOME AND EXPENDITURE GRAPHS

for the year ended 31 December 2015

## Income



### Total operating revenues

Consolidated operating revenues were \$715.8m, excluding deferred superannuation (2014 \$672.8m). An increase of 7.2% on 2014 (7% increase prior year). The majority of the increase was due to increases in Australian government financial assistance \$24.7m, fees and charges \$26.7m and consultancy and contract research \$5.3m.

### Australian government financial assistance

Australian government financial assistance (excluding Fee-Help) increased by \$24.7m (6%) (2014 \$10.9m, 4.6%). This is mainly due to increases in CSP, Commonwealth funding for HEPP programme and capital grants.

### Fees and charges

Fees and charges increased by \$26.7m (20.4%) (2014 \$10.0m, 8%), mainly due to increases in student amenities and facility services.

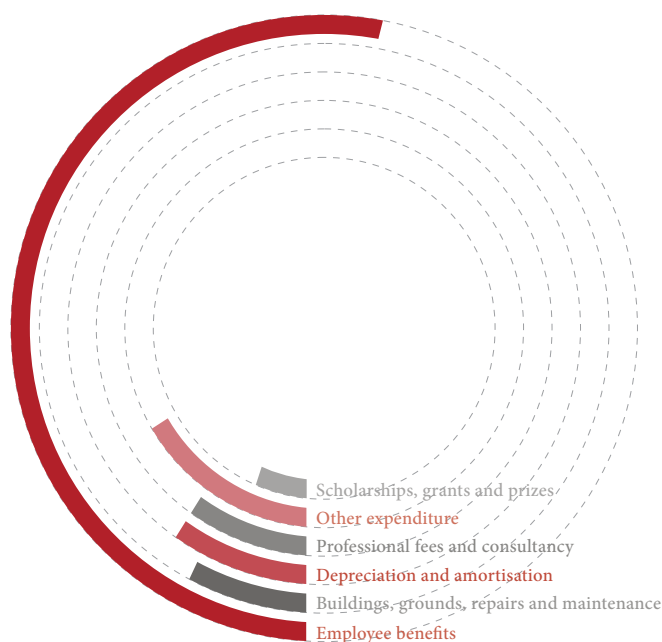
### Consultancy and contract research

Consultancy and contract research increased by \$5.3m (9.7%) (2014 \$4.7m, 9.4%) due to research industry contracts and partnership contracts.

### Other revenue

Other revenue decreased by \$10.3m (-18.9%) (2014 \$5.3m, 11%).

## Expenditure



### Total expenditure

Total expenditure from continuing operations, excluding deferred superannuation, is \$652.4m, which represents a decrease of \$1.8m (-0.5%) (2014 \$69.3m, 12%).

### Employee benefits and on costs

Expenditure on salaries decreased by \$40.7m (-10.4%) (2014 \$45.7m, 13%).

### Buildings, grounds, repairs and maintenance

Includes expenditure on repairs, maintenance, equipment hire and refurbishment categories which decreased by \$1.8m (4%) (2014 \$3.3m, 8%), this related to an increase in capital spend.

### Professional fees and consultancy expenses

Includes expenditure on professional fees, consulting and contractor costs, which increased by \$2.4m (4.5%) (2014 \$7.4m, 15%).

### Depreciation

Depreciation has increased by \$4.3m (7.9%) (2014 \$8.4m, 18%).

### Other expenses

Other expenses have increased by \$11.4m (32.8%) mainly due to student amenities and miscellaneous expense.

# CONSOLIDATED FIVE-YEAR FINANCIAL SUMMARY

31 December 2015

	2015 \$000s	2014 \$000s	2013 \$000s	2012 \$000s	2011 \$000s
<b>INCOME STATEMENT</b>					
Total revenue and income from continuing operations	715,823	672,385	630,198	625,167	614,098
Total expenses including tax and joint venture	(652,455)	(654,208)	(584,860)	(590,513)	(529,523)
Operating result after income tax and joint venture expenses	63,368	18,177	45,338	34,654	84,575
Abnormal items*	8,495	35,815	(3,531)	(6,420)	(61,729)
<b>UNDERLYING SURPLUS AFTER TAX AND ABNORMAL ITEMS</b>	<b>71,863</b>	<b>53,992</b>	<b>41,807</b>	<b>28,234</b>	<b>22,846</b>
<b>BALANCE SHEET</b>					
Current assets	141,918	167,658	134,388	146,257	186,831
Non-current assets	1,396,844	1,343,861	1,306,711	1,278,034	1,102,986
<b>TOTAL ASSETS</b>	<b>1,538,762</b>	<b>1,511,519</b>	<b>1,441,099</b>	<b>1,424,291</b>	<b>1,289,817</b>
Current liabilities	142,835	165,132	135,673	126,293	122,060
Non-current liabilities	139,712	193,328	202,219	243,780	126,499
<b>TOTAL LIABILITIES</b>	<b>282,547</b>	<b>358,460</b>	<b>337,892</b>	<b>(370,073)</b>	<b>(248,559)</b>
<b>TOTAL NET ASSETS</b>	<b>1,256,215</b>	<b>1,153,059</b>	<b>1,103,207</b>	<b>1,054,218</b>	<b>1,041,258</b>
Reserves	745,637	700,511	665,291	661,623	683,354
Accumulated funds	510,578	452,548	437,916	392,595	357,904
<b>TOTAL EQUITY</b>	<b>1,256,215</b>	<b>1,153,059</b>	<b>1,103,207</b>	<b>1,054,218</b>	<b>1,041,258</b>
Net cash provided by operating activities	87,149	103,276	95,314	86,158	123,035
Net cash (used in) investing activities	(83,515)	(73,341)	(82,952)	(118,923)	(189,728)
Cash flows provided by (used in) financing activities	(51,880)	(8,304)	(8,703)	16,485	(8,068)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>	<b>(48,246)</b>	<b>21,631</b>	<b>3,659</b>	<b>(16,280)</b>	<b>(74,761)</b>

\*The Abnormal Items for 2011 to 2015 are primarily composed of capital grants, donations of previously unallocated assets, unspent research grant monies and expenditure relating to the payment of termination benefits as a result of implementing the Funding Future Ready Program. The effect of these items has been removed from the Operating Result to provide an underlying result.



# AUDITOR GENERAL'S REPORT TO THE COUNCIL MEMBERS OF LA TROBE UNIVERSITY

## VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000  
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### INDEPENDENT AUDITOR'S REPORT

#### To the Council members of La Trobe University

##### *The Financial Report*

I have audited the accompanying financial report for the year ended 31 December 2015 of La Trobe University which comprises the income statement, statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Principal Accounting Officer and Chief Finance Officer, and the statement by the Chancellor and the Accountable Officer of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

##### *The Council members' Responsibility for the Financial Report*

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

##### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Council members, as well as evaluating the overall presentation of the financial report.

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

*Auditing in the Public Interest*



Victorian Auditor-General's Office

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## AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Council members, 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 2015, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE  
23 March 2016

  
for Dr Peter Frost  
Acting Auditor-General

# STATEMENT BY PRINCIPAL ACCOUNTING OFFICER AND CHIEF FINANCIAL OFFICER

31 December 2015



OFFICE OF THE CHIEF FINANCIAL OFFICER

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**MELBOURNE CAMPUSES**  
Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**  
Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

22 March 2016

Statement by Principal Accounting Officer and Chief Financial Officer

In my opinion:

- (a) The financial report of La Trobe University and its controlled subsidiaries present a true and fair view of the financial transactions of the University and its controlled subsidiaries during the financial year ended 31 December 2015 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2015 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 Not-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 2015 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education and Training. In addition, I am not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate and there are reasonable grounds to believe that La Trobe University will be able to pay its debts as and when they fall due.

**Gary Seach**  
Chief Financial Officer and Principal Accounting Officer  
Melbourne

ABN 64 804 735 113  
CRICOS Provider 00115M

# STATEMENT BY THE CHANCELLOR AND THE ACCOUNTABLE OFFICER

31 December 2015



**LA TROBE  
UNIVERSITY**

OFFICE OF THE CHANCELLOR

22 March 2016

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 2015 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2015 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 Not-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 2015 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.

**Adrienne E Clarke AC**  
Chancellor

**Professor John Dewar**  
Vice-Chancellor and Accountable Officer

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ABN 64 804 735 113  
CRICOS Provider 00115M

# INCOME STATEMENT

for the year ended 31 December 2015

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>REVENUE FROM CONTINUING OPERATIONS</b>					
Australian Government financial assistance					
Australian Government grants	2.7	264,573	249,331	264,573	249,331
HELP payments	2.2	167,855	158,389	167,855	158,389
State and local government financial assistance	3	4,143	5,403	4,143	5,403
HECS-HELP student payments		11,016	11,298	11,016	11,298
Fees and charges	4	157,830	131,081	157,830	131,081
Investment income	5	7,142	8,763	11,847	8,644
Consultancy and contracts	6	59,497	54,230	59,497	54,230
Other revenue	7	44,087	54,366	44,127	52,801
<b>Total revenue from continuing operations</b>		<b>715,823</b>	<b>672,861</b>	<b>720,568</b>	<b>671,177</b>
Cost of goods sold		3,168	2,956	3,168	2,956
Employee related expenses	8	352,260	392,950	352,260	392,950
Depreciation and amortisation	11	59,132	54,793	58,848	54,509
Repairs and maintenance	10	12,727	10,527	12,727	10,527
Borrowing costs	14	8,902	8,702	8,902	8,655
Buildings and grounds	9	43,149	44,993	44,296	47,379
Bank and investment management charges		1,134	1,046	1,134	1,046
Professional fees and consultancy expenses		56,047	53,618	56,047	53,618
Loss on disposal of assets	16	290	476	290	476
Publications		4,632	3,983	4,632	3,983
Staff training and development		3,181	2,792	3,181	2,792
Travel, accommodation and entertainment		8,259	7,679	8,259	7,679
Bad and impaired debts	12	784	806	784	806
Scholarships, grants and prizes		33,078	30,461	33,078	30,461
Impairment of fixed assets		1,592	-	1,592	-
Research participant payments		18,146	5,491	18,146	5,491
Other expenses	13	46,062	34,720	46,062	34,662
<b>Total expenses from continuing operations</b>		<b>652,543</b>	<b>655,993</b>	<b>653,406</b>	<b>657,990</b>
<b>Operating result before income tax</b>		<b>63,280</b>	<b>16,868</b>	<b>67,162</b>	<b>13,187</b>
Income tax benefit	15	88	1,309	88	142
<b>Operating result after income tax</b>		<b>63,368</b>	<b>18,177</b>	<b>67,250</b>	<b>13,329</b>

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>Profit for the year</b>		<b>63,368</b>	18,177	<b>67,250</b>	13,329
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on revaluation of assets	29.2	<b>31,009</b>	31,631	<b>14,843</b>	31,631
Deferred Government superannuation (contributions)		<b>95</b>	737	<b>95</b>	737
Deferred superannuation expense		<b>(95)</b>	(737)	<b>(95)</b>	(737)
<b>Items that maybe reclassified to profit or loss</b>					
Gain on value of available-for-sale financial assets	29.2	<b>8,778</b>	44	<b>8,778</b>	44
<b>Total other comprehensive income for the year, net of tax</b>		<b>39,787</b>	31,675	<b>23,621</b>	31,675
<b>Total comprehensive income for the year</b>		<b>103,155</b>	49,852	<b>90,871</b>	45,004



# BALANCE SHEET

as at 31 December 2015

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	30	36,098	84,401	36,098	79,220
Inventories	20	517	833	517	833
Trade and other receivables	18	29,372	18,633	29,372	28,754
Other financial assets at fair value	19.1	57,555	52,531	57,555	52,531
Other non-financial assets	24	18,376	11,260	18,376	11,260
<b>Total current assets</b>		<b>141,918</b>	<b>167,658</b>	<b>141,918</b>	<b>172,598</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	18	69,764	70,029	69,764	70,029
Other financial assets at fair value	19.2	56,508	43,704	56,508	43,704
Property, plant and equipment	22	1,238,178	1,199,367	1,238,178	1,185,725
Intangible assets	23	32,394	30,481	32,394	30,481
Other non-financial assets	24	–	280	–	280
<b>Total non-current assets</b>		<b>1,396,844</b>	<b>1,343,861</b>	<b>1,396,844</b>	<b>1,330,219</b>
<b>Total assets</b>		<b>1,538,762</b>	<b>1,511,519</b>	<b>1,538,762</b>	<b>1,502,817</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	25	46,184	49,295	46,184	49,292
Borrowings	26	6,513	4,983	6,513	4,983
Employee benefits and provisions	27	67,191	91,561	67,191	91,561
Other liabilities	28	22,947	19,293	22,947	19,293
<b>Total current liabilities</b>		<b>142,835</b>	<b>165,132</b>	<b>142,835</b>	<b>165,129</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	26	54,340	107,807	54,340	107,807
Employee benefits and provisions	27	78,437	78,504	78,437	78,504
Other liabilities	28	6,935	7,017	6,935	7,017
<b>Total non-current liabilities</b>		<b>139,712</b>	<b>193,328</b>	<b>139,712</b>	<b>193,328</b>
<b>Total liabilities</b>		<b>282,547</b>	<b>358,460</b>	<b>282,547</b>	<b>358,457</b>
<b>NET ASSETS</b>		<b>1,256,215</b>	<b>1,153,059</b>	<b>1,256,215</b>	<b>1,144,360</b>
<b>EQUITY</b>					
Reserves	29.1	745,637	700,511	745,637	695,695
Retained surplus	29.3	510,578	452,548	510,578	448,665
<b>TOTAL EQUITY</b>		<b>1,256,215</b>	<b>1,153,059</b>	<b>1,256,215</b>	<b>1,144,360</b>

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

		CONSOLIDATED		LATROBE UNIVERSITY	
	Note	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Australian Government grants		407,579	388,594	407,579	388,594
State Government grants		4,143	5,403	4,143	5,403
HECS-HELP student payments		11,016	11,298	11,016	11,298
OS-HELP (net)		16,562	13,100	16,562	13,100
Receipts from student fees and other customers		268,739	250,459	268,739	251,279
Investment income received		7,363	5,255	7,293	5,136
Payments to suppliers and employees		(613,315)	(565,575)	(613,315)	(569,060)
Interest paid		(14,938)	(5,258)	(14,938)	(5,211)
<b>Net cash provided by operating activities</b>	31	87,149	103,276	87,079	100,539
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of financial assets		50,622	40,069	50,622	40,069
Proceeds from sale of property, plant and equipment		213	2,121	213	2,121
Distribution from MCD liquidation		-	-	5,251	-
Payments for property, plant and equipment		(78,503)	(66,884)	(78,503)	(66,884)
Payments for financial assets		(55,847)	(48,647)	(55,847)	(48,647)
<b>Net cash used in investing activities</b>		(83,515)	(73,341)	(78,264)	(73,341)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of borrowings		(51,880)	(8,304)	(51,880)	(5,914)
<b>Net cash used in financing activities</b>		(51,880)	(8,304)	(51,880)	(5,914)
Net increase/(decrease) in cash and cash equivalents held		(48,246)	21,631	(43,065)	21,284
Cash and cash equivalents at beginning of financial year		84,344	62,713	79,163	57,879
<b>Cash and cash equivalents at end of financial year</b>	30.1	36,098	84,344	36,098	79,163

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

## 2015

### CONSOLIDATED

	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2015	29	452,548	700,511	1,153,059
Total comprehensive income		63,367	39,789	103,156
Transfers to reserves		(5,337)	5,337	-
<b>Sub-total</b>		<b>510,578</b>	<b>745,637</b>	<b>1,256,215</b>
Balance at 31 December 2015		510,578	745,637	1,256,215

## 2014

### CONSOLIDATED

	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2014	29	437,916	665,291	1,103,207
Total comprehensive income		18,177	31,675	49,852
Transfers from reserves		251	(251)	-
Transfers to reserves		(3,796)	3,796	-
<b>Sub-total</b>		<b>452,548</b>	<b>700,511</b>	<b>1,153,059</b>
Balance at 31 December 2014		452,548	700,511	1,153,059

## 2015

### LA TROBE UNIVERSITY

	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2015	29	448,665	695,695	1,144,360
Total comprehensive income		67,250	44,605	111,855
Transfers to reserves		(5,337)	5,337	-
<b>Sub-total</b>		<b>510,578</b>	<b>745,637</b>	<b>1,256,215</b>
Balance at 31 December 2015		510,578	745,637	1,256,215

## 2014

### LA TROBE UNIVERSITY

	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2014	29	435,214	664,142	1,099,356
Total comprehensive income		13,329	31,675	45,004
Transfers from reserves		251	(251)	-
Transfers to reserves		(129)	129	-
<b>Sub-total</b>		<b>448,665</b>	<b>695,695</b>	<b>1,144,360</b>
Balance at 31 December 2014		448,665	695,695	1,144,360

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

for the year ended 31 December 2015

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

for the year ended 31 December 2015

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation

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

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

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Financial Management Act 1994* and other State/ Commonwealth Government legislative requirements
- Standing direction 4.2(c) and applicable financial reporting directions
- *Australian Charities and Not-for-profits Commission Act 2012*.

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

#### Date of authorisation for issue

The financial statements were authorised for issue by the University Council of La Trobe University on 11 March 2015.

#### Historical cost convention

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

#### Critical accounting estimates and judgments

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying La Trobe University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

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

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

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

#### (c) Provisions

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

#### (d) Unfunded Superannuation

The unfunded superannuation liabilities are recorded in the balance sheet. The liability has been determined by actuaries and relates to State Superannuation Fund based on a valuation date of 30 June 2015. (Refer Notes 1.17 and 35.3)

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

for the year ended 31 December 2015

## 1.2 Principles of consolidation

### (a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of La Trobe University ("parent entity") as at 31 December 2015 and the results of all subsidiaries for the year then ended.

La Trobe University and its subsidiaries together are referred to in this financial report as the University or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the University has the ability to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de-consolidated from the date control ceases. The acquisition method of accounting is used for the acquisition of subsidiaries by the University.

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

The subsidiary companies are as follows:

- La Trobe International Pty Ltd established in 1991. It has \$8 of share capital and is wholly owned by the University. The operations of the company were transferred to the University as at 1 January 2007. The company was deregistered on 16 December 2015.
- Medical Centre Developments Pty. Ltd. was bought by the University on 2 December 2002, and has a contributed equity of \$3,500,001. This entity was liquidated in 2015 with deregistering pending. The company has transferred to La Trobe University all its property, rights, assets and liabilities on 31 December 2015 (note 44).
- La Trobe Accommodation Services Pty. Ltd. established in 2013. It has \$10 of share capital and is wholly owned by the University. The company was deregistered on 16 December 2015.

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

### (b) Joint operations

The proportionate interests in the assets, liabilities and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings. Details of the joint operations are set out in note 36.

## 1.3 Revenue recognition

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

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and specific criteria have been met for each of the University's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

### (a) Government grants

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

### (b) Fees and charges

Fees and charges revenue is recognised when received or when the University becomes entitled to receive it. Where revenue is received in advance for courses or programs to be delivered in the following year, the non-refundable portion of fees is treated as revenue in the year of receipt and the balance is treated as revenue in advance.

### (c) Other revenue

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

### (d) Trading revenue

Trading revenue is generated from the sale of goods by the commercial and trading bodies.

### (e) Investment income

Investment income from financial assets is brought to account when earned.

### (f) Consultancy and contracts

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

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

for the year ended 31 December 2015

## 1.4 Trade receivables

(Refer Note 18)

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

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

## 1.5 Inventories

(Refer Note 20)

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

## 1.6 Cash and cash equivalents

(Refer Note 30)

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

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

## 1.7 Property, plant and equipment

(Refer Note 22)

- (a) Freehold land, Buildings, Infrastructure and Works of Art are shown at fair value assessed annually, based on periodic valuations at least triennial by external independent valuers, less subsequent depreciation of Buildings and Infrastructure. A revaluation of Land and Buildings was undertaken for the reporting date as at 31 December 2015 with changes to fair value incurred in 2015. Accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other Property, Plant and Equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The minimum value of assets brought to account and depreciated is \$5,000.

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

- (b) Increases in the carrying amount arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under 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.

Works of Art owned and/or controlled by the University were independently valued by the following Valuers as at 31 December 2011: Warwick Reeder Fine Art, Anna Mass, Malcolm Davidson and Joseph Leibovic. Works of art owned and/or controlled by the university will be revalued during 2016.

Land and buildings owned and/or controlled by the University were independently valued by the Valuer General as at 31 December 2015.

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



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

for the year ended 31 December 2015

- (c) The Library collections of the University are recorded at cost and depreciated. Donations of library materials are shown at fair value, being the written down replacement value based on an average cost index.
- (d) Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is University policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.
- (e) Freehold land and Works of Art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

## Depreciation rates

The depreciation rates used for each class of depreciable asset are shown below:

	2015 (%)	2014 (%)
<b>FIXED ASSET CLASS</b>		
Buildings	<b>2.5 average</b>	2.5 average
Infrastructure	<b>5</b>	5
Plant and equipment	<b>5-10</b>	5-10
Library collections	<b>10</b>	10
Motor vehicles	<b>6.67-10</b>	10-15
Furniture, fixtures and fittings	<b>10</b>	15
Computer equipment	<b>33</b>	20
Leasehold improvements*	<b>4.1-6</b>	4 average

\*Based on Life of Lease

## 1.8 Impairment of assets

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

## 1.9 Non-current assets (or disposal groups) classified as held for sale

(Refer Note 21)

Non current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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

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

Non current assets classified as held for sale and any associated liabilities are presented separately in the balance sheet.

## 1.10 Investments and other financial assets

(Refer Note 19)

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

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

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

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

for the year ended 31 December 2015

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

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

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

(d) Fair value

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

(e) Subsequent measurement

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

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

(f) Impairment

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

## 1.11 Fair value measurement

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

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

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

The fair value of assets or liabilities that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

for the year ended 31 December 2015

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

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

## 1.12 Intangible assets

(Refer Note 23)

### (a) Research and development

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

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

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

### (b) Computer software

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

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

## 1.13 Trade and other payables

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

## 1.14 Borrowings

(Refer Note 26)

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

Current Liabilities due within 12 months are carried at their nominal value.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

## 1.15 Borrowing costs

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

## 1.16 Employee benefits and provisions

### (a) Short-term obligations

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

### (b) Other long-term obligations

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

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

for the year ended 31 December 2015

## (c) Termination benefits

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

## 1.17 Unfunded superannuation

### (Refer Note 35)

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

The unfunded liabilities recorded in the balance sheet under provisions have been determined by the actuaries and relates to State Superannuation Fund based on the 30 June 2015 valuation date, adjusted for applicable sensitivities to discount rates at balance date.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Balance Sheet under Employee Benefits and Provisions with a corresponding asset recognised under Trade and Other Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University and its controlled entities.

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

## 1.18 Leases

### (Refer Note 34.1)

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 34). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

## 1.19 Income tax

The University and its controlled entities are exempt from income tax in accordance with the provisions of Section 50-55 of the *Income Tax Assessment Act*.

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

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

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

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

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

for the year ended 31 December 2015

## 1.20 Goods and Services Tax (GST)

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

## 1.21 Foreign currency translation

### (a) Functional and presentation currency

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

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit or loss, translation gains or losses are also recognised in profit or loss.

## 1.22 Change in accounting policy

The University has adopted the relief provided by AASB 2015 7 to not for profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 Property, Plant and Equipment which are primarily held for their current service potential rather than to generate future net cash inflows.

## 1.23 Comparative amounts

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

## 1.24 Rounding of amounts

The University satisfies the requirements of Part 4.2(d) of the Directions of the Minister for Finance that accompany the *Financial Management Act 1994* and accordingly amounts in the financial statements have been rounded to the nearest thousand dollars (000s).

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

for the year ended 31 December 2015

## 1.25 New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting periods. La Trobe University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7	1 January 2018	This amends relevant standards due to the amendment to AASB 9.	There is no impact to adopting the amendments of AASB 9 as these have been editorial and reference changes.
2014-1 Amendments to Australian Accounting Standards	Various	<p>Part A of 2014-1 amends various standards as a result of the annual improvements process.</p> <p>Part B of AASB 2014-1 makes amendments to AASB 119 Employee Benefits in relation to the requirements for contributions from employees or third parties that are linked to service.</p> <p>Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031.</p> <p>Part D of AASB 2014-1 makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14 Regulatory Deferral Accounts in June 2014.</p> <p>Part E of AASB 2014-1 makes amendments to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018.</p>	There is no impact to adopting the amendments of the various standards outlined in the 2014-1 revisions.
2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016 (early adoption permitted)	This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	There is no impact to adopting the amendments of AASB 11 as these have been editorial and reference changes.
2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016 (early adoption permitted)	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	There is no impact to adopting the amendments of AASB 116 and AASB 138.

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

for the year ended 31 December 2015

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015 2015-7 Fair Value Disclosure Property Plant and Equipment	1 January 2016 (early adoption permitted)	The objective of this standard is to make admendments to AASB 13 Fair Value Measurement to relieve non-for-profit public sector entities from certain disclosures applying to assets within the scope of AASB 16 Property Plant and Equipment whose future economic benefits are not primarily dependent on the assets' ability to generate future net cash flows.	The university has elected to adopt the standard from this financial year.
AASB 15 Revenue from Contracts with Customers	1 January 2017 (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 university will continue to assess the impact of adopting AASB 15.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	1 July 2016	This Standard makes amendments to AASB 124 Related Party Disclosures to extend the scope of that Standard to include not-for-profit public sector entities.	There will be minimal impact to adopting AASB 2015-6 as the changes will be editorial.
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	<p>This standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>The amendments require:</p> <p>(a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and</p> <p>(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p>	There will be minimal impact to adopting AASB 2014-10 as the changes will be editorial.
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	This Standard makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	There will be minimal impact to adopting AASB 2014-9 as the changes will be editorial.



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

for the year ended 31 December 2015

## 2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOANS

### 2.1 Commonwealth Grants Scheme and other grants

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Commonwealth Grants Scheme		206,165	197,264	206,165	197,264
Indigenous Support Program		524	583	524	583
Partnership and Participation Program		6,135	6,621	6,135	6,621
Disability Support Program		404	418	404	418
Promotion of Excellence in Learning and Teaching		156	195	156	195
Australian Maths and Science Partnership Program		381	381	381	381
Other		5,220	4,823	5,220	4,823
<b>Total Commonwealth Grants Scheme and other grants</b>	41.1	<b>218,985</b>	<b>210,285</b>	<b>218,985</b>	<b>210,285</b>

### 2.2 Higher education loan programs

HELP payments		147,804	141,780	147,804	141,780
FEE – HELP payments		16,562	13,100	16,562	13,100
SA – HELP payments	41.9	3,489	3,509	3,489	3,509
<b>Total higher education loan programs</b>	41.2	<b>167,855</b>	<b>158,389</b>	<b>167,855</b>	<b>158,389</b>

### 2.3 Scholarships

Australian postgraduate awards		5,402	5,050	5,402	5,050
International postgraduate research scholarships		424	389	424	389
Indigenous Commonwealth education costs scholarship		86	65	86	65
Indigenous Commonwealth accommodation scholarships		31	50	31	50
Indigenous access scholarships		63	61	63	61
<b>Total scholarships</b>	41.3	<b>6,006</b>	<b>5,615</b>	<b>6,006</b>	<b>5,615</b>

### 2.4 Education research

Joint research engagement program		7,091	6,697	7,091	6,697
Research training scheme		11,334	11,166	11,334	11,166
JRE engineering cadetships		88	56	88	56
Research infrastructure block grants		2,228	2,058	2,228	2,058
Sustainable research excellence in universities		1,849	1,607	1,849	1,607
<b>Total education research</b>	41.4	<b>22,590</b>	<b>21,584</b>	<b>22,590</b>	<b>21,584</b>

### 2.5 Other capital funding

Other capital funding		566	2,388	566	2,388
<b>Total other capital funding</b>	41.5	<b>566</b>	<b>2,388</b>	<b>566</b>	<b>2,388</b>

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

for the year ended 31 December 2015

## 2.6 Australian Research Council

		CONSOLIDATED		LATROBE UNIVERSITY	
	Note	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>(i) DISCOVERY</b>					
Discovery – Projects	41.6	4,866	4,443	4,866	4,443
Discovery – Fellowships	41.6	2,141	3,175	2,141	3,175
<b>Total discovery</b>		7,007	7,618	7,007	7,618
<b>(ii) LINKAGES</b>					
Linkages – Infrastructure	41.6	107	–	107	–
Linkages – Projects	41.6	1,038	870	1,038	870
<b>Total linkages</b>		1,145	870	1,145	870
<b>Total ARC</b>		8,152	8,488	8,152	8,488

## 2.7 Other Australian Government financial assistance

<b>Non-capital</b>					
Other Australian Government financial assistance		282	971	282	971
National Health and Medical Research Council		7,672		7,672	
<b>Total other Australian Government financial assistance</b>		<b>7,954</b>	<b>971</b>	<b>7,954</b>	<b>971</b>
<b>Total Australian Government financial assistance</b>		<b>432,108</b>	<b>407,720</b>	<b>432,108</b>	<b>407,720</b>
<b>RECONCILIATION</b>					
Australian Government grants*		264,873	249,331	264,873	249,331
HELP payments	2.2	147,804	141,780	147,804	141,780
FEE – HELP payments	2.2	16,562	13,100	16,562	13,100
SA – HELP payments	2.2	3,489	3,509	3,489	3,509
<b>Total Australian Government financial assistance</b>		<b>432,108</b>	<b>407,720</b>	<b>432,108</b>	<b>407,720</b>

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

### AUSTRALIAN GOVERNMENT GRANTS RECEIVED – CASH BASIS

CGS and other educational grants	41.1	213,417	209,902	213,417	209,902
Higher education loan programmes (exc. OS-HELP)*	41.2	168,360	158,953	168,360	158,953
Scholarships	41.3	6,006	5,575	6,006	5,575
Education research	41.4	22,646	21,584	22,646	21,584
Other capital funding	41.5	566	2,388	566	2,388
ARC grants – Discovery	41.6	7,007	7,618	7,007	7,618
ARC grants – Linkages	41.6	1,145	963	1,145	963
Other Australian Government grants		8,274	–	8,274	–
<b>Total Australian Government grants received – Cash basis</b>		<b>419,147</b>	<b>406,983</b>	<b>419,147</b>	<b>406,983</b>
OS – Help (Net)	41.7	4,214	4,845	4,214	4,845
<b>Total Australian Government funding received – Cash basis</b>		<b>431,635</b>	<b>411,828</b>	<b>431,635</b>	<b>411,828</b>

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

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

for the year ended 31 December 2015

## 3 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
State and local government financial assistance	4,143	5,403	4,143	5,403
<b>Total State and local government financial assistance</b>	<b>4,143</b>	<b>5,403</b>	<b>4,143</b>	<b>5,403</b>

## 4 FEES AND CHARGES

<b>COURSE FEES AND CHARGES</b>				
Fee-paying offshore overseas students	124,820	112,087	124,820	112,087
Continuing education	9,314	1,413	9,314	1,413
Fee-paying domestic postgraduate students	5,734	5,653	5,734	5,653
Fee-paying domestic undergraduate students	44	52	44	52
Course and conference fees	621	1,064	621	1,064
<b>Total course fees and charges</b>	<b>140,533</b>	<b>120,269</b>	<b>140,533</b>	<b>120,269</b>
<b>OTHER FEES AND CHARGES</b>				
Other services	12,910	6,730	12,910	6,730
General service fees	4,387	4,082	4,387	4,082
<b>Total other fees and charges</b>	<b>17,297</b>	<b>10,812</b>	<b>17,297</b>	<b>10,812</b>
<b>Total fees and charges</b>	<b>157,830</b>	<b>131,081</b>	<b>157,830</b>	<b>131,081</b>

## 5 INVESTMENT INCOME

Investment income	2,174	3,585	2,174	3,585
Realised gain/(loss) on investment*	265	(544)	5,039	(544)
Unrealised gain/(loss) on investment	(485)	377	(485)	377
Interest received - Other	4,687	5,159	4,618	5,040
Dividends	501	186	501	186
<b>Total investment income</b>	<b>7,142</b>	<b>8,763</b>	<b>11,847</b>	<b>8,644</b>

\* Includes gain from investment of MCD for \$4,773,278.

## 6 CONSULTANCY AND CONTRACT RESEARCH

Consultancy	26,885	22,285	26,885	22,285
Contract research	32,612	31,945	32,612	31,945
<b>Total consultancy and contract research</b>	<b>59,497</b>	<b>54,230</b>	<b>59,497</b>	<b>54,230</b>

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

for the year ended 31 December 2015

## 7 OTHER REVENUE

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Sale of goods	3,487	4,519	3,487	4,519
Other trading revenue	8,102	7,926	8,102	7,926
<b>Total trading revenue</b>	<b>11,589</b>	<b>12,445</b>	<b>11,589</b>	<b>12,445</b>
Accommodation revenue	21,293	22,006	21,293	20,517
Donations and bequests	1,718	1,757	1,718	1,757
Scholarships and prizes	1,346	1,067	1,346	1,067
Other revenue	8,141	17,091	8,181	17,015
<b>Total other revenue</b>	<b>44,087</b>	<b>54,366</b>	<b>44,127</b>	<b>52,801</b>

## 8 EMPLOYEE RELATED EXPENSES

<b>ACADEMIC</b>				
Salaries	132,956	136,598	132,956	136,598
Contributions to superannuation and pension schemes:				
Contributions to unfunded schemes	2,716	2,491	2,716	2,491
Contributions to funded schemes	20,417	22,163	20,417	22,163
Payroll tax	8,421	8,732	8,421	8,732
Workers' compensation	868	573	868	573
Long service leave	6,280	14,999	6,280	14,999
Annual leave	(3,505)	(2,171)	(3,505)	(2,171)
Allowances	4,082	4,291	4,082	4,291
Other	1,332	1,301	1,332	1,301
Termination benefits	1,153	20,704	1,153	20,704
<b>Total academic</b>	<b>174,720</b>	<b>209,681</b>	<b>174,720</b>	<b>209,681</b>
<b>NON-ACADEMIC</b>				
Salaries	131,164	130,951	131,164	130,951
Contributions to superannuation and pension schemes:				
Contributions to unfunded schemes	2,776	2,530	2,776	2,530
Contributions to funded schemes	19,974	20,066	19,974	20,066
Payroll tax	7,709	7,681	7,709	7,681
Workers' compensation	914	432	914	432
Long service leave	6,013	5,768	6,013	5,768
Annual leave	(3,662)	(4,800)	(3,662)	(4,800)
Allowances	2,738	2,650	2,738	2,650
Other	2,006	1,556	2,006	1,556
Termination benefits	7,908	16,435	7,908	16,435
<b>Total non-academic</b>	<b>177,540</b>	<b>183,269</b>	<b>177,540</b>	<b>183,269</b>
<b>Total employee related expenses</b>	<b>352,260</b>	<b>392,950</b>	<b>352,260</b>	<b>392,950</b>
Deferred superannuation expense	(95)	(737)	(95)	(737)
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>	<b>352,165</b>	<b>392,213</b>	<b>352,165</b>	<b>392,213</b>

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

for the year ended 31 December 2015

## 9 BUILDINGS AND GROUNDS

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Occupancy expenses	35,202	33,956	36,349	36,342
Materials and equipment	7,590	7,753	7,590	7,753
Operating rental lease expense	357	3,284	357	3,284
<b>Total buildings and grounds</b>	<b>43,149</b>	<b>44,993</b>	<b>44,296</b>	<b>47,379</b>

## 10 REPAIRS AND MAINTENANCE

Repairs and maintenance	12,727	10,527	12,727	10,527
<b>Total repairs and maintenance</b>	<b>12,727</b>	<b>10,527</b>	<b>12,727</b>	<b>10,527</b>

## II DEPRECIATION AND AMORTISATION

<b>DEPRECIATION</b>				
Buildings	13,500	12,648	13,216	12,364
Leasehold improvements	2,155	975	2,155	975
Infrastructure	3,965	2,087	3,965	2,087
Plant and equipment	9,876	9,218	9,876	9,218
Furniture, fixtures and office equipment	2,180	2,031	2,180	2,031
Motor vehicles	410	623	410	623
Computer hardware	9,922	11,204	9,922	11,204
Library collection	6,029	5,216	6,029	5,216
<b>Total depreciation</b>	<b>48,028</b>	<b>44,002</b>	<b>47,744</b>	<b>43,718</b>
<b>AMORTISATION</b>				
Amortisation of intangible assets	9,214	7,556	9,214	7,556
Amortisation of deferred expenses	280	239	280	239
Amortisation expense-finance lease asset	1,610	2,996	1,610	2,996
<b>Total amortisation</b>	<b>11,104</b>	<b>10,791</b>	<b>11,104</b>	<b>10,791</b>
<b>Total depreciation and amortisation</b>	<b>59,132</b>	<b>54,793</b>	<b>58,848</b>	<b>54,509</b>

## 12 BAD AND IMPAIRED DEBTS

Doubtful debts	745	776	745	776
Bad debts	39	30	39	30
<b>Total bad and impaired debts</b>	<b>784</b>	<b>806</b>	<b>784</b>	<b>806</b>

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

for the year ended 31 December 2015

## 13 OTHER EXPENSES

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Advertising	8,542	6,870	8,542	6,870
Catering expenses	1,893	1,497	1,893	1,497
Computer expenses	12,689	13,133	12,689	13,133
Telecommunications	4,199	3,401	4,200	3,401
Non-capitalised equipment	3,971	2,318	3,971	2,318
Teaching partners - payments	3,786	2,100	3,786	2,100
Non-Salary expense recoveries and research support expenses	113	-	113	-
Examiner fees	205	252	205	252
Student amenities	3,384	620	3,384	620
Miscellaneous expenses	4,729	1,799	4,729	1,741
Motor vehicle expenses	766	832	766	832
Postage	873	951	873	951
Printing and stationery	912	947	912	947
<b>Total other expenses</b>	<b>46,062</b>	<b>34,720</b>	<b>46,062</b>	<b>34,662</b>

## 14 BORROWING COSTS

Interest expense	4,402	4,575	4,402	4,528
Interest expense-finance lease	3,717	4,127	3,717	4,127
Other borrowing costs	783	-	783	-
<b>Total borrowing costs expensed</b>	<b>8,902</b>	<b>8,702</b>	<b>8,902</b>	<b>8,655</b>

## 15 INCOME TAX EXPENSE/(BENEFIT)

Income tax received	-	(1,167)	-	-
Foreign income tax or withholding tax - recognised in current tax for prior periods	(88)	(142)	(88)	(142)
<b>Total income tax benefit</b>	<b>(88)</b>	<b>(1,309)</b>	<b>(88)</b>	<b>(142)</b>

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

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

for the year ended 31 December 2015

## 16 SALE OF ASSETS

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Proceeds from sale	(213)	(2,122)	(213)	(2,122)
Less carrying amount of assets sold	503	2,598	503	2,598
<b>Net loss on sale of assets</b>	<b>290</b>	<b>476</b>	<b>290</b>	<b>476</b>

## 17 REMUNERATION OF AUDITORS

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

<b>AUDIT AND REVIEW OF THE FINANCIAL STATEMENTS</b>				
Fee paid to Victorian Auditor General's Office	163	147	158	143
<b>Total paid for audit and review</b>	<b>163</b>	<b>147</b>	<b>158</b>	<b>143</b>
<b>OTHER AUDIT AND ASSURANCE SERVICES</b>				
Fees paid to other auditors	6	10	6	10
<b>Total paid for audit and assurance</b>	<b>6</b>	<b>10</b>	<b>6</b>	<b>10</b>

## 18 TRADE AND OTHER RECEIVABLES

<b>CURRENT</b>				
Trade receivables	23,109	12,117	23,109	22,238
Deferred Government contribution for superannuation 35.3	5,074	5,121	5,074	5,121
GST receivable	2,705	2,194	2,705	2,194
Less provision for doubtful debts	(1,516)	(799)	(1,516)	(799)
<b>Total current receivables</b>	<b>29,372</b>	<b>18,633</b>	<b>29,372</b>	<b>28,754</b>
<b>NON-CURRENT</b>				
Trade receivables	1,300	1,517	1,300	1,517
Deferred government contributions for superannuation 35.3	68,464	68,512	68,464	68,512
<b>Total non-current receivables</b>	<b>69,764</b>	<b>70,029</b>	<b>69,764</b>	<b>70,029</b>
<b>Total trade and other receivables</b>	<b>99,136</b>	<b>88,662</b>	<b>99,136</b>	<b>98,783</b>



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

for the year ended 31 December 2015

## IMPAIRED RECEIVABLES

As at 31 December 2015 current receivables of the University with a nominal value of \$1,516,000 (2014: \$799,000) were deemed to be impaired and provided for as doubtful debts. The individually impaired receivables relate to debts from students who are no longer enrolled, are in unexpected difficult economic situations and have been outstanding for greater than 12 months.

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CURRENT RECEIVABLES</b>				
Provision for doubtful debts	1,516	799	1,516	799
	1,516	799	1,516	799

As at 31 December 2015 trade receivables (excluding student debt) of \$3,996,917 (2014: \$1,969,818) 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:

<b>TRADE RECEIVABLES</b>				
Between 15 to 90 days	3,876	2,262	3,876	2,262
Between 91 to 180	2,005	581	2,005	581
Over 181 days	6,167	901	6,167	901
	12,048	3,744	12,048	3,744

Movements in the provision for impaired receivables are as follows:

At 1 January	799	180	799	180
Provision for impairment recognised during the year	790	671	790	671
Receivables written off during the year as uncollectible	(39)	(30)	(39)	(30)
Debt paid	(34)	(22)	(34)	(22)
	1,516	799	1,516	799

The movement in the provision for impaired receivables has been included in 'bad and impaired debts' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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

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

for the year ended 31 December 2015

## 19 OTHER FINANCIAL ASSETS AT FAIR VALUE

### 19.1 Other financial assets – current

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CURRENT</b>				
Deposits	55,847	48,643	55,847	48,643
Debentures	731	1,399	731	1,399
Units in unit trusts	314	1,024	314	1,024
Listed shares	663	1,465	663	1,465
<b>Total current other financial assets</b>	<b>57,555</b>	<b>52,531</b>	<b>57,555</b>	<b>52,531</b>
<b>MOVEMENT OF CURRENT OTHER FINANCIAL ASSETS</b>				
Opening net book value	52,531	44,002	52,531	44,002
Additions	55,847	48,643	55,847	48,643
Disposals and redemptions	(50,622)	(40,069)	(50,622)	(40,069)
Capital losses	–	(8)	–	(8)
Unrealised gains/(losses)	(201)	(37)	(201)	(37)
<b>Closing net book value</b>	<b>57,555</b>	<b>52,531</b>	<b>57,555</b>	<b>52,531</b>

### 19.2 Other financial assets – Non-current

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>NON-CURRENT</b>				
Shares at cost	4,719	4,774	4,719	4,774
Shares at fair value	9,519	316	9,519	316
Available-for-sale financial assets at fair value*	42,270	38,614	42,270	38,614
<b>Total non-current other financial assets</b>	<b>56,508</b>	<b>43,704</b>	<b>56,508</b>	<b>43,704</b>
<b>MOVEMENT OF NON-CURRENT OTHER FINANCIAL ASSETS</b>				
Opening net book value	43,704	40,607	43,704	40,607
Additions	–	4	–	4
Income	3,874	3,585	3,874	3,585
Realised gains/(losses)	90	(536)	152	(536)
Unrealised gains/(losses)	8,840	44	8,840	44
<b>Closing net book value</b>	<b>56,508</b>	<b>43,704</b>	<b>56,570</b>	<b>43,704</b>

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

## 20 INVENTORIES

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CURRENT</b>				
Commercial and trading activities	517	833	517	833
<b>Total inventories</b>	<b>517</b>	<b>833</b>	<b>517</b>	<b>833</b>

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

for the year ended 31 December 2015

## 21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>RECONCILIATION OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>				
Opening value	-	3,330	-	3,330
Carrying value of assets sold	-	(1,500)	-	(1,500)
Transferred to property, plant and equipment	-	(1,830)	-	(1,830)
<b>Closing value</b>	-	-	-	-

## 22 PROPERTY, PLANT AND EQUIPMENT

<b>FREEHOLD LAND</b>				
At valuation	296,724	298,707	296,724	298,707
	296,724	298,707	296,724	298,707
<b>BUILDINGS</b>				
At valuation	579,428	480,060	579,428	465,850
At cost	-	98,368	-	98,368
Accumulated depreciation	-	(24,926)	-	(24,358)
	579,428	553,502	579,428	539,860
<b>WORK IN PROGRESS</b>				
At cost	46,966	50,268	46,966	50,268
	46,966	50,268	46,966	50,268
<b>BUILDINGS-LEASEHOLD IMPROVEMENTS</b>				
At cost	34,672	27,118	34,672	27,118
Accumulated amortisation	(6,066)	(3,911)	(6,066)	(3,911)
	28,606	23,207	28,606	23,207
<b>INFRASTRUCTURE</b>				
At valuation	85,472	29,023	85,472	29,023
At cost	-	44,405	-	44,405
Accumulated depreciation	-	(3,099)	-	(3,099)
	85,472	70,329	85,472	70,329
<b>PLANT AND EQUIPMENT</b>				
At cost	125,487	117,384	125,487	117,384
Accumulated depreciation	(61,261)	(53,556)	(61,261)	(53,556)
	64,226	63,828	64,226	63,828
<b>FURNITURE, FIXTURES AND OFFICE EQUIPMENT</b>				
At cost	22,738	21,880	22,738	21,880
Accumulated depreciation	(7,501)	(5,380)	(7,501)	(5,380)
	15,237	16,500	15,237	16,500

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

for the year ended 31 December 2015

## 22 PROPERTY, PLANT AND EQUIPMENT (CONT..)

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>MOTOR VEHICLES</b>				
At cost	5,009	5,157	5,009	5,157
Accumulated depreciation	(2,249)	(2,011)	(2,249)	(2,011)
	2,760	3,146	2,760	3,146
<b>COMPUTER HARDWARE</b>				
At cost	42,802	42,969	42,802	42,969
Accumulated depreciation	(34,377)	(29,785)	(34,377)	(29,785)
	8,425	13,184	8,425	13,184
<b>LIBRARY COLLECTION</b>				
At cost	186,696	175,590	186,696	175,590
Accumulated depreciation	(147,545)	(141,517)	(147,545)	(141,517)
	39,151	34,073	39,151	34,073
<b>LEASED BUILDINGS</b>				
At cost	64,404	64,404	64,404	64,404
Accumulated depreciation	(7,440)	(5,830)	(7,440)	(5,830)
	56,964	58,574	56,964	58,574
<b>WORKS OF ART</b>				
At valuation	14,219	14,049	14,219	14,049
	14,219	14,049	14,219	14,049
<b>Total property, plant and equipment at cost and valuation</b>	<b>1,238,178</b>	<b>1,199,367</b>	<b>1,238,178</b>	<b>1,185,725</b>

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

Works of art were independently valued as at 31 December 2011 by specialised valuers for each type of work. Works of art will be revalued in 2016.

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

for the year ended 31 December 2015

## 22.1 Property, plant and equipment – movements table

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

	Land \$000s	Buildings \$000s	Plant and equipment \$000s	Motor vehicles \$000s	Furniture, fixtures and office equipment \$000s	Computer hardware \$000s	Buildings – leasehold improvements \$000s	Leased buildings \$000s	Works of art \$000s	Library collection \$000s	Works in progress \$000s	Infrastructure \$000s	Total \$000s
<b>CONSOLIDATED</b>													
<b>Year ended 31 December 2015</b>													
Balance at the beginning of year	298,707	553,502	63,828	3,146	16,500	13,184	23,207	58,574	14,049	34,073	50,268	70,329	1,199,367
Additions	-	-	5,154	81	182	154	-	-	170	11,107	50,522	54	67,424
Disposals – written down value	-	(143)	(41)	(57)	(6)	(11)	-	-	-	-	-	(3)	(261)
Transfers within PPE	-	19,329	5,161	-	741	5,020	7,554	-	-	-	(45,693)	7,888	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(8,131)	-	(8,131)
Revaluation increase/(decrease)	(1,983)	21,832	-	-	-	-	-	-	-	-	-	11,160	31,009
Depreciation expense	-	(13,500)	(9,876)	(410)	(2,180)	(9,922)	(2,155)	(1,610)	-	(6,029)	-	(3,956)	(49,638)
Impairment loss in income statement	-	(1,592)	-	-	-	-	-	-	-	-	-	-	(1,592)
<b>Closing net book amount</b>	<b>296,724</b>	<b>579,428</b>	<b>64,226</b>	<b>2,760</b>	<b>15,237</b>	<b>8,425</b>	<b>28,606</b>	<b>56,964</b>	<b>14,219</b>	<b>39,151</b>	<b>46,966</b>	<b>85,472</b>	<b>1,238,178</b>
<b>CONSOLIDATED</b>													
<b>Year ended 31 December 2014</b>													
Balance at the beginning of year	264,855	529,568	63,987	3,429	14,440	15,453	24,182	69,155	13,960	29,422	78,879	52,054	1,159,384
Additions	-	6,509	6,227	617	1,352	1,888	-	-	89	9,867	33,703	5,685	65,937
Disposals – written down value	-	-	(210)	(277)	(28)	(582)	-	-	-	-	-	-	(1,097)
Transfers within PPE	386	30,073	3,042	-	2,767	7,629	-	-	-	-	(58,574)	14,677	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(3,740)	-	(3,740)
Transfers from assets held for sale	1,835	-	-	-	-	-	-	-	-	-	-	-	1,835
Agribio restatement	-	-	-	-	-	-	-	(7,585)	-	-	-	-	(7,585)
Revaluation increase/(decrease)	31,631	-	-	-	-	-	-	-	-	-	-	-	31,631
Depreciation expense	-	(12,648)	(9,218)	(623)	(2,031)	(11,204)	(975)	(2,996)	-	(5,216)	-	(2,087)	(46,998)
<b>Closing net book amount</b>	<b>298,707</b>	<b>553,502</b>	<b>63,828</b>	<b>3,146</b>	<b>16,500</b>	<b>13,184</b>	<b>23,207</b>	<b>58,574</b>	<b>14,049</b>	<b>34,073</b>	<b>50,268</b>	<b>70,329</b>	<b>1,199,367</b>

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

for the year ended 31 December 2015

## 22.1 Property, plant and equipment – movements table (Cont..)

	Land \$000s	Buildings \$000s	Plant and equipment \$000s	Motor vehicles \$000s	Furniture, fixtures and office equipment \$000s	Computer hardware \$000s	Buildings – leasehold improvements \$000s	Leased buildings \$000s	Works of art \$000s	Library collection \$000s	Works in progress \$000s	Infrastructure \$000s	Total \$000s
<b>LATROBE UNIVERSITY</b>													
<b>Year ended 31 December 2015</b>													
Balance at the beginning of year	298,707	539,860	63,828	3,146	16,500	13,184	23,207	58,574	14,049	34,073	50,268	70,329	1,185,725
Additions	-	-	5,154	81	182	154	-	-	170	11,107	50,522	54	67,424
Disposals – written down value	-	(143)	(41)	(57)	(6)	(11)	-	-	-	-	-	(3)	(261)
Transfers within PPE	-	19,329	5,161	-	741	5,020	7,554	-	-	-	(45,693)	7,888	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(8,131)	-	(8,131)
Transfers from MCD building	-	29,525	-	-	-	-	-	-	-	-	-	-	29,525
Revaluation increase / (decrease)	(1,983)	5,666	-	-	-	-	-	-	-	-	-	11,160	14,843
Depreciation expense	-	(13,216)	(9,876)	(410)	(2,180)	(9,922)	(2,155)	(1,610)	-	(6,029)	-	(3,956)	(49,354)
Impairment loss in income statement	-	(1,593)	-	-	-	-	-	-	-	-	-	-	(1,593)
<b>Closing net book amount</b>	<b>296,724</b>	<b>579,428</b>	<b>64,226</b>	<b>2,760</b>	<b>15,237</b>	<b>8,425</b>	<b>28,606</b>	<b>56,964</b>	<b>14,219</b>	<b>39,151</b>	<b>46,966</b>	<b>85,472</b>	<b>1,238,178</b>
	Land \$000s	Buildings \$000s	Plant and equipment \$000s	Motor vehicles \$000s	Furniture, fixtures and office equipment \$000s	Computer hardware \$000s	Buildings – leasehold improvements \$000s	Leased buildings \$000s	Works of art \$000s	Library collection \$000s	Works in progress \$000s	Infrastructure \$000s	Total \$000s
<b>LATROBE UNIVERSITY</b>													
<b>Year ended 31 December 2014</b>													
Balance at the beginning of year	264,855	515,642	63,987	3,429	14,440	15,453	24,182	69,155	13,960	29,422	78,879	52,054	1,145,458
Additions	-	6,509	6,227	617	1,352	1,888	-	-	89	9,867	33,703	5,685	65,937
Disposals – written down value	-	-	(210)	(277)	(28)	(582)	-	-	-	-	-	-	(1,097)
Transfers within PPE	386	30,073	3,042	-	2,767	7,629	-	-	-	-	(58,574)	14,677	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(3,740)	-	(3,740)
Transfers from assets held for sale	1,835	-	-	-	-	-	-	-	-	-	-	-	1,835
AgriBio restatement	-	-	-	-	-	-	(7,585)	-	-	-	-	-	(7,585)
Revaluation increase / (decrease)	31,631	-	-	-	-	-	-	-	-	-	-	-	31,631
Depreciation expense	-	(12,364)	(9,218)	(623)	(2,031)	(11,204)	(975)	(2,996)	-	(5,216)	-	(2,087)	(46,714)
<b>Closing net book amount</b>	<b>\$298,707</b>	<b>539,860</b>	<b>63,828</b>	<b>3,146</b>	<b>16,500</b>	<b>13,184</b>	<b>23,207</b>	<b>58,574</b>	<b>14,049</b>	<b>34,073</b>	<b>50,268</b>	<b>70,329</b>	<b>1,185,725</b>

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

for the year ended 31 December 2015

## 23 INTANGIBLE ASSETS

		CONSOLIDATED		LA TROBE UNIVERSITY	
	Note	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>COMPUTER SOFTWARE DEVELOPMENT</b>					
Cost	1.12	76,196	65,579	76,196	65,579
Accumulated amortisation and impairment		(43,802)	(35,098)	(43,802)	(35,098)
<b>Net carrying value</b>		<b>32,394</b>	30,481	<b>32,394</b>	30,481
<b>Total intangible assets</b>		<b>32,394</b>	30,481	<b>32,394</b>	30,481
<b>MOVEMENT OF INTANGIBLE ASSETS</b>					
Opening net book amount		30,481	33,351	30,481	33,351
Additions – Computer software development costs		3,238	946	3,238	946
Transfers		8,131	3,740	8,131	3,740
Disposals		(242)	–	(242)	–
Amortisation charge		(9,214)	(7,556)	(9,214)	(7,556)
<b>Closing net book amount</b>		<b>32,394</b>	30,481	<b>32,394</b>	30,481

## 24 OTHER NON-FINANCIAL ASSETS

<b>CURRENT</b>					
Prepayments		18,099	11,043	18,099	11,043
Property, plant and equipment in joint operations		277	217	277	217
<b>Total current other non-financial assets</b>		<b>18,376</b>	<b>11,260</b>	<b>18,376</b>	<b>11,260</b>
<b>NON-CURRENT</b>					
Prepaid licence fee – Co-gen plant		399	399	399	399
Austin Health		2,000	2,000	2,000	2,000
<b>Total</b>		<b>2,399</b>	<b>2,399</b>	<b>2,399</b>	<b>2,399</b>
Less accumulated amortisation		(2,399)	(2,119)	(2,399)	(2,119)
<b>Total non-current other non-financial assets</b>		<b>–</b>	<b>280</b>	<b>–</b>	<b>280</b>
<b>Total other non-financial assets</b>		<b>18,376</b>	<b>11,540</b>	<b>18,376</b>	<b>11,540</b>

## 25 TRADE AND OTHER PAYABLES

<b>CURRENT</b>					
Trade creditors		15,518	15,174	15,518	15,169
Accrued expense		16,308	22,182	16,308	22,182
Salary related creditors		7,703	4,166	7,703	4,166
OS-HELP liability to Government		1,626	2,461	1,626	2,461
Government grants		(140)	1,565	(140)	1,565
Other payables		5,169	3,747	5,169	3,749
<b>Total current trade and other payables</b>		<b>46,184</b>	<b>49,295</b>	<b>46,184</b>	<b>49,292</b>
<b>Total trade and other payables</b>		<b>46,184</b>	<b>49,295</b>	<b>46,184</b>	<b>49,292</b>



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

for the year ended 31 December 2015

## 26 BORROWINGS

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CURRENT</b>				
Bank overdraft	-	57	-	57
Debenture loans**	946	891	946	891
Commercial bills**	3,092	2,955	3,092	2,955
Business market loan**	2,475	1,080	2,475	1,080
<b>Total current secured borrowings</b>	<b>6,513</b>	<b>4,983</b>	<b>6,513</b>	<b>4,983</b>
<b>NON-CURRENT</b>				
Lease liabilities*	-	46,954	-	46,954
Debenture loans**	3,504	4,450	3,504	4,450
Commercial bills**	11,923	15,015	11,923	15,015
Business market loan**	38,913	41,388	38,913	41,388
<b>Total non-current secured borrowings</b>	<b>54,340</b>	<b>107,807</b>	<b>54,340</b>	<b>107,807</b>
<b>Total borrowings</b>	<b>60,853</b>	<b>112,790</b>	<b>60,853</b>	<b>112,790</b>

\* Lease liabilities are in relation to the AgriBio joint venture. This facility was fully paid out on 14 December 2015.

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

### 26.1 Assets pledged as security

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

Security trust deed	150,000	150,000	150,000	150,000
<b>CURRENT</b>				
<b>Floating charge</b>				
Cash and cash equivalents	-	5,182	-	-
<b>NON-CURRENT</b>				
<b>First mortgage</b>				
Buildings	-	13,642	-	-
<b>Total assets pledged as security</b>	<b>150,000</b>	<b>168,824</b>	<b>150,000</b>	<b>150,000</b>

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

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

for the year ended 31 December 2015

## 27 EMPLOYEE BENEFITS AND PROVISIONS

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS</b>					
<b>Employee benefits</b>					
Deferred government benefits for superannuation	35.3	5,074	5,121	5,074	5,121
Provision for termination benefits <sup>^</sup>		-	20,986	-	20,986
Annual leave		16,617	16,980	16,617	16,980
Long service leave		8,747	7,723	8,747	7,723
<b>CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER MORE THAN 12 MONTHS</b>					
Annual leave		13,393	13,587	13,393	13,587
Long service leave		23,360	27,164	23,360	27,164
<b>Total current provisions</b>		<b>67,191</b>	<b>91,561</b>	<b>67,191</b>	<b>91,561</b>
<b>NON-CURRENT PROVISIONS</b>					
<b>Employee benefits</b>					
Long service leave <sup>*</sup>		9,973	9,992	9,973	9,992
Deferred benefits for superannuation	35.3	68,464	68,512	68,464	68,512
<b>Total non-current provisions</b>		<b>78,437</b>	<b>78,504</b>	<b>78,437</b>	<b>78,504</b>
<b>Total provisions</b>		<b>145,628</b>	<b>170,065</b>	<b>145,628</b>	<b>170,065</b>

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

<sup>^</sup> The University has developed a *Future Ready: Strategic Plan 2013-2017* to enable revitalisation of research output, alignment of our staffing skills and expertise to our strategic requirements amongst many other initiatives. As part of building the staffing profile the University has established a non-recurring provision for termination benefits which was incurred in early 2015.

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

for the year ended 31 December 2015

## 28 OTHER LIABILITIES

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>CURRENT</b>					
Fees and charges received in advance	1.3	18,664	16,241	18,664	16,241
Grants received in advance	1.3	2,485	1,870	2,485	1,870
Property lease revenue		63	63	63	63
Medical centre ground lease		158	297	158	297
Other		1,269	491	1,269	491
Bonds and deposits		308	331	308	331
<b>Total current other liabilities</b>		<b>22,947</b>	<b>19,293</b>	<b>22,947</b>	<b>19,293</b>
<b>NON-CURRENT</b>					
Property lease revenue		5,193	5,256	5,193	5,256
Medical centre ground lease		1,742	1,761	1,742	1,761
<b>Total non-current other liabilities</b>		<b>6,935</b>	<b>7,017</b>	<b>6,935</b>	<b>7,017</b>
<b>Total other liabilities</b>		<b>29,882</b>	<b>26,310</b>	<b>29,882</b>	<b>26,310</b>

## 29 RESERVES AND RETAINED SURPLUS

### 29.1 Reserves

Property, plant and equipment revaluation reserve	719,322	688,312	719,322	683,495
General reserve	5,854	7,017	5,854	7,017
Perpetual funds	8,507	2,006	8,507	2,007
Available-for-sale reserve	11,954	3,176	11,954	3,176
<b>Total reserves</b>	<b>745,637</b>	<b>700,511</b>	<b>745,637</b>	<b>695,695</b>

(a) The Property, plant and equipment revaluation reserve was created to record the revaluation of assets controlled by the University prior to 1 January 1989. Subsequent revaluations have been recorded against this reserve, including the revaluation which occurred in 2015.

(b) 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.

(c) 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.

(d) The Available-for-sale reserve was created to record the unrealised market movements of financial assets classified as available for sale.

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

for the year ended 31 December 2015

## 29.2 Movements

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>FREEHOLD LAND</b>				
Freehold land as at 1 January	268,366	236,735	268,366	236,735
Revaluation increment/(decrement)	(1,983)	31,631	(1,983)	31,631
<b>Freehold land as at 31 December</b>	<b>266,383</b>	<b>268,366</b>	<b>266,383</b>	<b>268,366</b>
<b>BUILDINGS AND INFRASTRUCTURE</b>				
Buildings as at 1 January	324,738	321,071	324,738	319,922
Transfer from MCD**	-	3,667	20,984	-
Revaluation increment/(decrement)	32,994	-	16,826	-
<b>Buildings as at 31 December</b>	<b>357,732</b>	<b>324,738</b>	<b>357,732</b>	<b>319,922</b>
<b>WORKS OF ART</b>				
Works of art as at 1 January	2,781	2,781	2,781	2,781
<b>Works of art as at 31 December</b>	<b>2,781</b>	<b>2,781</b>	<b>2,781</b>	<b>2,781</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>				
Non-current assets held for sale as at 1 January	-	135	-	135
Transfers to retained surplus*	-	(135)	-	(135)
<b>Non-current assets held for sale as at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other classes of assets as at 1 January</b>	<b>92,426</b>	<b>92,426</b>	<b>92,426</b>	<b>92,426</b>
<b>Other classes of assets as at 31 December</b>	<b>92,426</b>	<b>92,426</b>	<b>92,426</b>	<b>92,426</b>
<b>Balance as at 31 December</b>	<b>719,322</b>	<b>688,311</b>	<b>719,322</b>	<b>683,495</b>
<b>GENERAL RESERVES</b>				
Balance as at 1 January	7,017	7,118	7,017	7,118
Transfers from retained surplus*	-	15	-	15
Transfers to retained surplus*	(1,163)	(116)	(1,163)	(116)
<b>Balance as at 31 December</b>	<b>5,854</b>	<b>7,017</b>	<b>5,854</b>	<b>7,017</b>
<b>PERPETUAL FUNDS</b>				
Balance as at 1 January	2,007	1,893	2,007	1,893
Transfers from retained surplus*	-	114	-	114
Transfers from accumulated funds	6,500	-	6,500	-
<b>Balance as at 31 December</b>	<b>8,507</b>	<b>2,007</b>	<b>8,507</b>	<b>2,007</b>
<b>AVAILABLE-FOR-SALE RESERVES</b>				
Balance as at 1 January	3,176	3,132	3,176	3,132
Net movements in financial assets classified as available-for-sale	8,778	44	8,778	44
<b>Balance as at 31 December</b>	<b>11,954</b>	<b>3,176</b>	<b>11,954</b>	<b>3,176</b>
<b>Total reserves</b>	<b>745,637</b>	<b>700,511</b>	<b>745,637</b>	<b>695,695</b>

\* The transfers to/from retained surplus are in relation to reserves set aside for specific purposes that have been finalised.

\*\* The transfer relating to the building at revaluation for Medical Centre Developments (MCD).

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

for the year ended 31 December 2015

## 29.3 Movements in retained surplus

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Opening balance	452,548	437,916	448,665	435,214
Profit for the year	63,368	18,177	67,250	13,329
Transfers in	-	251	-	251
Transfers out	(5,337)	(3,796)	(5,337)	(129)
<b>Retained surplus at end of the financial year</b>	<b>510,578</b>	<b>452,548</b>	<b>510,578</b>	<b>448,665</b>

## 30 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	33,915	42,284	33,915	37,103
Short-term deposits	2,183	42,117	2,183	42,117
<b>Total cash and cash equivalent</b>	<b>36,098</b>	<b>84,401</b>	<b>36,098</b>	<b>79,220</b>

### 30.1 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	36,098	84,401	36,098	79,220
Less bank overdrafts	-	(57)	-	(57)
<b>Balance as per cash flow statement</b>	<b>36,098</b>	<b>84,344</b>	<b>36,098</b>	<b>79,163</b>

### 30.2 Cash at bank and on hand

These are interest-bearing with a weighted average interest rate of 2.32% (2014: 2.98%).

### 30.3 Deposits at call

The deposits are at floating interest rates of 2.89% and (2014: 3.41%). Term deposits with a term of greater than 90 days are disclosed in other current financial assets at fair value through profit or loss.

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

for the year ended 31 December 2015

## 31 RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Operating result for the period		63,368	18,177	67,250	13,329
<b>NON CASH FLOW ITEMS IN OPERATING RESULT</b>					
Depreciation and amortisation		59,132	54,793	58,848	54,509
Net loss on sale of plant and equipment	16	290	476	290	476
Gain on disposal of business division		-		(4,774)	
Bad and doubtful debts		784	806	784	806
Capitalised financing costs		-	3,444	-	3,444
Unrealised Capital Gain/(loss) on investment		226	(3,005)	226	(3,005)
Income tax expense/(benefit)		(88)	(142)	(88)	(142)
Impairment loss		(1,592)	-	(1,592)	-
<b>Net cash inflow from operating activities before change in assets and liabilities</b>		<b>122,120</b>	<b>74,549</b>	<b>120,944</b>	<b>69,417</b>
<b>Change in operating assets and liabilities</b>					
(Increase)/decrease in trade and other receivables		(10,569)	(2,978)	(444)	(593)
(Increase)/decrease in inventories		316	(98)	316	(98)
(Increase)/decrease in other non-financial assets		(7,056)	(1,863)	(7,056)	(1,863)
Decrease/(increase) in payables		3,108	(2,087)	3,108	(2,077)
Increase in other current liabilities		3,572	8,661	3,572	8,661
Increase/(decrease) in provision for employee benefits		(24,342)	27,092	(24,342)	27,092
Write off of intercompany debtor due to MCD liquidation		-	-	(9,019)	-
<b>Net cash inflow from operating activities</b>		<b>87,149</b>	<b>103,276</b>	<b>87,079</b>	<b>100,539</b>

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

for the year ended 31 December 2015

## 32 FINANCIAL RISK MANAGEMENT

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

		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		INTEREST RATE		VARIABLE INTEREST RATE		MATURING WITHIN ONE YEAR		MATURING ONE TO FIVE YEARS		MATURING OVER FIVE YEARS		NON-INTEREST BEARING		TOTAL	
		2015 %	2014 %	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s	2015 \$000s	
Note																	
FINANCIAL ASSETS																	
Cash and cash equivalents	30	2.32	2.98	36,098	84,401	-	-	-	-	-	-	-	-	-	-	36,098	84,401
Trade and other receivables	18	-	-	-	-	-	-	-	-	-	-	-	-	25,598	15,029	25,598	15,029
Term deposits over 90 days	19.1	2.89	3.41	-	-	55,847	48,643	-	-	-	-	-	-	-	-	55,847	48,643
Debentures	19.1	6.85	7.40	731	1,399	-	-	-	-	-	-	-	-	-	-	731	1,399
Units in unit trusts	19.1	-	-	-	-	-	-	-	-	-	-	-	-	314	1,024	314	1,024
Listed shares	19.1	-	-	-	-	-	-	-	-	-	-	-	-	663	1,465	663	1,465
Shares at cost and at fair value through profit or loss	19.2	-	-	-	-	-	-	-	-	-	-	-	-	14,300	5,090	14,300	5,090
Long-term managed funds	19.2	-	-	-	-	-	-	-	-	-	-	-	-	42,270	38,614	42,270	38,614
Deferred receivable for superannuation	18	-	-	-	-	-	-	-	-	-	-	-	-	75,344	73,633	75,344	73,633
Total financial assets						36,829	85,800	55,847	48,643	-	-	-	-	158,489	134,855	251,165	269,298
FINANCIAL LIABILITIES																	
Trade and other payables	25	-	-	-	-	-	-	-	-	-	-	-	-	46,182	49,295	46,182	49,295
Fees and charges received in advance	28	-	-	-	-	-	-	-	-	-	-	-	-	18,664	16,241	18,664	16,241
Debentures loans	26	6.12	6.12	-	-	946	891	3,504	4,155	-	-	295	-	-	-	-	5,341
Grants and donations received in advance	28	-	-	-	-	-	-	-	-	-	-	-	-	2,485	1,870	2,485	1,870
Other revenue received in advance	28	-	-	-	-	-	-	-	-	-	-	-	-	9,743	7,868	9,743	7,868
Bonds and deposits	28	-	-	-	-	-	-	-	-	-	-	-	-	308	331	308	331
Commercial bills	26	6.66	6.66	-	-	3,092	2,955	10,426	10,659	1,497	4,356	-	-	-	-	15,015	17,970
Business market loan	26	6.72	6.70	-	-	2,475	1,080	13,729	12,079	25,184	29,309	-	-	-	-	41,388	42,468
Lease liabilities	26	-	8.14	-	-	-	-	-	-	-	-	46,954	-	-	-	-	46,954
Deferred benefits for superannuation	27	-	-	-	-	-	-	-	-	-	-	-	-	75,344	73,633	75,344	73,633
Total financial liabilities						-	-	27,659	26,893	26,681	80,914	152,726	149,238	213,579	261,971	213,579	261,971



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

for the year ended 31 December 2015

## 32.2 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.

## 32.3 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 following table summarises the sensitivity of the University's financial assets to interest rate risk and price risk.

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

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

				INTEREST RATE RISK		PRICE RISK	
				+/-1%	+/-2%	+/-3%	+/-10%
	2014 Carrying amount \$	Current rate %	Annual return at current rate \$000s	Result \$000s	Result \$000s	Result \$000s	Result \$000s
<b>31 DECEMBER 2014</b>							
Listed shares	1,465	-	-	-	-	44	147
Cash and cash equivalents	84,401	2.98	2,515	844	1,688	-	-
Debentures	1,399	7.40	104	14	28	-	-
<b>Total increase/(decrease)</b>	<b>87,265</b>		<b>2,619</b>	<b>858</b>	<b>1,716</b>	<b>44</b>	<b>147</b>

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

for the year ended 31 December 2015

## 32.3 Market risk (Cont..)

### Foreign exchange risk

The University has minor exposure to foreign exchange movements via foreign purchases of library materials. The University manages material foreign exchange risk by hedging the purchases using participating forward exchange contracts. As at 31 December 2015, the University had no outstanding contracts (2014 nil).

## 32.4 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 Balance Sheet in arriving at their carrying amount. The University adopts an ageing analysis to measure its credit risk and is not materially exposed to any individual debtor.

## 32.5 Liquidity risk

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

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

## 32.6 Financial facilities

	2015 \$000s	2014 \$000s
<b>THE UNIVERSITY HAS ACCESS TO THE FOLLOWING LINES OF CREDIT</b>		
Total facilities		
Debenture loans	4,450	5,341
Commercial bills	15,015	17,970
Business market loan	41,388	42,468
Total facilities	60,853	65,779
<b>FACILITIES UTILISED AT BALANCE DATE</b>		
Debenture loans	4,450	5,341
Commercial bills	15,015	17,970
Business market loan	41,388	42,468
Facilities utilised at balance date	60,853	65,779
<b>FACILITIES NOT UTILISED AT BALANCE DATE</b>	-	-

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

for the year ended 31 December 2015

## 33 FAIR VALUE MEASUREMENT

### 33.1 Fair value measurements

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

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

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

	CARRYING AMOUNT		FAIR VALUE	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	36,098	84,401	36,098	84,401
Trade and other receivables	25,598	15,029	25,598	15,029
Term deposits over 90 days	55,847	48,643	55,847	48,643
Debentures	731	1,399	731	1,399
Units in unit trusts	314	1,024	314	1,024
Listed shares	663	1,465	663	1,465
Shares at fair value through profit or loss	14,238	5,090	14,238	5,090
Long-term managed funds	42,270	38,614	42,270	38,614
Deferred receivable for superannuation	75,344	73,633	75,344	73,633
<b>Total financial assets</b>	<b>251,103</b>	<b>269,298</b>	<b>251,103</b>	<b>269,298</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	46,182	49,294	46,182	49,294
Fees and charges received in advance	18,664	16,241	18,664	16,241
Government financial assistance received in advance	2,485	1,870	2,485	1,870
Other revenue received in advance	6,935	7,017	6,935	7,017
Bonds and deposits	308	331	308	331
Debentures loans	4,450	5,341	4,450	5,341
Commercial bills	15,015	17,970	15,015	17,970
Business market loan	41,388	42,468	41,388	42,468
Finance lease liabilities	-	46,954	-	46,954
Deferred benefits for superannuation	75,344	73,633	75,344	73,633
<b>Total financial liabilities</b>	<b>210,771</b>	<b>261,119</b>	<b>210,771</b>	<b>261,119</b>

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 University has also measured assets and liabilities at fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

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

for the year ended 31 December 2015

## 33.2 Fair value hierarchy

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

**Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2015.

Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

#### FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2015

	Note	2015 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
<b>RECURRING FAIR VALUE MEASUREMENTS</b>					
<b>Financial assets</b>					
Debentures	19.1	731	731	-	-
Units in unit trusts	19.1	314	314	-	-
Listed shares	19.1	663	663	-	-
Shares at cost and at fair value	19.2	9,519	321	-	9,198
Long-term managed funds	19.2	42,270	42,270	-	-
<b>Total financial assets</b>		<b>53,497</b>	<b>44,299</b>	<b>-</b>	<b>9,198</b>
<b>Non-financial assets</b>					
Freehold land	22	296,724	-	14,574	282,150
Buildings	22	579,428	-	-	579,428
Infrastructure	22	85,472	-	-	85,472
Works of art	22	14,219	-	14,219	-
<b>Total non-financial assets</b>		<b>975,843</b>	<b>-</b>	<b>28,793</b>	<b>947,050</b>

#### FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2014

	Note	2014 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
<b>RECURRING FAIR VALUE MEASUREMENTS</b>					
<b>Financial assets</b>					
Debentures	19.1	1,399	1,399	-	-
Units in unit trusts	19.1	1,024	1,024	-	-
Listed shares	19.1	1,465	1,465	-	-
Shares at cost and at fair value	19.2	316	316	-	-
Long-term managed funds	19.2	38,614	38,614	-	-
<b>Total financial assets</b>		<b>42,818</b>	<b>42,818</b>	<b>-</b>	<b>-</b>
<b>Non-financial assets</b>					
Freehold land	22	298,707	-	70,991	227,716
Buildings	22	553,502	-	-	553,502
Infrastructure	22	29,023	-	-	29,023
Works of art	22	14,049	-	14,049	-
<b>Total non-financial assets</b>		<b>895,281</b>	<b>-</b>	<b>85,040</b>	<b>810,241</b>

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

for the year ended 31 December 2015

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

## Non-specialised land and artworks

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

For non-specialised land, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 31 December 2015.

For artwork, valuation of the assets is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. The effective date of the valuation was 31 December 2011.

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

## Specialised land and specialised buildings

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

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

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

An independent valuation of the University's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2015.

## Infrastructure

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

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

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

## EAL Investment

The fair value of listed shares was determined by independent valuer ShineWing Australia Pty Ltd. The University owns shares in Education Australia Ltd. IDP Education Ltd jointly owned by listed job search company SEEK and Education Australia, which represents 38 Australian universities. Each of the 38 Universities owns an equivalent amount of shares in Education Australia. IDP Education Ltd listed on the Australian Stock Exchange (ASX) in November 2015 under the ASX code "IEL". As at 31 December 2015, the ASX share price was \$3.33 resulting in a market value of \$417.573 million. ShineWing Australia assessed the fair market value of Education Australia as \$349.508 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 \$9.198 million (level 3).

IDP Education Ltd shares held by Education Australia are traded in an active market however as they were only listed in November 2015 there is limited historical data to support the unit price per share as at 31 December 2015. As such the valuation of these shares has been determined by an appropriately skilled independent third party. 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.

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

for the year ended 31 December 2015

## 33.2 Fair value hierarchy (Cont..)

### (ii) Disclosed fair values

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). This is the most representative of fair value in the circumstances.

The fair values of held-to-maturity investments and interests in associates that are disclosed in note 19 were determined by reference to published price quotations in an active market (level 1).

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

The fair value of non-current borrowings disclosed in note 26 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2015, the borrowing rates were determined to be between 6% and 8%, depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

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

### (i) Recurring fair value measurements

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

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

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

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

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

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

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

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

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

for the year ended 31 December 2015

## 33.4 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 2015 and 2014.

### LEVEL 3 FAIR VALUE MEASUREMENT 2015

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

### LEVEL 3 FAIR VALUE MEASUREMENT 2014

	Land \$000s	Buildings \$000s	Infrastructure \$000s	Other \$000s	Total \$000s
Opening balance	193,864	454,864	29,023	-	677,751
Transfers from work in progress	386	-	-	-	386
Transfers from assets held for sale	1,835	-	-	-	1,835
Revaluation increment/(decrement)	31,631	-	-	-	31,631
Depreciation expense	-	(10,560)	-	-	(10,560)
Closing balance	227,716	444,304	29,023	-	701,043

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

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE OF INPUTS (WEIGHTED AVERAGE)
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	30-70%
Specialised buildings	Depreciated Replacement Cost (DRC)	DRC starts with the replacement cost of the building. An assessment of depreciation is undertaken, with consideration for various areas of obsolescence, including physical, technological and functional	40 years
Infrastructure	Depreciated Replacement Cost (DRC)	DRC starts with the replacement cost of the infrastructure. An assessment of depreciation is undertaken, with consideration for various areas of obsolescence, including physical, technological and functional	5 years
EAL Investments	Market approach	Applying a discount to reflect the existing restrictive Education Australia Shareholders Agreement in place and the fact that the IDP Ltd shares remaining in escrow pursuant to the IDP Ltd Prospectus for a period likely to end in November 2016.	30%



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

for the year ended 31 December 2015

## 34 COMMITMENTS

### 34.1 Lease commitments (note 1.17)

#### (i) Operating leases

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

	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Within one year	4,055	4,743	4,055	4,743
Between one year and five years	5,123	5,988	5,123	5,988
Later than five years	9,312	9,354	9,312	9,354
<b>Total future minimum lease payments</b>	<b>18,490</b>	<b>20,085</b>	<b>18,490</b>	<b>20,085</b>

#### (ii) Finance leases ^

Commitments in relation to finance leases are payable as follows:

Within one year	-	-	-	-
Between one year and five years	-	-	-	-
Later than five years	-	127,446	-	127,446
<b>Total future minimum lease payments</b>	-	127,446	-	127,446
Future finance charges	-	80,492	-	80,492
Finance lease liabilities	-	46,954	-	46,954
<b>Representing lease liabilities</b>				
Current	-	-	-	-
Non-current	-	46,954	-	46,954
	-	46,954	-	46,954

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

### 34.2 Capital commitments

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

<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Within one year	30,307	11,450	30,307	11,450
Later than one year	-	541	-	541
<b>Total</b>	<b>30,307</b>	<b>11,991</b>	<b>30,307</b>	<b>11,991</b>

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

for the year ended 31 December 2015

## 35 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.

### 35.1 Summary of superannuation scheme payments

	Note	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
UniSuper defined benefit division accumulation super (2) (DBD)	35.2	28,888	30,717	28,888	30,717
UniSuper accumulation super (1)	35.2	11,316	11,346	11,316	11,346
Victorian Superannuation board (Unfunded-Emerging)	35.3	5,350	4,925	5,350	4,925
		45,554	46,988	45,554	46,988

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

for the year ended 31 December 2015

## 35.2 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 Plan where the contribution rate is 21% of member's salary, of which the member contributes 7% and the University 14%. Employees appointed to positions classified between Higher Education Worker (HEW) levels 1-4 have the option of contributing at half rates (i.e. 3.5% from the employee and 7% from the University).

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

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

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

The employer contribution rate for 2015 is 14% of employee salaries and represents an employer/employee contribution rate of 2:1. These rates are based on the actuarial review completed on 30 June 2015 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$28,888,122 (2014 \$30,717,228). 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 \$7,016,095 (2014 \$8,083,116) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2015 totalled \$nil (2014 \$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 \$11,316,459 (2014 \$11,346,383). There were no outstanding employer contributions as at 31 December 2015 (2014 \$nil). There are no loans to fund members.

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

for the year ended 31 December 2015

## 35.3 Victorian Superannuation board

La Trobe University has a number of employees who are members of the Emergency Services Superannuation Fund (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 movement in the liability and the receivable of \$95,000 during the 2015 year (2014 decrease by \$737,000) has no financial impact on the operating result. While the Net Assets has not altered with these changes, both the Total Assets and Total Liabilities have decreased by \$95,000 (2014 decrease by \$737,000).

During 2015, La Trobe University's contributions to the Fund totalled \$5,350,259 (2014 \$4,924,641). There were no outstanding employer contributions as at 31 December 2015 (2014 \$nil). There are no loans to fund members.

The policy adopted for calculating employer contributions is based on the advice of the Fund's trustees, but generally for 2015 the contribution rate represents 79.2% (2014 79.2%) of pensions payable.

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

for the year ended 31 December 2015

## 35.3 Victorian Superannuation board (Cont..)

	Note	2015 \$000s	2014 \$000s
<b>THE RELEVANT ACCOUNTING TRANSACTIONS ARE DETAILED BELOW:</b>			
<b>(i) Statement of comprehensive income items</b>			
Salary-related expenditure decrease in superannuation liability		(95)	(737)
<b>Miscellaneous income decrease in amount receivable for superannuation</b>		<b>(95)</b>	<b>(737)</b>

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

<b>(ii) Amounts receivable from the Commonwealth Government</b>			
Current	18	5,074	5,121
Non-current	18	68,464	68,512
		<b>73,538</b>	<b>73,633</b>

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

<b>(iii) Unfunded superannuation liability</b>			
Current	27	5,074	5,121
Non-current	27	68,464	68,512
		<b>73,538</b>	<b>73,633</b>

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

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

for the year ended 31 December 2015

## 36 JOINT OPERATIONS

### 36.1 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) formally known as the Department of Environmental and Primary Industries (DEPI) to construct, manage and operate a biosciences research centre ("BRC") on the Bundoora campus.

The BRC is:

- (i) jointly owned by La Trobe University and DEDJTR 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 or in full) at any time during the project agreement without any additional cost (with 20 days advance notice). On 14 December 2015, the university exercised its right under this agreement to pay in full its remaining 25% commitment of \$57,032,147 ex GST.

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

#### Murray-Darling Freshwater Research Centre

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

- (i) jointly owned by La Trobe University and CSIRO based on 50% and 50% ownership interest respectively effective 1 October 2014
- (ii) prior to 1 October 2014 the Centre was jointly owned by La Trobe University, CSIRO and the Murray-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 objective is that the Participants add value to each other so that the performance of the Centre will be greater than that of each Participant performing independently, by generating ecological knowledge that can be incorporated into predictive models of ecosystem response.

It is also expected that the Centre will identify emerging and future risks to aquatic ecosystems of the Murray-Darling Basin and that the centre's reputation as a source of authoritative and independent advice to Government, industry and communities of the Murray-Darling Basin in the field will be maximised.

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

for the year ended 31 December 2015

## 36.1 Joint operations and associates (Cont..)

NAME OF JOINT ARRANGEMENT /ASSOCIATE	NATURE OF RELATIONSHIP	PRINCIPLE PLACE OF BUSINESS	OWNERSHIP INTEREST %	
			2015	2014
Biosciences Research Centre	Joint Operations	LaTrobe University, Melbourne	25	25
Murray-Darling Freshwater Research Centre	Joint Operations	LaTrobe University, Wodonga and Mildura	50	50

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

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Cash	898	194	898	194
Receivables	132	208	132	208
Prepayments	42	161	42	161
Inventory	61	109	61	109
Other non-current assets	277	217	277	217
Leased assets	56,964	58,574	56,964	58,574
<b>Total assets</b>	<b>58,374</b>	<b>59,463</b>	<b>58,374</b>	<b>59,463</b>
Payables	725	355	725	355
Income in advance	910	407	910	407
Leased liabilities	-	46,954	-	46,954
<b>Total liabilities</b>	<b>1,635</b>	<b>47,716</b>	<b>1,635</b>	<b>47,716</b>

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.

	CONSOLIDATED		LATROBE UNIVERSITY	
	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Research revenue	8,190	6,973	8,190	6,973
Other revenue	860	703	860	703
<b>Total revenue</b>	<b>9,050</b>	<b>7,676</b>	<b>9,050</b>	<b>7,676</b>
Staff and related costs	(1,787)	(2,859)	(1,787)	(2,859)
Occupancy costs	(3,031)	(1,988)	(3,031)	(1,988)
Administrative costs	(1,842)	(522)	(1,842)	(522)
Depreciation	-	(42)	-	(42)
Interest expense-finance lease	(4,500)	(4,127)	(4,500)	(4,127)
Amortisation expense-finance lease asset	(1,610)	(2,996)	(1,610)	(2,996)
Other categories of expenditure	(5,438)	(4,929)	(5,438)	(4,929)
Unrealised loss on investment	(127)	-	(127)	-
<b>Total expenditure</b>	<b>(18,335)</b>	<b>(17,463)</b>	<b>(18,335)</b>	<b>(17,463)</b>
<b>Net operating loss from jointly controlled operations and assets</b>	<b>(9,285)</b>	<b>(9,787)</b>	<b>(9,285)</b>	<b>(9,787)</b>

Capital commitments and contingent liabilities arising from the University's interests in joint ventures are disclosed in notes 34 and 37 respectively.



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

for the year ended 31 December 2015

## 37 CONTINGENCIES

### 37.1 Contingent assets

There were no contingent assets to report.

### 37.2 Contingent liabilities

WorkCover claims and Employment Practices Liability claims have been raised against the University. However, 5 claims are being reviewed by the respective insurers. The impact of these claims on the consolidated operating results of the University for 2015 cannot be reasonably estimated at this time (2014: \$nil).

## 38 ECONOMIC DEPENDENCY

The financial statements have been prepared on a going concern basis as at 31 December 2015.

La Trobe University has:

- A consolidated operating surplus after income tax and joint venture operations of \$66.9 million for the year ended 31 December 2015 (\$18.1 million for the year ended 31 December 2014).
- A consolidated working capital deficit of \$0.9 million as at 31 December 2015 (working capital surplus of \$2.5 million for the year ended 31 December 2014).

La Trobe University is the parent entity for the following subsidiary companies:

- Medical Centre Developments Pty Ltd (currently in liquidation)
- La Trobe International Pty Ltd (deregistered late 2015)
- La Trobe Accommodation Services Pty Ltd (deregistered late 2015)

## 39 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.

## 40 KEY MANAGEMENT PERSONNEL DISCLOSURES

### 40.1 Names of responsible persons and executive officers

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

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

- The Hon. Steve Herbert MP, Minister for Training and Skills (3 December 2014 – 31 December 2015), remuneration is reported by the Department of Premier and Cabinet.

#### (b) Accountable Officer

The person who held the position of accountable officer:

- J. Dewar, Vice-Chancellor

Remuneration received by the Accountable Officer in connection with the management of the University during the reporting period was in the range:

- \$850,000 to \$860,000  
(\$850,000 to \$860,000 in 2014)

The 2014 comparative has been adjusted by \$25,000 to reflect the actual bonus paid in 2015 for 2014.

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

- A. Clarke AC, Chancellor
- J. Dewar, Vice-Chancellor
- M. Anderson, AO
- S. Crowe
- A. Eddy
- B. Kelty AC
- R. Larkins AO
- P. McDonald
- P. Moors AO
- D. Radford
- Y. von Hartel AM
- J. Williams (reappointed February 2015)

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

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

for the year ended 31 December 2015

## 40.2 Remuneration of responsible persons

The total remuneration received, or due and receivable, by responsible persons from the Company amounted to \$ 276,437 (2014: \$574,436), other than the position of the Accountable Officer.

	2015 Number	2014 Number
<b>REMUNERATION OF COUNCIL MEMBERS</b>		
\$1 to \$9,999	–	4
\$10,000 to \$19,999	2	3
\$40,000 to \$49,999	4	–
\$70,000 to \$79,999	–	1
\$80,000 to \$99,999	1	1
\$220,000 to \$229,999	–	1
Responsible Persons who received no remuneration	4	4

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

## 40.3 Other transactions of responsible persons and related parties

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

	2015 000,s \$	2014 000,s \$
<b>MEDICAL CENTRE DEVELOPMENTS PTY. LTD.</b>		
Lease payments, Rental and Bond fees (GST exclusive)	1,128	3,951
Net receivable from Medical Centre Developments	–	10,121

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

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

for the year ended 31 December 2015

## 40.4 Remuneration of key management personnel

The number of University Executive Officers (other than Responsible Persons) whose total remuneration exceeded \$100,000 for 2015 and 2014 are shown in columns two and three in the table below in their relevant income bands. The base remuneration of these Executive Officers is shown in the fourth and fifth columns.

Base remuneration is exclusive of bonus payments and allowances. Bonus payments depend on the terms of individual employment contracts. Executive Officers are defined as Senior Executives reporting directly to the Vice-Chancellor with executive decision making powers.

	TOTAL REMUNERATION		BASE REMUNERATION	
	2015 Number	2014 Number	2015 Number	2014 Number
<b>REMUNERATION OF EXECUTIVE OFFICERS</b>				
<b>Income band</b>				
\$190,000 to \$199,000	-	1	-	1
\$210,000 to \$219,999	1	-	1	1
\$250,000 to \$259,999	-	1	-	-
\$310,000 to \$319,999	1	-	1	1
\$340,000 to \$349,999	-	-	1	2
\$360,000 to \$369,999	1	1	-	1
\$370,000 to \$379,999	1	-	1	2
\$380,000 to \$389,999	-	3	1	-
\$390,000 to \$399,999	-	1	-	-
\$400,000 to \$409,999	1	-	-	-
\$410,000 to \$419,999	-	1	-	-
\$420,000 to \$429,999	-	-	-	2
\$430,000 to \$439,999	-	1	1	-
\$440,000 to \$449,999	-	-	-	1
\$450,000 to \$459,999	-	1	-	-
\$460,000 to \$499,999	2	1	1	-
\$500,000 to \$549,999	1	-	1	-
<b>Total numbers</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>11</b>
Total annualised employee equivalent (AEE)	8.00	10.75	8.00	10.75
Total remuneration of executive officers for the year	3,141	4,170	3,018	3,926

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

for the year ended 31 December 2015

## 40.5 Payments to other personnel

### Other personnel, i.e. contractors with significant management responsibilities

The number of contractors, charged with significant management responsibilities is disclosed within the \$10,000 expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

The change in total expenses from the 2014 to 2015 reporting period was mainly driven by a contractor required to temporally occupy an Executive role until a permanent appointment was made.

	TOTAL EXPENSES (EXCLUSIVE OF GST)	
	2015 Number	2014 Number
<b>EXPENSE BAND</b>		
\$160,000 to \$169,999	-	1
<b>Total expenses (exclusive of GST)</b>	-	\$161,840

## 40.6 Other transactions of responsible persons and related parties

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

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

The aggregate amounts in respect of these research services were:

	2015 \$000	2014 \$000
<b>Hexima Limited</b>	<b>3,969</b>	4,740

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

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

for the year ended 31 December 2015

## 41 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

### 41.1 Education – CGS and other education grants

		COMMONWEALTH GRANTS SCHEME NO. 1		INDIGENOUS SUPPORT PROGRAM	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		206,165	197,462	524	583
Net accrual adjustments		-	(198)	-	-
Revenue for the period	2.1	206,165	197,264	524	583
Total revenue including accrued revenue		206,165	197,264	524	583
Less expenses including accrued expenses		(206,165)	(197,264)	(524)	(583)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

		PARTNERSHIP AND PARTICIPATION PROGRAM NUMBER 2		DISABILITY SUPPORT PROGRAM	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		5,538	5,538	404	418
Net accrual adjustments		597	1,083	-	-
Revenue for the period	2.1	6,135	6,621	404	418
Total revenue including accrued revenue		6,135	6,621	404	418
Less expenses including accrued expenses		(6,135)	(6,621)	(404)	(418)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

		PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING		AUSTRALIAN MATHS AND SCIENCE PARTNERSHIP PROGRAM	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		156	195	381	381
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	156	195	381	381
Total revenue including accrued revenue		156	195	381	381
Less expenses including accrued expenses		(156)	(195)	(381)	(381)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

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

for the year ended 31 December 2015

## 41.1 Education – CGS and other education grants (Cont..)

		SUPERANNUATION PROGRAM		TOTAL	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		4,402	5,325	217,570	209,902
Net accrual adjustments		818	(502)	1,415	383
Revenue for the period	2.1	5,220	4,823	218,985	210,285
Total revenue including accrued revenue		5,220	4,823	218,985	210,285
Less expenses including accrued expenses		(5,220)	(4,823)	(218,985)	(210,285)
Surplus/(deficit) for the reporting period		-	-	-	-

#1 basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 includes Equity Support Program

## 41.2 Higher education loan programmes (excluding OS-HELP)

		HECS-HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE HELP	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Cash payable/(receivable) at the beginning of the year		-	-	183	154
Financial assistance received in cash during the reporting period		148,309	142,344	16,562	13,100
Cash available for the period		148,309	142,344	16,745	13,254
Revenue earned		2.2	147,804	141,780	16,562
Net accrual adjustments		505	564	183	(29)
<b>Cash payable/(receivable) at the end of the year</b>		-	-	-	183

		SA-HELP		TOTAL	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Cash payable/(receivable) at the beginning of the year		22	(24)	205	130
Financial assistance received in cash during the reporting period		3,489	3,509	168,360	158,953
Cash available for the period		3,511	3,485	168,565	159,083
Revenue earned	2.2	3,489	3,509	167,855	158,389
Net accrual adjustments		(64)	(46)	624	489
Cash payable/(receivable) at the end of the year		86	22	86	205

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

for the year ended 31 December 2015

## 41.3 Scholarships

		AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		5,402	5,050	424	389
Net accrual adjustments		-	-	-	-
Revenue for the period	2.3	5,402	5,050	424	389
Surplus/(deficit) from the previous year		1,258	456	142	-
Total revenue including accrued revenue		6,660	5,506	586	389
Less expenses including accrued expenses		(5,719)	(4,248)	(480)	(247)
<b>Surplus/(deficit) for the reporting period</b>		<b>941</b>	<b>1,258</b>	<b>86</b>	<b>142</b>

		INDIGENOUS COMMONWEALTH EDUCATION COST SCHOLARSHIPS		INDIGENOUS COMMONWEALTH ACCOMMODATION SCHOLARSHIPS	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		86	50	31	25
Net accrual adjustments		-	15	-	25
Revenue for the period	2.3	86	65	31	50
Surplus/(deficit) from the previous year		-	-	-	-
Total revenue including accrued revenue		86	65	31	50
Less expenses including accrued expenses		(86)	(65)	(31)	(50)
<b>Surplus/(deficit) for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

		INDIGENOUS ACCESS SCHOLARSHIP		TOTAL	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		63	61	6,006	5,575
Net accrual adjustments		-	-	-	40
Revenue for the period	2.3	63	61	6,006	5,615
Surplus/(deficit) from the previous year		-	-	1,400	456
Total revenue including accrued revenue		63	61	7,406	6,071
Less expenses including accrued expenses		(58)	(61)	(6,374)	(4,671)
<b>Surplus/(deficit) for the reporting period</b>		<b>5</b>	<b>-</b>	<b>1,032</b>	<b>1,400</b>

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

for the year ended 31 December 2015

## 41.4 Education research

		INDIGENOUS RESEARCH ENGAGEMENT		JRE ENGINEERING CADETSHIPS	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		7,091	6,697	-	-
Net accrual adjustments		-	-	88	56
Revenue for the period	2.4	7,091	6,697	88	56
Surplus/(deficit) from the previous year		-	-	56	-
Total revenue including accrued revenue		7,091	6,697	144	56
Less expenses including accrued expenses		(7,091)	(6,697)	-	-
<b>Surplus/(deficit) for the reporting period</b>		-	-	144	56

		RESEARCH TRAINING SCHEME		RESEARCH INFRASTRUCTURE BLOCK GRANTS	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		11,334	11,166	2,228	2,058
Net accrual adjustments		-	-	-	-
Revenue for the period	2.4	11,334	11,166	2,228	2,058
Surplus/(deficit) from the previous year		-	-	-	-
Total revenue including accrued revenue		11,334	11,166	2,228	2,058
Less expenses including accrued expenses		(11,334)	(11,166)	(2,228)	(2,058)
Surplus/(deficit) for the reporting period		-	-	-	-

		SUSTAINABLE RESEARCH EXCELLENCE IN UNIVERSITIES		TOTAL	
	Notes	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		1,849	1,607	22,502	21,528
Net accrual adjustments		-	-	88	56
Revenue for the period	2.4	1,849	1,607	22,590	21,584
Surplus/(deficit) from the previous year		-	-	56	-
Total revenue including accrued revenue		1,849	1,607	22,646	21,584
Less expenses including accrued expenses		(1,849)	(1,067)	(22,502)	(21,528)
Surplus/(deficit) for the reporting period		-	-	144	56



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

for the year ended 31 December 2015

## 41.5 Other capital funding

		EDUCATION INVESTMENT FUND		OTHER	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		-	-	566	2,388
Revenue for the period	2.5	-	-	566	2,388
Surplus/(deficit) from the previous year		(39,564)	(39,564)	-	-
Total revenue including accrued revenue		(39,564)	(39,564)	566	2,388
Less expenses including accrued expenses		-	-	(566)	(2,388)
<b>Surplus/(deficit) for the reporting period</b>		<b>(39,564)</b>	<b>(39,564)</b>	<b>-</b>	<b>-</b>
				TOTAL	
		Notes		2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)				566	2,388
Revenue for the period		2.5		566	2,388
Surplus/(deficit) from the previous year				(39,564)	(39,564)
Total revenue including accrued revenue				(39,998)	(37,176)
Less expenses including accrued expenses				(566)	(2,388)
<b>Surplus/(deficit) for the reporting period</b>				<b>(39,564)</b>	<b>(39,564)</b>

## 41.6 Australian Research Council Grants

		PROJECTS		FELLOWSHIPS	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		4,866	4,443	2,141	3,175
Revenue for the period	2.6(i)	4,866	4,443	2,141	3,175
Surplus/(deficit) from the previous year		3,382	2,783	2,049	1,757
Total revenue including accrued revenue		8,248	7,226	4,190	4,932
Less expenses including accrued expenses		(3,206)	(3,844)	(1,482)	(2,883)
Surplus/(deficit) for the reporting period		5,042	3,382	2,708	2,049

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

for the year ended 31 December 2015

## 41.6 Australian Research Council Grants (Cont..)

		INDIGENOUS RESEARCHERS DEVELOPMENT		TOTAL	
	Notes	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>(i) DISCOVERY PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		-	-	7,007	7,618
Revenue for the period	2.6(i)	-	-	7,007	7,618
Surplus/(deficit) from the previous year		25	25	5,456	4,565
Total revenue including accrued revenue		25	25	12,463	12,183
Less expenses including accrued expenses		-	-	(4,688)	(6,727)
<b>Surplus/(deficit) for the reporting period</b>		<b>25</b>	<b>25</b>	<b>7,775</b>	<b>5,456</b>

		INFRASTRUCTURE		INTERNATIONAL	
	Notes	2015 \$'000s	2014 \$'000s	2015 \$'000s	2014 \$'000s
<b>(ii) LINKAGES</b>					
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		107	-	-	-
Net accrual adjustments		-	-	-	-
Revenue for the period	2.6(ii)	107	-	-	-
Surplus/(deficit) from the previous year		38	200	13	13
Total revenue including accrued revenue		145	200	13	13
Less expenses including accrued expenses		-	(162)	-	-
<b>Surplus/(deficit) for the reporting period</b>		<b>145</b>	<b>38</b>	<b>13</b>	<b>13</b>

		PROJECTS		TOTAL	
	Notes	2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
<b>(ii) LINKAGES PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		1,038	963	1,145	963
Net accrual adjustments		-	(93)	-	(93)
Revenue for the period 2.6(ii)		1,038	870	1,145	870
Surplus/(deficit) from the previous year		440	578	491	791
Total revenue including accrued revenue		1,478	1,448	1,636	1,661
Less expenses including accrued expenses		(885)	(1,008)	(885)	(1,170)
<b>Surplus/(deficit) for the reporting period</b>		<b>593</b>	<b>440</b>	<b>751</b>	<b>491</b>

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

for the year ended 31 December 2015

## 41.7 OS-HELP

	2015 \$000s	2014 \$000s
<b>PARENT ENTITY ONLY</b>		
Cash received during the reporting period	4,214	4,845
Cash spent during the reporting period	(5,049)	(2,530)
Net cash received	(835)	2,315
Cash surplus/(deficit) from the previous year	2,461	146
<b>Cash surplus/(deficit) for the reporting period</b>	<b>1,626</b>	<b>2,461</b>

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

## 41.8 Superannuation supplementation

	2015 \$000s	2014 \$000s
<b>PARENT ENTITY ONLY</b>		
Cash received during the reporting period	4,402	5,325
University contribution in respect of current employees	818	(502)
Cash available	5,220	4,823
Cash surplus/(deficit) from the previous year	-	-
Cash available for current period	5,220	4,823
Contributions to specified defined benefit funds	(5,220)	(4,823)
<b>Cash surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>

## 41.9 Student services and amenities fee

	Notes	2015 \$000s	2014 \$000s
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>			
Unspent/(overspent) revenue from previous period		854	363
SA-HELP revenue earned	2.2	3,489	3,509
Student services fees direct from students	4	4,387	4,082
Total revenue expendable in period		8,730	7,954
Student services expenses during period		(7,439)	(7,100)
<b>Unspent/(overspent) student services revenue</b>		<b>1,291</b>	<b>854</b>

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

for the year ended 31 December 2015

## 42 PARTICULARS RELATING TO ENTITIES IN THE ECONOMIC ENTITY'S FINANCIAL STATEMENTS

### 42.1 Financial performance of subsidiary commercial entities

#### 2015

	La Trobe International Pty Ltd* \$000s	Medical Centre Developments Pty Ltd \$000s	La Trobe Accommodation Services Pty Ltd* \$000s	2015 Total \$000s
<b>Income statement</b>				
Total revenue	-	1,216	-	1,216
Total expenditure	-	324	-	324
Operating result	-	892	-	892
<b>Balance Sheet</b>				
Working capital	-	-	-	-
Physical assets	-	-	-	-
Total assets	-	-	-	-
External borrowings	-	-	-	-
Total liabilities	-	-	-	-
Equity	-	-	-	-

#### 2014

	La Trobe International Pty Ltd* \$000s	Medical Centre Developments Pty Ltd** \$000s	La Trobe Accommodation Services Pty Ltd* \$000s	2014 Total \$000s
<b>Income statement</b>				
<b>Total revenue</b>	-	4,146	-	4,146
Total expenditure	-	466	-	466
Tax	-	1,166	-	1,166
Operating result	-	4,846	-	4,846
<b>Balance Sheet</b>				
Working capital	-	(4,944)	-	(4,944)
Physical assets	-	13,642	-	13,642
Total assets	-	18,823	-	18,823
Total liabilities	-	101,258	-	101,258
Equity	-	8,698	-	8,698

\*Deregistered

\*\*Finalising deregistration

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

for the year ended 31 December 2015

## 42.2 Contribution of subsidiary commercial entities to operating surplus

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

NAME OF ENTITY	Country of incorporation	CONTRIBUTION TO CONSOLIDATED OPERATING SURPLUS		EQUITY HOLDING	
		2015 \$000s	2014 \$000s	2015 %	2014 %
LaTrobe International Pty Ltd	Australia	-	-	-	100
Medical Centre Developments Pty Ltd	Australia	892	4,846	-	100
LaTrobe Accommodation Services Pty Ltd	Australia	-	-	-	100
<b>Total</b>		<b>892</b>	<b>4,846</b>	<b>-</b>	<b>-</b>

## 43 EX-GRATIA PAYMENT

### 43.1 Payments made to employees during 2015

Ex gratia payments associated with negotiated staff departures from the University in 2015 totalled \$133,205 (2014: \$698,792).

## 44 ASSETS AND LIABILITIES TRANSFERRED FROM MEDICAL CENTRE DEVELOPMENTS PTY LTD

<b>Assets</b>	
Cash	5,251,306
Inter-company debtors	5,327,360
Building at fair value	29,525,000
<b>Liabilities</b>	
Inter-company creditors	(14,391,394)
<b>Reserves</b>	
Asset revaluation reserve	(20,983,994)
<b>Total</b>	<b>4,773,278</b>

The Medical Centre Developments Pty Ltd entity was liquidated on 26 January 2016. All of the entity's property, rights, assets and liabilities were transferred on 31 December 2015 to La Trobe University as approved by La Trobe University Council in its meeting on 11 May 2015.

The Annual Report 2015 is  
available online at:

[latrobe.edu.au/about/  
management/governance](http://latrobe.edu.au/about/management/governance)

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