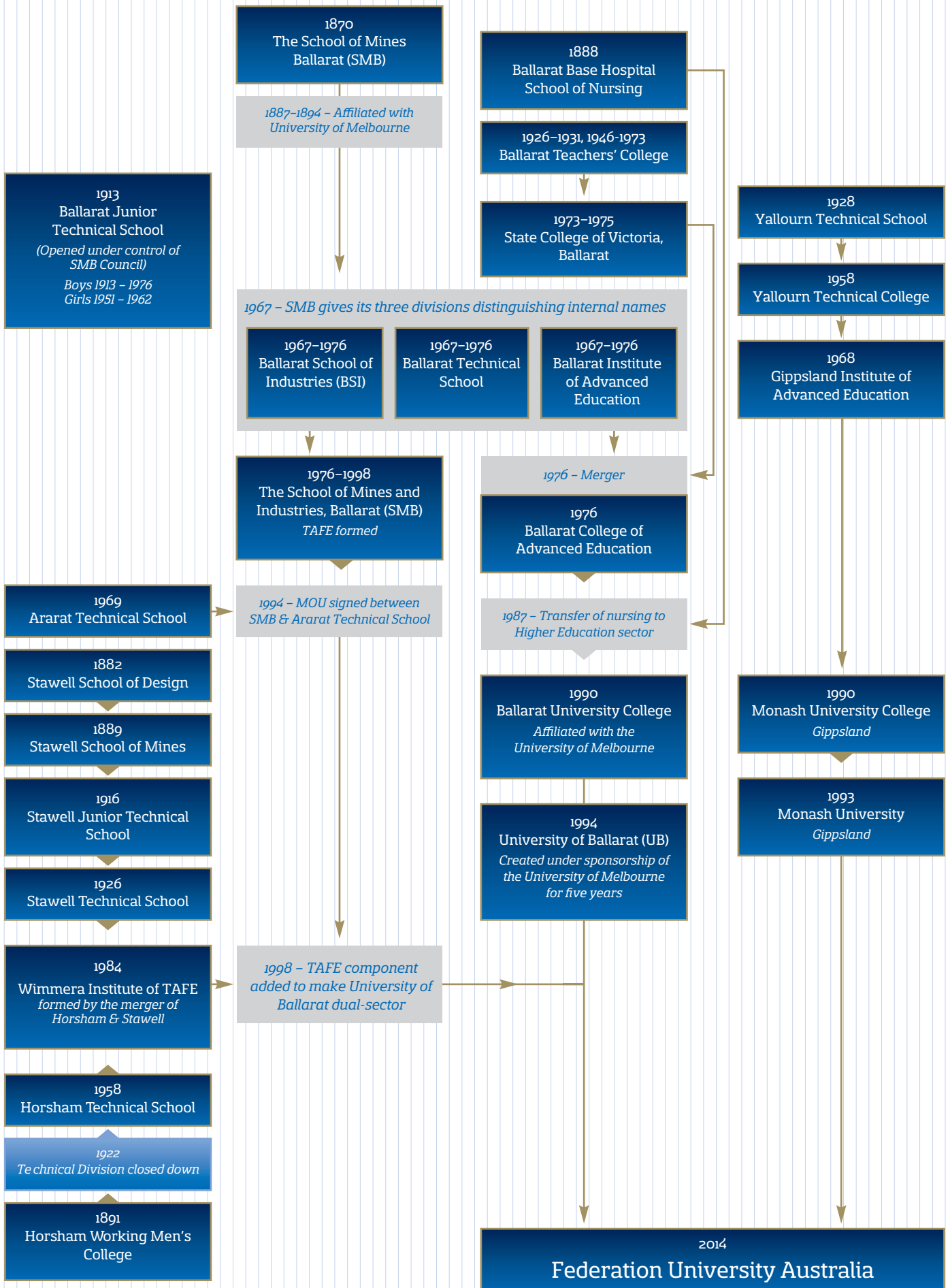


ANNUAL REPORT
2014



Australia's Newest University



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Chancellor, Dr Paul Hemming

On behalf of the Council of Federation University Australia, I am pleased to present the first Annual Report for the University under our new name. The 2014 Report was approved by the University Council on 17 February 2015 and has been prepared in accordance with the provisions of the *Financial Management Act 1994*.



Throughout 2014, the University Council has continued to maintain strong adherence to sound governance and effective financial oversight of the University's activities. Council has also been kept abreast of the Federal Government's proposed Higher Education reforms and the ongoing debate around the reforms.

Our deliberations have also given attention to developments in the Gippsland region including the campus at Churchill. The annual Council retreat this year was held at the Gippsland Campus and facilitated by Professor Kwong Lee Dow AO, former Vice-Chancellor of Melbourne University and Vice-Chancellor *pro tem* at the University of Ballarat in 2006. There was full attendance as we embarked on strategic planning around the enhanced University footprint, future opportunities and the University Charter.

Council membership has been stable throughout the year, although the Council farewelled Mr Warwick Spargo as Chair of the Finance Committee. Council members have also been involved in a range of professional development opportunities during the year, with members attending the National Conference on University Governance in October.

The Council has continued its engagement with the Regional Universities Network (RUN), sharing our ideas on major governance and strategic issues, in particular with colleagues from CQUniversity in Rockhampton.

We are also pleased to note that we comply with the Voluntary Code of Best Practice for the Governance of Australian Universities.

As Chancellor, I have continued to visit campuses across Victoria, where we currently deliver Higher Education and VET programs. I was also able to spend some time at our research facility at Nanya in western NSW.

I took great delight at officiating at our graduation ceremonies in May and December and in November for our international students in Malaysia and Singapore. The first honorary doctorate of the new University was conferred on our former Senior Deputy Vice-Chancellor, Ms Rowena Coutts, at the May graduation ceremonies.

My thanks go to the University Council members and Deputy Chancellor Ms Karen Douglas for their ongoing support, and also to the Vice-Chancellor Professor David Battersby and his Senior Team who have continued to provide operational leadership for the University and our students in what is, as always, a challenging environment. I also thank the Council for appointing me to a further three-year term. It is a great honour to continue my service to the University and hopefully lead the Council into even more exciting opportunities.

Dr Paul J H Hemming
Chancellor

17 February 2015

Professor David Battersby

It is a great honour to present the first Annual Report of Federation University Australia. Since its establishment on 1 January 2014, through the coming together of the University of Ballarat and the Gippsland Campus of Monash University, much progress has been made on its transitioning arrangements.



'FedUni' has quickly become accepted by the staff, students and the communities and regions we serve.

Throughout 2014, the University completed and unveiled a number of new buildings and major refurbishments.

Early in the year, the \$45 million Science and Engineering Building at the Mt Helen Campus was opened by Senator the Hon Scott Ryan, Parliamentary Secretary to the Federal Minister for Education. Senator Ryan also officially opened the University's new Sports and Recreation Centre.

Later in the year, Federation College, an initiative for senior secondary students, was opened by the Hon Peter Hall, the Victorian Minister for Higher Education and Skills. The College provides programs for students from Year 10 onwards focussing particularly on the Victorian Certificate of Applied Learning.

Building on the success of the University's Ballarat Technology Park, a new initiative located at the University's SMB Campus, known as 'Ballarat Technology Park Central', was officially opened by the Premier of Victoria, the Hon Denis Naphthine.

Because of the expansion in student numbers at the University, the Mt Helen Children's Centre was also refurbished and expanded from a 52-place to an 80-place facility.

Alongside these important infrastructure developments, the University's excellence in teaching quality was confirmed again by the Good Universities Guide. For an impressive sixth year in a row, the University scored the maximum rating of five stars for Teaching Quality.

Throughout 2014, there were major changes to the organisational structures and processes of the University as a result of its regional expansion. Enhancements to student services, to the student experience and to the role of the Student Senate were also key outcomes achieved during the year.

I thank the University's senior management and staff for their hard work and commitment to ensuring a successful year for Federation University Australia. Our students, partner providers and the communities served by the University have also been instrumental through their support and encouragement.

Finally, 2014 has been a busy and engaging year for the University Council and for our Chancellor, Dr Paul Hemming. Their astute governance of the University has been appreciated.

Professor David Battersby
Vice-Chancellor and President

Our Charter

The Principles of Federation University Australia are:

Excellence	Pursuit of excellence in education and research.
Responsibility	Intellectual responsibility through ethical practice and effective stewardship of our resources and the environment.
Access	Creating equitable educational opportunities based on inclusiveness and diversity.
Respect	Respect for each other, our students and for the communities we serve.
Engagement	Deep engagement locally, nationally and internationally in our endeavours.



The Strengths of Federation University Australia are that it is:

1. National in scope and international in reach.
2. Comprehensive in its offerings, student-centred in its approach and providing access to effective and high quality learning for Australian and international students.
3. Strategic in fostering world-class research
4. Productive and effective in fostering partnerships and is engaged with its communities and regions.
5. Accountable for what it does.

The Strategic Priorities for Federation University Australia for 2014 are:

1. The growing student load annually by 5%.
2. Strengthening its research profile to achieve world-class standards.
3. Implementing a range of measures associated with the further development of Federation University Australia

Federation University Australia began operation on 1 January 2014

The Premier of Victoria the Hon Dr Dennis Napthine and Minister for Education Peter Hall visited the Mt Helen Campus of the newly named University in January.

Our new \$45 million **Science and Engineering Building** was opened by Senator Scott Ryan, Parliamentary Secretary to the Federal Minister for Education, at the Mt Helen Campus in February. Our new Sports and Recreation Centre also was opened on the same day.

March saw the Official Opening of **Ballarat Technology Park Central** by then Premier of Victoria, the Hon Dr Dennis Napthine MLA

Federation University Australia sponsored the City's **Harmony Day Parade** and a celebration of multicultural activities in and around Camp Street, Ballarat.

Dr Robert Layton was awarded the **Young Alumni of the Year** for outstanding academic and research achievement.



The Inaugural Alumni Awards were held in April. Alfredo Pires, Minister for Petroleum and Mineral Resources, Timor-Leste and graduate (Applied Geology), received the International Alumni of the Year Award.

The **Golden Key New Members Reception** saw 145 new members inducted on the night to become members of Golden Key Federation University Australia Chapter.

To reflect the University's broadening footprint, the chapter inducted honorary members Professor Marcia Devlin, Dr Harry Ballis, Head of Gippsland Campus along with Mr Geoffrey Lord, Head of Wimmera Campus.

The University was represented at the State Government's Living in **Regional Victoria Expo**.

Federation University Australia was a proud sponsor of the 2014 **Australian and South Pacific Pipe Band Championships** held in Ballarat.

The University's refurbished **FedUni Children's Centre** was opened in April. The changes saw the centre expand from a 52-place to an 80-place facility.

The Gippsland Campus assisted with **accommodating volunteers and evacuated residents** during the Hazelwood Mine Fire. In addition, meals and accommodation were provided for CFA/MFB firefighters.



Federation College, an initiative for senior secondary students, was opened by Peter Hall, the Victorian Minister for Higher Education and Skills. The College provides programs for students from Year 10 up who have not completed VCE.



Ten local and international judges took a break in their week long beer judging duties to visit Ballarat as part of the Australian International Beer Awards Meet the Judges dinner held in May.

A new Australian Research Council Discovery grant was awarded to FedUni to investigate the use of technology in Gippsland secondary schools. Dr Nicola Johnson, is a chief investigator for the project.

Claudio Poggi, Governor of the Province of San Luis, Argentina, travelled to Gippsland to visit the Baw Baw Skills Centre as well as the University's Gippsland Campus in Churchill.



Staff and students took on the Kokoda Track. It was the third time the residents from FedUni have travelled to Papua New Guinea and were joined this year by a group of staff members.

FedUni Children's Centres acknowledges the support of the Victorian Government



The first graduation ceremonies under the Federation University Australia banner took place at Mt Helen and Horsham.

The first Bachelor of Arts (Criminal Justice) program started classes at the Mt Helen Campus of Federation University Australia.

The University hosted six 'Christmas in July and August' fundraising events at both the Mt Helen and Gippsland campuses and raised a record amount for charity and the CFA.

PhD student at the School of Information Technology, Gippsland Campus Mrs Shampa Shahriyar, received a scholarship to attend the **Grace Hopper Celebration of Women in Computing Conference** in Phoenix, Arizona.

Horsham Campus graduated 134 students in May when Horsham identity **Dr Don Johns received an Honorary Doctorate** for eminent service and contributions to environmental protection, civic leadership in community of Horsham.



We hosted our third annual Blue Tie Ball in October to raise funds for beyondblue, the national depression and anxiety initiative with Dr. Sally Cockburn (aka Dr Feelgood) adding her personal touch to proceedings.



Our excellent teaching quality was confirmed again by the 2015 Good Universities Guide. For an impressive sixth year in a row, the University scored the maximum rating of five stars for Teaching Excellence.

Our large range of programs and services were on display, as part of our **2014 Open Day** in Ballarat and Gippsland.

Staff at the Gippsland Campus **generously donated food, Christmas toys and gifts** to families in need in Churchill at Christmas.

HD3D Telehealth Project led by Associate Professor Andrew Stranieri designed and evaluated a HD3D trial for tele-dentistry, tele-psychiatry, tele-wound, tele-oncology was completed.

Associate Professor Stuart Berzins was awarded a grant from **Lung Foundation Australia** to co-fund a PhD scholarship under his supervision at the Fiona Elsey Cancer Research Centre.

Thirty-one staff and two students participated in an **Understanding Islam** workshop. Participants in this informative and engaging workshop learnt more about Islam and how to better support our Muslim students at FedUni.



A partnership between Sydney TAFE and Federation University Australia which commenced in February 2013 has seen the first of its students graduate with a Bachelor of Applied Management.



FedUni celebrated International Day Against Homophobia and Transphobia with the creation of a large tile mosaic at the Mt Helen Campus.



The Wimmera Campus officially handed over Rosebrook Training Restaurant to Horsham Rural City Council. The restaurant was built by FedUni apprentice building and construction students.

Member for Ballarat Catherine King makes her point during discussion on **The Higher Education and Research Reform amendment Bill 2014** in Canberra.

The Mt Helen Library opened the **Creedy Collection**. This collection of works on economic history and theory was donated by Professor John Creedy, Truby Williams, Professor of Economics at the University of Melbourne.

Federation University Australia's Collaborative Research Centre in Australian History (CRAH) was launched in May.

The Federation University Australia Foundation

Donor Recognition

Thank You

The Federation University Australia Foundation acknowledges with gratitude funds donated to the University prior to the establishment of the Foundation, and warmly thanks donors and their families for their generosity.

Chancellor's Circle donors

2011

Dr Janet Holmes á Court AO AC
 Professor Emeritus Kwong Lee Dow AM AO
 Dr David Haymes and Mrs Jenny Haymes
 Emeritus Professor Robert H T Smith AM
 Dr Wai-man Woo
 Professor David Battersby

2012

In memory of John Charles Barker, B. Eng,
 (B.C.A.E.) 1958-1994
 Ms Rowena Coutts
 Dr Meredith Doig
 Dr John Harvey AO
 Dr David Haymes and Mrs Jenny Haymes
 Dr Paul J H Hemming
 Mr William H McGregor OAM
 Dr John R Magrath AM
 Mr Colin Prowse OAM and Mrs Shirley Prowse
 Mrs Elisabeth Ann Smith
 Emeritus Chancellor Robert H T Smith AM

2013

Dr Meredith Doig
 Emeritus Professor Wayne Robinson and Ms
 Jennifer Robinson
 Sandra & Tony Stone
 Mr Peter Wilson

2014

Dr John Harvey AO
 Dr Paul J H Hemming
 Dr Meredith Doig
 Mr Colin Prowse OAM and Mrs Shirley Prowse
 Sandra & Tony Stone

Platinum Circle donor

2010

Dr Wai-Man Woo

Gold Circle donor

2014

Estate Ian Alexander Gordon

Silver Circle donor

2014

Brian Mackenzie Gippsland Bequest

Bronze Circle donors

2011

Dr John Harvey AO

2012

Dr The Hon John S Dawkins AO
 Dr William J Pryor AO

2013

Prof John McDonald
 Dr William J Pryor AO
 Mrs Deborah Spring
 Ms Pam Sutcliffe

2014

Ms Pam Sutcliffe

Corporate donors

2011

Pierce Armstrong Trust

2014

Gippsland Education Precinct
 Golden Key International Honours Society

Donor Recognition Categories

Bronze Circle	\$1,000 +
Silver Circle	\$10,000 +
Gold Circle	\$50,000 +
Platinum Circle	\$200,000 +



2014 Foundation Scholarship Recipients

The University presented Foundation Scholarships to four students at the Mt Helen Campus in May.

The scholarships, open to domestic Higher Education and TAFE students, are funded by donations to the Federation University Australia Foundation.

Valued at \$7,000 each, the scholarships are assessed on financial circumstances and commitment to study.

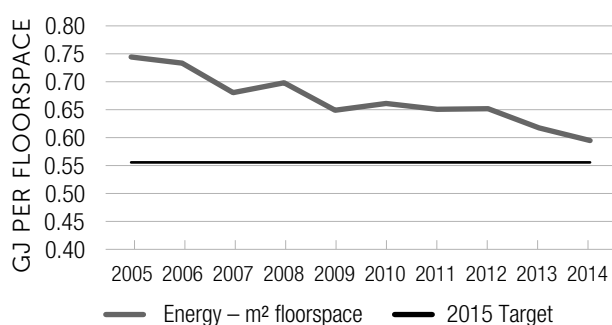
This year's recipients – pictured with Dr Paul J H Hemming, Chancellor – are (from left) Lyndel Ward (Higher Education); Adelaina Horner (Higher Education); Alison McRae (Higher Education); and Elizabeth War (TAFE).

Sustainability

The University continues to reduce its environmental impact through the reduction of energy, landfill waste, vehicle fuel and greenhouse gas emissions. Over the past year the University has achieved the following:

- greenhouse gas emissions (GHG) has reduced by 4.6% or 1,000 tonnes
- energy consumption has decreased by 2%
- water consumption increased by 5% or 4 million litres
- recycled waste increased by 16 tonnes, a 7% improvement
- waste to landfill decreased by 29 tonnes, a 6% improvement
- fuel consumption for the motor vehicle fleet has decreased by 9% or 20,242 litres
- staff travelling to Melbourne via public transport (V/line) has increased by 83%
- paper consumption has fallen by 16% or 3,221 reams

Energy consumption

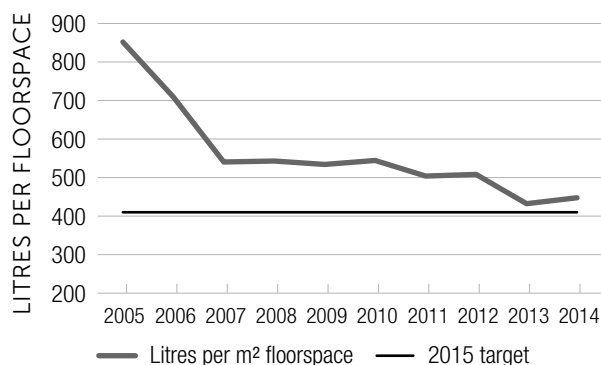


Energy consumption continues to decline with a 3% decrease in electricity and a 1.8% decrease in natural gas.

University is currently installing a range of energy efficient infrastructure to make even further savings.

A 70 kilowatt solar panel system at Horsham campus, LED indoor and outdoor lighting upgrades, new gas boilers and variable speed drives are being installed in 2015.

Potable water consumption

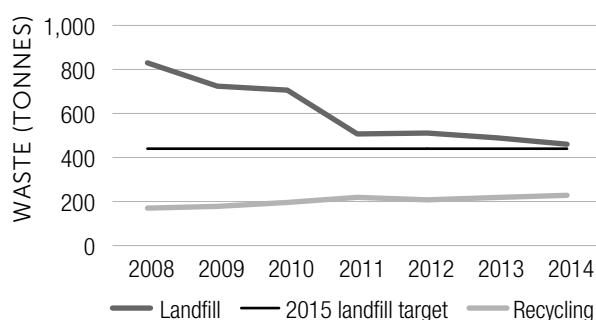


Potable water consumption has increased by 5% or 4 million litres.

Increase was attributed to major water leaks at Horsham campus which increased consumption by 6 million litres.

University set a target by 2015 to reduce potable water consumption by 5%.

Waste and Recycling



Landfill waste decreased by 29 tonnes.

Recycling has increased by 16 tonnes.

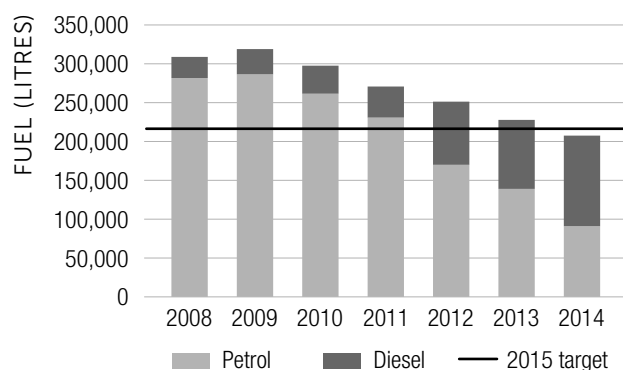
The University now recycles 34% of all waste, up from 31% in 2013 and 29% in 2012.

By 2015 the University has set a target to reduce landfill waste by 10%, increase recycling by 10% and recycle 35% of total waste.

Federation University Australia uses a number of initiatives to purchase from suppliers that demonstrate sustainability business practices particularly in the areas of transportation, paper, construction of new buildings, waste disposal, green energy:

- University has set targets for GHG emissions, landfill waste, recycling, vehicle fuel, energy and water consumption in the 2013-15 Sustainability Strategy
- University Council has set an annual 5% GHG emission reduction target in the University Charter
- University is proposing to increase sustainability criteria in future tender documents
- Departments are encouraged to purchase paper manufactured in Australia that has a recycled component
- Departments have been issued with myki cards to encourage public transport travel and petrol vehicles have been replaced with diesel vehicles to reduce fuel consumption and GHG emissions
- Waste and recycling tender used criteria to safely dispose of the university's e-waste, fluorescent globes, commingled recycling, paper and cardboard
- Tender for cleaning products has changed to preference natural products that minimise chemical use
- Gippsland campus purchases 10% green energy

Fleet vehicle fuel



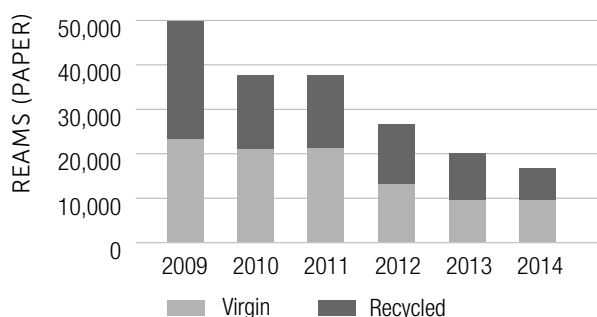
University fuel consumption continues to decline with a 9% reduction in 2014.

This equates to a 20,242 litre saving.

The savings are attributed to the replacement of petrol vehicles with diesel. 75% of the passenger fleet are diesel powered. 96% of the fleet are 4 cylinder.

The University has set a target in 2015 to reduce vehicle GHG emissions by 5%.

Paper

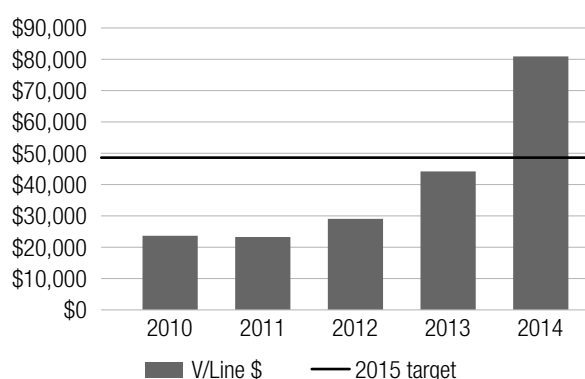


University purchased 16,977 reams in 2014, a reduction of 16% or 3,351 reams over the previous year.

56% of paper purchased has a recycled component.

Over the past 5 years paper consumption has fallen by 66%.

V/Line travel



Many staff are preferring to travel to Melbourne via public transport.

2014 saw an increase in patronage of 83%.

The increase in V/Line travel has assisted to reduce motor fuel consumption.

Federation University Australia Act 2010 (the Act)

Federation University Australia was established on 1 January 2014. Formerly known as the University of Ballarat, its enabling legislation was the *University of Ballarat Amendment (Federation University Australia) Act 2013*.

Although formally created as a University in 1994, the University of Ballarat had a lineage back to 1870 with the establishment of the School of Mines Ballarat, making it the third institution of higher learning to be established in Australia and the first to be established in regional Australia. On 1 January 1994, Ballarat University College became the University of Ballarat and in 1998 the University merged with three TAFE Institutes to become a dual sector institution with multiple campuses.

On 1 January 2014, the University of Ballarat amalgamated with the Monash University Gippsland Campus to form Federation University Australia. The Gippsland Campus also had a long lineage dating back to 1928 with the establishment of the Yallourn Technical School which became a predecessor institution to the Gippsland College of Advanced Education formed in 1968. In 1990, it was renamed the Monash University College and in 1993 became the Gippsland Campus of Monash University.

Federation University Australia, or FedUni, is Australia's newest public University. Headquartered in Ballarat, Victoria, the University offers programs in Higher Education and Vocational Education and Training to regional Victoria and beyond.

The University's commitment to educational and social equity, teaching excellence, research distinction, environmental sustainability and regional capacity building has enabled it to develop in a way that draws on its proud heritage to inform its future.

Its regional character sets a framework for the University's priorities but does not constrain it from serving wider community interests, nationally and internationally.

With campuses from Horsham in the west of the state, to Churchill in the east, the name Federation University Australia was chosen to convey the scope and capacity of an expanded regional university with a federated network of campuses contributing to a new and different Australian university.



Services Provided

The users of services provided by the University were drawn largely from the Central Highlands and Wimmera regions of Victoria, but also included persons, groups and organisations from other parts of Victoria, interstate and overseas. The nature and range of services provided are set out below.

Fields of Study Schools and Programs Portfolio		
Vocational Education and Training (VET) Certificate, Diploma and Advanced Diploma programs		Higher Education Undergraduate, postgraduate and other programs at HE level
<ul style="list-style-type: none"> • Food Sciences • Primary Industries • Nursing • Occupational, Health and Safety • Children's Services • Adult, Community and Further Education • Prisons Education • General Manufacturing • Automotive • Metals and Engineering • Building and Construction • Building Design • Primary Industry and Forestry • Horticulture and Conservation and Land Management 	<ul style="list-style-type: none"> • Business Services • Information Technology • Public Administration and Safety • Hair and Beauty • Community Services and Health • Cultural and Recreational • Transport and Storage • Electro Technology and Communications • Wholesale, Retail and Personal Services • VCAL Training provided through the Technical Education Centre 	<ul style="list-style-type: none"> • Biomedical Science • Food and Nutritional Sciences • Human Movement and Sports Science • Visual and Performing Arts • Education and Early Childhood • Humanities and Social Sciences • Business • Psychology • Information Technology and Computing • Mathematics • Sciences • Nursing • Management • Accounting • Engineering • Environmental Science

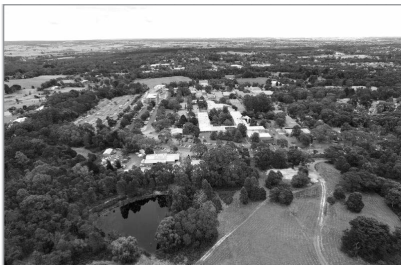
Other Services	
Research and Consultancy	Other Services
<p>Federation University Australia undertakes world-class research, and engages in knowledge transfer, in strategic targeted areas that have demonstrable relevance to, and impact on, communities, industries and regions served by the University, and beyond.</p> <p>It emphasises partnerships, collaborations and integration in the interests of capacity building. Creating strong targeted knowledge partnerships with industry, other institutions and government is also a key strategy by which the University contributes to regional, national and international innovation.</p> <p>Its principal innovation platform is the Technology Park which is the largest regional technology park in Australia.</p> <p>The University aspires to build greater synergy between targeted research and innovation by increasing the collaborative opportunities in the Technology Park, connecting researchers with industry partners.</p>	<p>Other services include:</p> <ul style="list-style-type: none"> • Library, Learning Support and Study Skills • Facilities Management • Information Technology Services • Catering and Conferencing Services • Wellbeing, Counselling and Sporting and Social services • Residential Living, Residential Community and Settlement services • Careers and Employment services • Project management services • Equity and Equal Opportunity Support and Outreach services • Centre for Learning Innovation and Professional Practice (CLIPP) • Aboriginal Education Centre • Public Relations and Alumni • Human Resources • Legal – General Counsel • Finance

Federation University Australia

Federation University Australia is a corporate entity consisting of a Council, academic, teaching and other staff, and enrolled students.

The objects, functions, powers and duties of Federation University Australia are:

- to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard;
- 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;
- 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;
- to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community;
- to serve the Victorian, Australian and international communities and the public interest by—
 - :: enriching cultural and community life;
 - :: elevating public awareness of educational, scientific and artistic developments;
 - :: promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society;
- to use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching, learning, research and advancement of knowledge activities and thereby contribute to—
 - :: realising Aboriginal and Torres Strait Islander aspirations; and
 - :: the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage;
- to provide programs and services in a way that reflects principles of equity and social justice;
- to confer degrees and grant diplomas, certificates, licences and other awards; and,
- to utilise or exploit its expertise and resources, whether commercially or otherwise.



The General powers and functions of the University

1. The University

- (a) is a body politic and corporate with perpetual succession; and
- (b) may be sue and be sued in its corporate name; and
- (c) subject to the Act, may acquire, hold and dispose of real and personal property.

The Council

Under the provisions of the Act, the Council of the University is the governing authority of the University and has the direction and superintendence of the University.

The Council is chaired by the Chancellor and has 13 members. Set out below are the members of the Council as at 31 December 2014 including the terms of office, years on Council, qualifications and experience.



Back row: from left, Mashelle Parrett, Steve Davies, Tony Stone, Ian Nethercote, Peter Wilson, Michael Ryan, George Fong.

Front row: from left, Deborah Spring, Kim Dowling, Karen Douglas, Paul J H Hemming (Chancellor), David Battersby (Vice-Chancellor), Todd Walker, Meredith Doig.

The Chancellor

Dr Paul John Harry Hemming

MB, ChB, Fellow Royal Australian College of GPs, Fellow of Royal College of GPs (UK)

Term of Office 1 July 2012 to
30 June 2018

Years on Council Chancellor < 3
Council Member 4

General Practitioner. Past President AMA (Vic); President RACGP; Director 'Beyondblue'; Executive Director Ballarat Division of GP; Member Medicare Services Advisory Committee; Consultant to Health Insurance Commission; Chair Medical Advisory Committee, St. John of God Hospital, Ballarat.

The Vice-Chancellor

Professor David Arthur Battersby

MHed NSW, PhD Waikato

Term of Office 1 July 2010 to
30 June 2017

Years on Council 7.5

Tutor, University of Waikato, New Zealand; Lecturer, Senior Lecturer, Massey University, New Zealand; Associate Professor, Professor, Charles Sturt University; Dean, Pro Vice-Chancellor, Deputy Vice-Chancellor, Charles Sturt University.

Chair, Academic Board

Associate Professor Kim Dowling

BSc (Hons) Geology, UNSW; PhD, James Cook University; Grad Dip in Environmental Management, Deakin University

Term of Office 01 January 2013 to
31 December 2016

Years on Council 2

Active tertiary educator for 30 years, with experience in science education, research, industry engagement and management. Has served in diverse roles including Dean and Head of School, Executive on Deans' Boards, various governance and leadership roles at other institutions, and every Board Standing Committee at Federation University. Currently research interest in Medical Geology with a particular interest in arsenic contamination and site rehabilitation.

Members appointed by the Governor-in-Council

Mr Ian Nethercote

Mechanical Engineer (Graduated 1976); Fellow of Institute of Engineers Australia (FIEAust); Fellow Australian Institute of Management (FAIM); Fellow Australian Institute of Company Directors (FAICD); NATA Registered Assessor for Mechanical Lifting Equipment; Awarded AIM Manager of the year in April 2005; Awarded Sir Willis Connolly Medal in 2010 for his outstanding contributions to the mining and energy industries and Private Pilot

Term of Office 01 January 2014 to
31 December 2016

Years on Council 1

Almost 40 years experience in power industry and open cut coal mining management, operations and heavy plant maintenance. Up until his retirement at the end of June 2012, Mr Nethercote was Chief Executive of Loy Yang Power and Chairman of Loy Yang Marketing Management Company (13 years). Served as Chair of the Electricity Supply Association of Australia and the National Generators Forum. Former member of the Monash University Council from 2008 to December 2013. He was also a member of the Monash Audit & Risk and Estates Committees and Chairman of the Monash University – Gippsland Advisory Committee from 2007 to 2013. Member of the State Government's Gippsland Tertiary Education Council. Deputy Chair Federation Training. Former Chair of Gippsland Group Training. Chair of Latrobe's Biggest Ever Blokes BBQ Committee.

Ms Mashelle Parrett

Bachelor Degree from the University of New England in Financial Administration; Member of the Institute of Chartered Accountants in Australia and a Registered Company Auditor

Term of Office 29 January 2013 to
31 December 2015

Years on Council 2

Currently employed with the Australian Securities and Investment Commission. She has over 20 years experience in external audit, internal audit and financial reporting, having had roles in the Victorian Auditor-Generals' office, Lachlan Partners Chartered Accountants, the Commonwealth Auditor-General's Office and Ernst and Young.

Mr Michael Ryan

Bachelor of Business (Accounting) RMIT;
Chartered Accountant

Term of Office 04 March 2013 to
31 December 2015

Years on Council < 3

30 years in Public Tax (Accountancy Practice in Horsham); 4 years in Commerce; Horsham Rural City Councillor for 7 years including 2 years as Mayor; 7 Years Audit and Finance Committees – Horsham Rural City.

Mr Warwick Spargo

BA Economics (Accounting); Registered Company Auditor; Fellow Certified Practising Accountant; Certified Fraud Examiner; Graduate Certificate in Fraud Investigation; Certi IV in Government (Fraud Control)

Term of Office 1 January 2012 to
25 August 2014

Years on Council < 2

Previously worked for 12 years for the Victorian Auditor-General's Office.

Currently an Audit Partner at RSM Bird Cameron specialising in external and internal audit services to public sector agencies. Board member and Chair of Finance Committee for Queen Elizabeth Centre.

Ms Deborah Ann Spring

MBA, Harvard Business School; MSc, Mechanical Engineering, Rensselaer Polytechnic Institute; BA Sc (summa cum laude), Mechanical Engineering, Union College; Australian Institute of Company Directors Diploma; Licensed Professional Engineer

Term of Office 1 July 2012 to
31 March 2015

Years on Council < 3

Broad experience gained over 25 years as a senior executive in private, public and semigovernment sectors across a diverse range of industries in both domestic and international markets. These industries include energy, manufacturing, recycling, petro-chemicals, post, transport and logistics and rail.

Extensive board and committee experience in logistics, environment, education, and community services that includes membership of sub-committees responsible for finance, risk, HR and operations. Board positions include, V/Line Corporation, and Mount Hotham Alpine Resort Management Board (Chair).

Ministerial Appointment

Mr Steve Davies

BSc (Honours) in Computer Systems Engineering; Institution of Engineering and Technology (UK); Project Management Institute (USA)

Term of Office 1 July 2013 to
31 December 2015

Years on Council < 2

Over 28 years technical and managerial experience across environments ranging from embedded microprocessor control to mid-range and main-frame applications. For the last 16 years, performed key roles on large complex systems integration programs including senior project manager, program manager, site executive and delivery centre manager across a number of industries including defence, telecommunications, utilities, mining and oil & gas.

Current role includes the Region Lead responsible for the operations of IBM's GBS Regional Delivery Centre in Ballarat and the A/NZ Lead for IBM's AMS Testing and Environment Services group. Other recent roles with IBM include Platform Delivery Lead on a large green-fields Operational Support Systems development for a new national telecommunications corporation, Application Services Lead for Western Australia responsible for building a delivery capability in a growth market, and Delivery Centre Manager providing up-line management and leadership for an organisation delivering application services across a broad portfolio of business applications for a major Australian client.

Members appointed by Council

Mrs Karen Suzanne Douglas – Deputy Chancellor

Australian Institute of Company Directors Course

Term of Office 1 January 2013 to
31 December 2015

Years on Council 7

Chair, Wimmera Catchment Management Authority; Chair, Chairs of Catchment Management Authorities; Board Member and previous Chair, Stawell Regional Health; Past Mayor of Northern Grampians Shire; Past Chair of the North Central Local Learning and Employment Network; Partner in broadacre farming enterprise.

Members appointed by Council continued

Dr Meredith Anne Doig FAICD

BA (pure maths), Dip Ed, M Ed Studies, Grad Dip Mgt, PhD

Term of Office 1 January 2014 to
31 December 2016

Years on Council 4

Twenty years of experience as an executive in manufacturing, mining and banking, and Consultant in risk management and leadership development; 13 years of experience as a non-executive Director of boards in transport and logistics, retail, printing and education; President Rationalist Society of Australia Inc; Facilitator with the Institute of Company Directors; Moderator with the Cranlana Program on Ethics and the Good Society.

Mr George Fong

BA (CNAAL) Law; Barrister-at Law, Lincoln's Inn (UK); Advocate and Solicitor, Supreme Court of Singapore

Term of Office 1 July 2012 to
30 June 2015

Years on Council < 2

Director – Lateral Plains Pty Ltd; Barrister at Law and Advocate and Solicitor in Singapore; Lecturer at the then Ballarat College of Advanced Education (1987–

1996) in Tax and Business Law; Co founder of the 1st Regional Internet Service Provider in Australia – NetConnect Communications; President of the Internet Society of Australia; Immediate Past Chair of the Board for the Ballarat Health Services Foundation; Member of the advisory board for .au Community Domains; Past Chair of The Ballarat Regional Multicultural Council; Past member of the Courier Advisory board; Member of IPV6 Now.

Mr Peter Russell Wilson

LLB, Melbourne

Term of Office 1 January 2014 to
31 December 2015

Years on Council 6

Practicing Lawyer since 1971. Accredited Specialist in Mediation. Member of Mediation Panels including VCAT, Magistrates Court, Produce Industry; Past Part Time Presiding Member AAT (now VCAT); Past President Ballarat Law Association; Immediate Past Chairman North Ballarat Football Club; Past Chair Ballarat Begonia Festival Association; Life Member, Ballarat Football League, North Ballarat Football Club, Victorian Football League; Australian Sports Medal.

Mr Anthony Stone

MBA (International Business)

Term of Office 1 July 2013 to
31 December 2015

Years on Council < 2

Experienced in Franchising, Automotive and Building Materials Sectors. Has held senior management positions in the USA, Asia and Australia and had extensive business experience in South East Asia. Currently serves on the boards of North Ballarat Sports Club, Federation Training, Victorian Police Western Region Governance, as well as a number of Advisory Boards. He also is Chair of AICD Ballarat branch and Chair of the Victorian Government's Ballarat Skills Initiative. Previous positions: Managing Director – Selkirk Group of Companies, Managing Director Asia/Pacific – FMP Group, Vice President and General Manager Americas – Honeywell Inc.

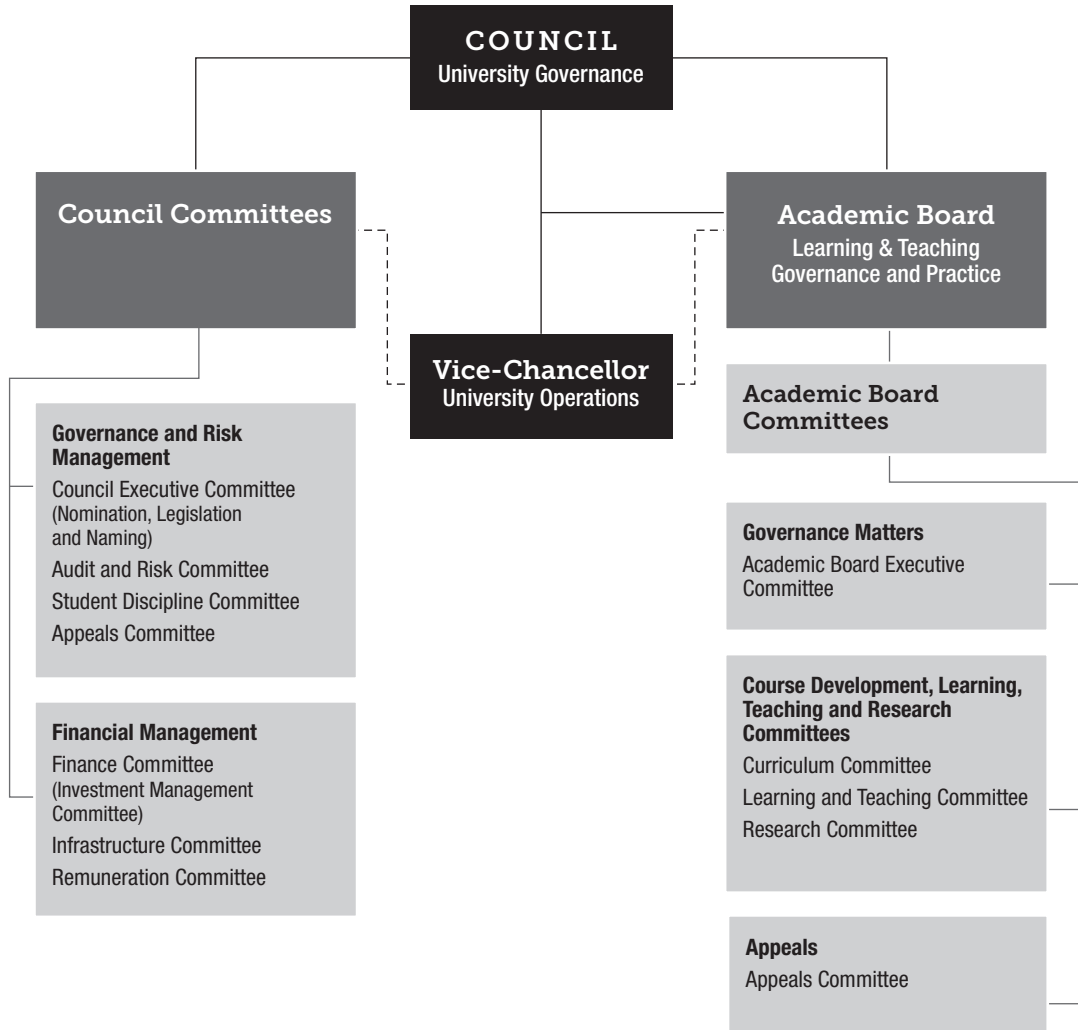
Table: Council and Committee Membership and attendance at meetings

Council Member	Committee member and meeting attendance											
	Council		Executive		Audit & Risk		Infrastructure		Finance		Remuneration	
No. of meetings held during the year	8		6		6		7		6		3	
	M	A	M	A	M	A	M	A	M	A	M	A
Dr Paul Hemming	•	8	•	6							•	3
Professor David Battersby ⁽¹⁾	•	8	•	6					•	6		
Mr Steve Davies ⁽³⁾	•	7					•	6				
Dr Meredith Doig	•	7			•	5						
Mrs Karen Douglas	•	7	•	6			•	7			•	3
Assoc Prof Kim Dowling	•	8	•	6								
Mr George Fong	•	8					•	7				
Mr Ian Nethercote	•	8			•	6						
Ms Mashelle Parrett	•	7			•	5						
Mr Michael Ryan ⁽⁴⁾	•	8	• ⁽⁴⁾	2	•	5			•	5	• ⁽⁴⁾	1
Mr Warwick Spargo ⁽²⁾	•	5	•	4					•	4	•	2
Ms Deborah Spring	•	7							•	6		
Mr Tony Stone	•	6					•	5				
Mr Peter Wilson	•	8	•	6	•	6						

M = Member **A = No. of meetings attended**

- 1) The Vice-Chancellor is the Chief Executive Officer of the University and has such powers, authorities, duties and functions as prescribed under the Act or as delegated by Council.
- 2) Member retired during the year but attended the required number of meetings from date of appointment.
- 3) Special leave was granted by Council during the year for meetings not in attendance.
- 4) Member appointed to a Council Standing Committee during the year and attended the required number of meetings from date of appointment.

Governance Structure



Committees of Council

The Council, by resolution, may constitute and appoint such committees as it thinks fit. A committee appointed by the Council must report to the Council on its activities at such times and in such manner as the Council directs.

Governance and Risk Management Committees	
Council Executive Committee	The Committee is responsible to Council for the conduct of such business as is necessary between meetings of the Council (generally deemed to be of an urgent nature) or such specific business and with such authority as is delegated to it by the Council. The committee also acts as a legislation, naming, honorary degree and nomination committee and advises on matters relevant to the terms and membership of council committees, and university ceremonies.
Audit and Risk Committee	The Committee is responsible to Council for the scope of work, performance and independence of internal audit, the engagement and dismissal by management of any chief internal audit executive, the scope of work, independence and performance of the external auditor, the operation and implementation of the risk management framework, matters of accountability and internal control affecting the operations of the University, and the University's process for monitoring compliance with laws and regulations and its own Human Resource Policies and Procedures and code of financial practice.
Appeals Committee	The Council Appeals Committee comprises three members of Council nominated by Council, one of whom shall be a student. The Committee hears and determines appeals against findings of breach of discipline or exclusion for reasons of unfitness. A summary report from the Appeals Committee is presented annually to Council.
Legislation Committee	To review statutes and regulations to ensure they are comprehensive, relevant and effective.
Financial Management Committees	
Infrastructure Committee	The Committee is responsible to advise Council on and make recommendations for the development of the physical infrastructure of the University. All advice and recommendations made by the Committee should be based upon consideration of: the report received from the University's Probity Advisor; a risk assessment; and an examination of the fit of the proposed project with issues of cultural and community awareness.
Finance Committee	The Committee is responsible to Council for advising on matters concerning finance, investments, asset management, insurance, compliance with laws and regulations and its own Code of Finance Practice. The Committee monitors continuing financial viability of the University using key financial indicators and exercises oversight of University companies, trusts, profile and performance agreements, and other major commercial activities.
Remuneration Committee	The Committee sets performance goals and reviews the performance of the Vice-Chancellor on behalf of Council. It also considers and sets the salary and remuneration of the Vice-Chancellor and the senior executive officers.



Academic Board and its Committees

The principal academic body of the University is the Academic Board. In 2014, the board comprised 31 members of whom 16 were ex-officio members representing senior academic and teaching staff and members of the senior management team, nine elevated members from teaching staff and students across the university and four appointed members.

The purpose of the Academic Board is to provide:

- academic oversight of prescribed academic programs and course of study in the University; and
- advice to the Council on the conduct and content of those programs and courses.

The Board, by resolution, may constitute and appoint such committees, as it thinks fit. A committee appointed by the Board must report to the Board on its activities at such times and in such manner as the Board directs.

Academic Board Committees

The Academic Board has reduced the number of standing committees to better reflect the single integrated mission of the University. These changes complemented the various structural and business transformations that took place during 2013.



Governance Committees

The following committees assist the Academic Board on matters relating to Governance

The Academic Board Executive Committee	To serve as the executive of the Board, make decisions on its behalf as delegated, manage the Board's agenda and schedule of business and initiate discussion and commission papers as requested by the Board on major issues of educational importance.
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Course Development, Learning, Teaching and Research Committees

The following committees assist the Academic Board on matters relating to course development, learning and teaching

Curriculum Committee	To advise on all new and modified coursework programs and substantial changes to existing courses in relation to the consistency of courses with the University's Learning and Teaching Plan, the need for new or revised legislation/policy relating to coursework program, amendments to award regulation and the functioning of policies and procedures. Report to the Board on the accordance of programs with the Australian Qualifications Framework.
Learning and Teaching Committee	Advise on matters relating to the measurement, quality improvement and policies and procedures for teaching and learning. To recommend and advise the Board on the development, accreditation, implementation and evaluation of Vocational Education and Training (VET) Program and associated teaching and learning procedures, pathway enhancement strategies.
Research Committee	To provide advice on policy and procedures related to research and research training in the context of the University's research plan, review the University's research plan and report annually to the Academic Board on the implementation of the plan and quality assurance related to research and research training.
Appeals Committee	The Committee meets as required to hear and determine appeals relating to student exclusion or final grade matters.

Management Structure

The Vice-Chancellor is the chief executive officer of the University with responsibility for the overall management of its affairs and the implementation of policy. This includes finances, property and academic development of the University, subject to Council's determinations and the University legislation (Statutes and Regulations). The Vice-Chancellor is the primary source of advice to Council in relation to University affairs.

The Vice-Chancellor is responsible to the Council for discharging those duties which it prescribes. The Vice-Chancellor is assisted by five Deputy Vice-Chancellors and a Chief Operating Officer/Chief Financial Officer. Collectively these officers are known as the Vice-Chancellor's Senior Team. Each has specified portfolios of authority and responsibility to assist the Vice-Chancellor in the overall management of the University. The Vice-Chancellor's Senior Team is responsible and accountable to the Vice-Chancellor for performance in their respective portfolios.

The Vice-Chancellor, Deputy Vice-Chancellors and the Chief Operating Officer/Chief Financial Officer (within their respective portfolios) have authority to approve the creation and filling of other positions within the University.

Review

A formal assessment of the performance of Council and its standing committees, including the Academic Board is completed on an annual basis. Performance measurement is undertaken through the distribution of a review document requiring a confidential written response by all members.

At the end of each year the Chancellor also holds individual discussions with each Council member to discuss the member's response to the Council appraisal form which covers the member's performance and involvement in Council during the previous year.

The Senior Appointments and Remuneration Committee annually sets performance goals and reviews the performance of the Vice-Chancellor on behalf of Council. It also considers and sets the Vice-Chancellor's and the senior executive officers' salaries and remuneration.

The Vice-Chancellor annually sets performance goals and reviews performance of the Deputy Vice-Chancellors and Chief Operating Officer/Chief Financial Officer. Key performance indicators for evaluating the performance of persons occupying these and other management positions are determined on an annual basis.

Reporting

Council set the following 2014 reporting timelines in relation to the strategic direction of the University:

- a) **March Retreat** – Council received the Vice-Chancellor's report on progress against strategic priorities; and considered and reviewed the Charter, the Key Performance Indicators and the strategic priorities;
- b) **October meeting** – Council set the Strategic Direction for the forthcoming year;
- c) **December & July meetings** – The Vice-Chancellor reports to Council on the half-yearly achievements against the major directions for the University.

For each meeting of Council, the Vice-Chancellor presents a written report to Council on developments, and the overall operations and achievements of the University.

Council receives reports on the implementation of plans and policy that have institution-wide applicability in accordance with governing or operational policies.

The Federation University Australia Council is compliant with the Voluntary Code of Best Practice.

Council will receive periodic reports on:

- a) the financial position of the University;
- b) the operations of the Academic Board and committees of the Council, which may be in the form of minutes of the meetings;
- c) the operations and achievements of the controlled entities of the University; and
- d) such other matters as the Council may determine. Operational level monitoring of, and reporting on, the implementation of budgets, policies, plans, procedures or similar will be undertaken as required under the relevant policies, procedures or similar instruments, or as required by the authorities approving those instruments.

The monitoring and reporting framework of the University will be subject to independent external audit, the findings of which will be reported to Council.

The University's Annual Report to the Victorian Government will incorporate the externally audited financial statements of the University and a report on University governance and achievements for the relevant year.

Role of Council and Duties of Council Members

The Federation University Australia Act 2010 (the Act), provides the legislative base for the University's governance and operations. Council is the governing body and is responsible for the University's direction.

The role of Council and the duties of Council members are defined as:

- Provide a clear statement on the University's strategic direction, vision and mission and continually monitor progress against agreed goals.
- Shape and review its vision, mission and values and evaluate its own performance.
- Appoint and appraise the performance of the Vice-Chancellor as chief executive.
- Require and monitor compliance with statutory and regulatory obligations.
- Oversee the establishment and effective operation of key policies consistent with legal requirements and the spirit of community expectations, including those expressed in statutes and regulations.
- Ensure delegated responsibilities and authorities are clearly defined to the Vice-Chancellor and other bodies, and to the Board and other committees.
- Ensure adequate risk management procedures and associated internal controls are established and effectively maintained.
- Approve and monitor commercial undertakings and monitor education, training, research and consultancy activities.
- Oversee the effective and prudential operation of the University and assess performance against key performance indicators agreed with management, including:
 - :: approve and monitor budgets and financial plans;
 - :: ensure the University's assets and resources are properly managed; and
 - :: approve and monitor controlled entities.
- Effectively manage its own operations, including the appointment of the Chancellor, selection of new members and their induction and the proper execution by members of their fiduciary duties.

It is the duty of members of Council to:

- Act always in the best interests of the University as a whole, with this obligation to be observed in priority to any duty a member may owe to those electing or appointing him or her;
- Act in good faith, honestly and for a proper purpose;
- Exercise appropriate care and diligence;
- Not improperly use their position to gain an advantage for themselves or someone else; and,
- Disclose and avoid conflicts of interest.

Management of Interests or Conflicts of Interest

Under the provision of the Act, Council members shall declare an interest in a matter being considered. University legislation also requires that at all Council meetings including meetings of its committees and Board the following procedures in relation to pecuniary or other conflicts of interest apply:

- 1) A member of a body who has a pecuniary or other conflict of interest in a matter being considered or about to be considered by the body must, as soon as practicable after the relevant facts have come to his or her knowledge, declare the nature of the interest at a meeting of the body or in writing addressed to the chair of the body.
- 2) If the chair of a body receives a written declaration under subsection (1), the chair must report it, or cause it to be reported, at the next meeting of the body.
- 3) The person presiding at a meeting at which a declaration is made under sub-section (1) or reported under sub-section (2) must cause a record of the declaration to be made in the minutes of the meeting.
- 4) After a declaration is made under sub-section (1) by a member of the body –
 - a) unless the body otherwise directs, the member must not be present during any deliberation with respect to that matter; and
 - b) the member is not entitled to vote on the matter;
 - c) if the member does vote on the matter, the vote must be disallowed.
- 5) Notwithstanding the provisions of any other statute or any regulation the Council may remove a member of a body from office as a member of the body if a member fails to disclose a pecuniary or other conflict of interest as required by this section.

In addition:

- 1) Members of the University Council are required to disclose related party interests where those interests could potentially lead to a conflict of interest. "Related party interests" means interests from a relationship which arises from being a member of immediate family, or a relationship which gives rise to a real or potential conflict of interest and includes such matters as matrimonial (including defacto), sexual, financial and business relationships.

- 2) Council members, upon adoption of this procedure or upon appointment to the Council, are required to advise the Council office by completing a disclosure form of potential areas of conflict and/or related transactions with the University. If, during the course of a member's term of office, that member subsequently becomes aware that an interest held by them or a related party may potentially cause a conflict of interest with the University's affairs, they shall advise the Council office as soon as possible. A record of such advice received shall be kept by the Council office.
- 3) Council members will also be required under the Financial Management Act 1994 and the Australian Accounting Standards to disclose, at the end of each financial reporting period, the transactions that they (or their related party) had with the University during that financial period. This information is reported in the University's Annual Report.
- 4) If the chairperson perceives there to be a conflict of interest of which a member of the Council or a committee of the Council may be unaware, the chairperson shall raise the matter with that individual prior to the meeting concerned.

Risk Management

The University is committed to the effective management of risk through good governance arrangements and its Risk Management Policy and Procedure and annual Strategic Risk Management review and reporting process.

The Council's Audit and Risk Committee monitors outcomes relating to the risk review and reporting process and provides advice to the Council. The University's Budget Committee continued to monitor the overall financial risk to the University of earned-income projects during 2014.

The Vice-Chancellor's Senior Team and selected members of the Audit and Risk Committee conducted a strategic risk review in 2014. The review is part of the Strategic Risk Management program, which began in 2006. The review identified a broad range of organisational risks, their treatment actions, the senior officers responsible, and the anticipated completion dates.

The Audit and Risk Committee monitor the completion of actions relating to High or Extreme risks.

Register of Shareholdings that includes a Risk Assessment

Compliance Federation University Australia Subsidiary Companies (Wholly Owned Controlled Entities)

Federation University Australia Associated Entities (part ownerships from shareholdings):		
Entity	Objects	Risk assessment
Inskill Pty Ltd	Holds shareholdings in start-up companies	Low
The School of Mines and Industries Ballarat Limited	Inactive	Low
UB Housing Pty Ltd	Obligations under the National Rental Affordability Scheme	Medium

Compliance Federation University Australia Other Companies (Associated Entities)

Federation University Australia Associated Entities (part ownerships from shareholdings):		
Entity	Objects	Risk assessment
AINSE Limited	Access for researchers to carry out research in connection with nuclear science and engineering	Low
Australian Research and Education Network Pty Ltd (AARNet)	Provision of internet services to education and research	Low
Cooperative Action by Victorian Academic Libraries Limited (CAVAL)	Consortium of Victorian University Libraries and State Library of Victoria providing information services and resources	Low
Datascreen Pty Ltd	Commercialisation of intellectual property	Low
Education Australia Limited	Recruitment of international students for Australian and overseas universities	Low
VERNet Pty Ltd	Provision of optic fibre to Victorian education sector	Low
Universities Australia	Body representing the University sector	Low
Telstra Limited	Telecommunications and information services	Low
Council of Australian University Directors of Information Technology Inc (CAUDIT)	Procurement and collaboration in information technology	Low
Regional Universities Network	Collaboration of six universities with headquarters in regional Australia	Low

Council Professional Development and Appraisal

Professional Development is provided to each Council member on an annual basis comprising:

- An induction package distributed when members commence;
- A mentor assigned to new members (if requested);
- A Professional Development and Induction Workshop;
- A Council Retreat comprising two days of professional development;
- Participation in events organised by the relevant Commonwealth and State Government Departments responsible for Higher Education and TAFE;
- Additional workshops addressing specific skills i.e. Financial Statements, Audit and Risk, Protocols.

A formal assessment of the performance of Council and its standing committees is completed on an annual basis. Performance measurement is undertaken through the distribution of a review document requiring a confidential written response by all members.

Indemnity of Councillors and Senior Officers

The University has Directors and Officers liability insurance in place for the indemnity of Councillors and Senior Officers relating to the conduct of their duties and responsibilities as officers of the University.

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

I, Todd Walker certify that Federation University Australia has risk management policies, procedures and processes in place consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control strategic risk exposures. The Audit and Risk Committee of the University Council verifies this assurance and that the strategic risk profile of Federation University Australia has been critically reviewed within the last 12 months.



Professor Todd Walker

Deputy Vice-Chancellor (Engagement)
Secretary to Council

17 February 2015

Student Load Performance

TAFE Programs

Overall, the University delivered VET programs to over 8,000 students in 2014, equating to approximately 2.2 million Student Contact Hours (SCH) of training. – with 1.7 million SCH related to funding from the State Government and 0.5 million SCH in non-government funded training.

TAFE Training Delivery and Performance Summary	2013 Actual SCH million	2014 Actual SCH million	% difference
Government Funded	1.8	1.7	(6%)
Non-Government Funded	0.5	0.5	–
Total (SCH)	2.3	2.2	(4%)

Higher Education Programs

Domestic Commonwealth Supported Place (CSP) funded Student Enrolments

The total CSP funded student load for 2014 totaled 4,390 EFTSL. This is a 8.5% increase on the previous year and represents the additional student load obtained with the Churchill campus. Commencing student enrolment in undergraduate programs remains relatively stable across all disciplines and reflects continued strong demand for programs that lead to professional qualifications in areas of education, nursing and engineering.

Higher Education CSP Funded Equivalent Full Time Student Load (EFTSL)*	Actual 2013*	Estimated Actual 2014 #	% difference
Undergraduate	4,046	4,390	8.5%
Postgraduate	338	314	(7.1%)
Total	4,384	4,704	7.3%

*Actual 2013 represents the domestic undergraduate and postgraduate student load funded by the Federal Government as per agreed load funding arrangements.

Estimated Actual 2014 EFTSL is subject to reconciliation process with the final submission of data to DEEWR in April 2015.

Domestic Research and Fee-Paying Student Enrolments

The University's non-commonwealth funded load comprises a small program of activities which varies from year to year based on demand. The changes in enrolled load in 2014 reflect a 6% increase in places being offered to domestic students in the Research Training Scheme. The number of Domestic fee paying students studying in Non-Award programs remains stable.

Higher Education Non-Commonwealth Funded Load

Category	Report Group	2013 Actual EFTSL	2014 Estimated EFTSL*	% Over (Under)
Research	Research Training Scheme	136	143	5%
Research	Domestic Fee-Paying	0	1	
Research	International	37	40	8%
Total		173	184	6%
Fee Paying Domestic Students	Non-Award	14	16	14%
Fee Paying Domestic Students	Postgraduate	261	267	2%
Total		283	283	0%

*Estimated Actual EFTSL is subject to reconciliation process with the final submission of data to DEEWR in April 2015.

International Student Enrolments

International student commencements in 2014 showed a decline compared to previous years. This continues a residual declining trend due to global economic conditions, student visa integrity issues and changes to the Australian Government immigration policies. Consistent with prior years, students from India and China constitute the majority of international students for both on-campus and on-shore partner providers.

Commencing International Student Enrolled Load at Provider Locations: On-Shore*

City of Provider	2013 Actual EFTSL	2014 Year to date EFTSL*	% Over (Under)
Adelaide	133	88	(34%)
Geelong	108	73	(32%)
Melbourne	1048	672	(36%)
Sydney	412	418	1%
Total	1701	1251	(26%)

*Year to date EFTSL is yet to include the final International Semester Enrolments and is subject to a reconciliation process with the final submission of data to DEEWR in April 2015

Commencing International Student Enrolled Load at Provider Locations: Off-Shore*

Country	2013 Actual EFTSL	2014 Year to date EFTSL*	% Over (Under)
HE – China	78	0	(100%)
HE – Malaysia	202	116	(43%)
HE – Hong Kong	29	16	(45%)
HE – Singapore	141	44	(69%)
HE – Sri Lanka	10	20	100%
HE – Total	460	196	(57%)
TAFE – Hong Kong ⁽¹⁾	14	24.6	76%
TAFE Total	14	24.6	76%

*Year to date EFTSL is yet to include the final International Semester Enrolments and is subject to a reconciliation process with the final submission of data to DEEWR in April 2015

1) Single unit enrolments where 720 Student Contact Hours is equated to 1 EFTS.

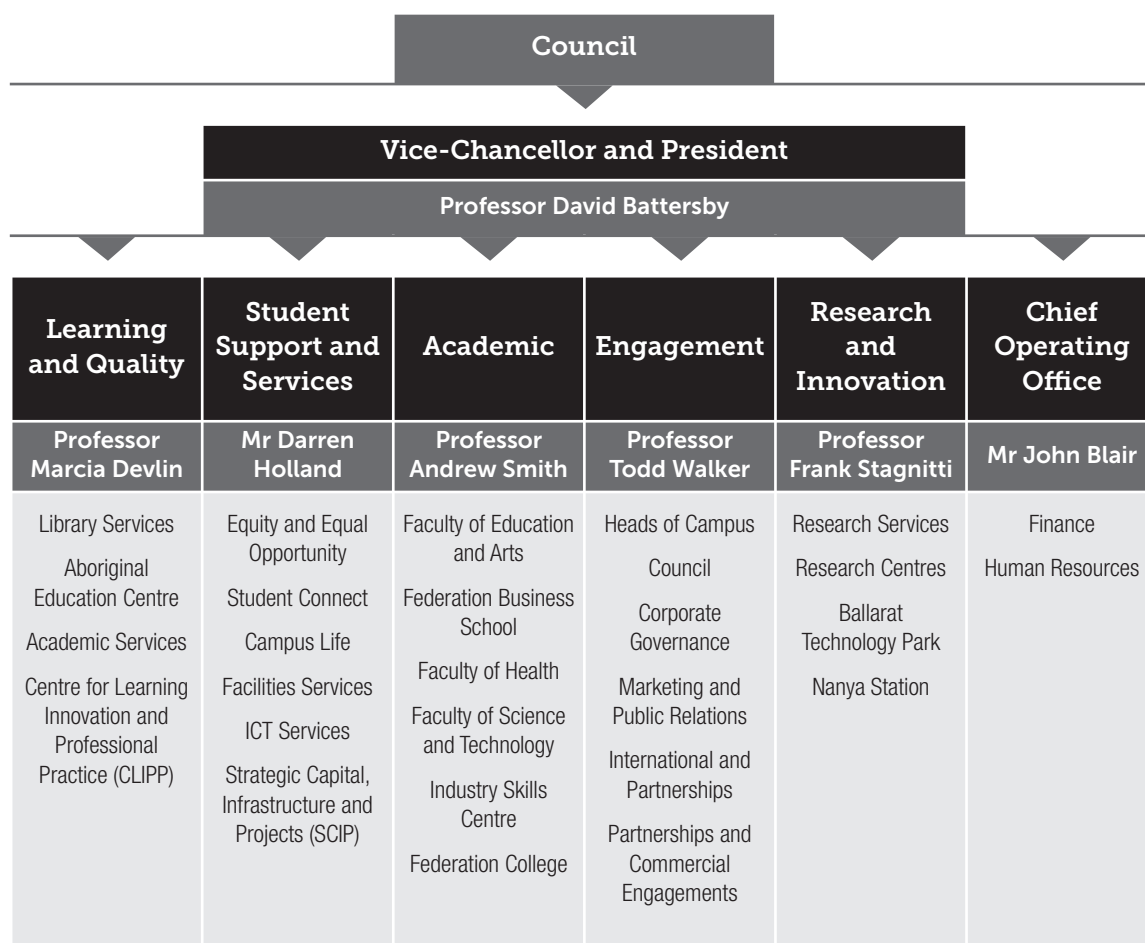
Commencing International Student Enrolled Load at Federation University Australia Campuses – On-Shore*

Faculty	2013 Actual EFTSL	2014 Year to date EFTSL*	% Over (Under)
Federation Business School	68	70	3%
Faculty of Education and Arts	18	18	0%
Faculty of Health	40	6	(85%)
Faculty of Science and Technology	86	60	(30%)
Research	6	12	100%
Total Higher Education	218	166	(24%)

*Year to date EFTSL is yet to include the final International Semester Enrolments and is subject to a reconciliation process with the final submission of data to DEEWR in April 2015

Note: There were no TAFE enrolments for International On-Shore for 2014.

Organisational Chart



Staff Code of Conduct

The University's values of:

- Intellectual responsibility;
- Ethical practice;
- Respect for each other;
- Service to our communities;
- Learning throughout life;
- Recognition of our international and global links and responsibilities;
- Commitment to sustainability;

are the principles underpinning our staff Code of Conduct.

Federation University Australia's values guide how we behave towards our students, and the wider community. These values are what we stand for and we will bring these values to life in everything we do.

This Code of Conduct confirms that commitment and outlines the expectations of all staff members of the University and is designed to promote a culture of fair and ethical behaviour and to ensure the University meets its obligations under state and commonwealth legislation.

The Code assists the University safeguard public trust and confidence in the integrity and professionalism of our staff by ensuring that all staff: maintain appropriate standards of conduct; exhibit fairness, impartiality, honesty and equity in decision making; and foster and protect the reputation of the University.

Staff can expect that members of the University Council and senior management will lead by example in actively promoting and complying with the Code.

Essentially the Code is a public statement about how the University expects to be perceived and, ultimately, judged. All staff are required to comply with the Code.

Staff Workforce Data as at 31 December 2014

	2013		2014	
	No of Persons	Full-time Equivalent	No of Persons	Full-time Equivalent
Higher Education Academic Staff*				
On-going				
Male	109	105.5	160	157.5
Female	117	107.31	168	154.21
Fixed-Term				
Male	28	25.4	42	38.4
Female	34	26.7	48	38.2
TOTAL	288	264.91	418	388.31
Total Male	137	130.9	202	195.9
Total Female	151	134.01	216	192.41
* Does not include casual staff (estimated to be full-time equivalent staff 36.25 for 2013 and 43.10 for 2014), nor staff employed by third party providers. Probationary staff are included in the ongoing staff statistics.				
VET Teaching Staff*				
On-going				
Male	62	59.8	63	61.4
Female	50	41.65	43	35.5
Fixed-Term				
Male	15	14	16	15.4
Female	7	6.3	10	8
TOTAL	134	121.75	132	120.3
Total Male	77	73.8	79	76.8
Total Female	57	47.95	53	43.5
*Does not include casual staff (estimated to be full-time equivalent staff 30.20 for 2013 and 30.05 for 2014), nor staff employed by third party providers.				
General Staff*				
On-going				
Male	132	123.07	169	157.15
Female	313	270.55	418	353.67
Fixed-Term				
Male	47	44.18	55	52.78
Female	90	78.8	132	116.3
TOTAL	582	516.61	774	679.9
Total Male	179	167.25	224	209.93
Total Female	403	349.35	550	469.97
*Does not include casual staff (estimated to be full-time equivalent staff 71.89 for 2013 and 77.25 for 2014), nor staff employed by third party providers.				

The major industrial instruments in which University staff terms and conditions of employment are stipulated are:

- The University of Ballarat Union Collective Agreement 2010-2012 Academic and General Staff Employees;
- The Monash University Enterprise Agreement (Academic and Professional Staff) 2009 (for transferred former Monash staff located at the Gippsland campus); and
- The Victorian TAFE Teaching Multi-Business Agreement 2009 (for TAFE Teachers).

Bargaining for replacement agreements to cover both Academic and General/Professional Staff, and TAFE Teaching Staff commenced in 2013 however new agreements are yet to be finalised.

Due to the Monash Gippsland employees who transferred to Federation University Australia on 1 January 2014 being covered by the Monash University Enterprise Agreement, bargaining for a replacement agreement to cover all University Academic and General/Professional Staff was deferred towards the end of 2013 by mutual agreement. Negotiations recommenced on 30 June 2014 which included representatives from the Gippsland Campus. No industrial activity occurred during enterprise bargaining in 2014.

Together with enterprise bargaining for two new agreements, other major tasks in 2014 have been the completion of transfer of business requirements concerning the new Gippsland campus and also various tasks associated with the commencement of Federation University Australia.

2014 Achievements

Staff well-being initiatives

In 2014 Human Resources ran another series of workshops at both Ballarat and Gippsland campuses on Building Resilience that provided staff with information and strategies for managing both workplace and personal change.

Just prior to the end of the year three lunchtime yoga sessions were held at on campus. This proved to be very popular with staff with large groups participating in all four sessions.

Employee Assistance Program

The Employee Assistance Program is now in its eleventh year, with EAP, Manager Assist, Career and Conflict Assist services continuing to be well supported by staff members and their immediate family. There continues to be good support for both the counselling services and Manager Assist services. The Career Assist services have also shown a significant increase in usage throughout the year.

Four information sessions were held at both Ballarat and Gippsland Campuses on the services offered by the EAP program.

To 31 December 2014 there have been 340 counselling sessions undertaken with a utilisation rate of 6.50% across all campuses.

WorkCover

The University remains committed to providing staff members with support and assistance following a work-related injury, and promoting effective and sustainable rehabilitation assistance by creating a cooperative and proactive environment to enable successful outcomes to be achieved for both the injured staff member and the University.

In 2014 there has been a slight increase both claims received and the number of standard claims. In total 33 claims were received, 12 minor and 21 claims becoming standard claims during the year.

Muscular strain/repetitive use injuries continue to be the cause of the highest number of claims in 2014 accounting for 42% of the total claims received. Slips, trips and falls is the second highest incidence for claims accounting for 16% of injuries claimed. There were a total of six stress-related claims received by the University in 2014 which is comparable to 2013's total.

With the inclusion of the Gippsland Campus, the University's 2014 workers compensation premium has increased by 13.93%, however overall claims costs impacting on premiums have reduced by 14.3%.

The University will continue to implement a range of early intervention measures in 2015 and ongoing to endeavour to reduce claims and premium costs.

WorkCover Key Performance Indicators

Incidence of Claims:

- **Number of standard claims reported:**
21 claims
(increased from seven standard claims in 2013).
- **Claims frequency rate:**
0.16 per \$million remuneration
(increased from 0.07 per \$million in 2013).

Claims Costs:

- **Average cost of claims**
\$5,066 per claim
(decreased from \$9,824 in 2013).
- **Claims cost ratio:**
\$799 per \$million remuneration
(increased from \$679 per \$million remuneration in 2013)

Distinguished Service List

The University thanks the following staff who departed the organisation in the period 1 January 2014 to 31 December 2014. Their combined efforts represent more than 139.56 years of service to the University and its communities.

Name	Start Date	Date Left	Years of Service	Position Description	School / Section
Dr Graeme Ambrose	15Jan81	07Mar14	33.08	Lecturer	School of Applied & Biomedical Sciences
Ms Rowena Coutts	31Jul92	19Sep14	22.08	Senior Deputy Vice-Chancellor	VCO Senior Executives
Mr John Dixon	02Mar92	07May14	22.16	Director, ICT Services & Chief Technology Officer	Information Technology Services
Mr Bernard O'Meara	24Jan94	04Apr14	20.16	Lecturer	Federation Business School, Ballarat
Mrs Vicki Rethus	05Oct92	21Nov14	22.08	Information Librarian	Library Services
Mrs Denise Wren	16May94	06Jun14	20.00	Teacher	Industry Skills Centre

139.56

Access & Equity

Workplace Gender Equality Agency (WGEA) Reporting

In 2014 the University submitted its annual compliance report under the *Workplace Gender Equality Act 2012* and was assessed as compliant.

Student focused initiatives

With respect to Higher Education, the Australian Government has a particular focus on raising the participation rate of people from low socio-economic (SES) backgrounds – providing funding under the Higher Education Participation and Partnerships Program to assist universities to undertake activities and implement strategies that improve access to undergraduate courses for people from low SES backgrounds, as well as improving the retention and completion rates of those students.

In Higher Education initiatives targeting low SES students, amongst others, included:

- administration of the Commonwealth Scholarship Scheme;
- offering a FedUni Equity and Financial Aid Scholarship program, targeting Indigenous students and students from rural and low socio-economic backgrounds;
- provision of Book Bursaries to commencing undergraduate students in financial need;
- implementation of the University's *Regional Schools Outreach* and *Access Feduni* programs with a focus on increasing access to university of students from rural and low socio-economic backgrounds;
- implementation of a community-based project to enhance aspirations of students in the local Sebastopol/Delacombe area to engage with higher education;
- continuation of a range of transition and support programs including FedReady, first year Mentor Program, Peer Assisted Study Sessions (PASS), Academic Skills and Knowledge (ASK) drop in service, and Leadership Program.

Indigenous students

Across the University, in both Higher Education and VET, the University supported the access and success of Indigenous students through the Aboriginal Education Centre, and through implementing the strategies of the *Reconciliation Action Plan*.

Students and staff with a disability

Support for students with disabilities across the University continued to be enhanced through the work of the Disability Liaison Unit (DLU) which works in collaborations with students with disabilities to tailor service provision to their individual needs. In 2014 Learning Access Plans were implemented for all DLU clients.

In 2014 the University launched its Disability Action Plan 2014-2015. The Plan is aimed at engaging the FedUni community in making improvements across all areas of University operations, to continue to improve accessibility for people with disability in both study and employment and to ensure FedUni is a place where all staff and students can achieve and succeed.

Staff Development

In 2014 the University implemented initiatives to enhance access and equity outcomes for staff, including:

- all staff access to an on-line Workplace Discrimination and Harassment – Legal Compliance Staff Development program to assist staff to implement FedUni's responsibilities under equal opportunity and discrimination legislation and policies;
- all staff access to a dedicated work/family/personal life balance web-resource including three FedUni developed toolkits: *Maternity Leave Toolkit*; *Flexible Work Arrangements Toolkit*; and *Job Split, Job Share, Job Support Toolkit*.

Application and Operation of the 'Freedom of Information Act 1982'

General Statement

The Governance Directorate is responsible for the processing of applications for information under the *Freedom of Information Act 1982*. The following information and references are provided to meet the reporting requirements of the *Freedom of Information Act 1982*.

Description of the University and its Decision-Making Powers

The University is described, and reference to its objects, is made on page f3 of this report. The University's website www.federation.edu.au outlines the areas of work and responsibility which each Faculty and Portfolio of the University administers. The University Council has responsibility for the direction and superintendence of the University and has power to make statutes and regulations in accordance with the *Federation University Australia Act 2010*.

Categories of Documents

The University holds an extensive range of documents, procedural statements, policies, statutes and regulations. General enquiries relating to the gaining of access to these documents and/or a copy thereof may be made to the University General Counsel. However, enquirers may go direct to the office involved in the preparation and implementation of the area of responsibility concerned as indicated hereunder as at 31 December 2014.

Vice-Chancellor's Office:

- Policies and directives from the:
 - :: Vice-Chancellor
 - :: Deputy Vice-Chancellors
 - :: Chief Operating Officer

Further documents available from the Chief Operating Officer:

- Documents pertaining to Appointments and Recruitment, Industrial Relations, Enterprise Bargaining, Salaries, Staff Records, Staff Development and Training, Superannuation, Occupational Health and Safety and WorkCover, and the procedures and processes relating thereto;
- Documents pertaining to University Financial Planning, Budgets, Finances, Financial Reporting, Asset Management, Insurance, and the procedures and processes relating thereto; and
- Documents pertaining to the management of Student Loans and Parking Procedures.

Further documents available from the Deputy Vice-Chancellor, Engagement:

- Documents pertaining to the Legal Office, Council and its Committees, External Marketing, Public Relations, Community Relations matters, University Legislation and International Programs; and
- Documents pertaining to Commercial Engagements and the procedures and processes relating thereto.

Further documents available from the Deputy Vice-Chancellor, Learning and Quality:

- Documents pertaining to Academic Secretariat, Curriculum Renewal and Development and Planning;
- Documents pertaining to University-wide policies, procedures and guidelines and the procedures and processes relating thereto;
- Documents pertaining to Professional Practice, Learning Environment, Library Services and Records Management; and
- Documents pertaining to Aboriginal Education.

Further documents available from the Deputy Vice-Chancellor, Research and Innovation:

- Documents pertaining to Research and the procedures and processes relating thereto; and
- Documents pertaining to the Ballarat Technology Park.

Further documents available from the Deputy Vice-Chancellor, Student Support and Services:

- Documents pertaining to Equity, Disability and Equal Opportunity;
- Documents pertaining to Student Services and Student Administration (direct enquiry may be made to the Director, Student Connect);
- Documents pertaining to Scholarships and Awards;
- Documents pertaining to Communications Services, Information Technology Services, Media Technology Services, Web Services, Printing Centre and the procedures and processes relating thereto;
- Documents pertaining to management of the 1870 Founders' Theatre, Accommodation and Halls of Residence (direct enquiry may be made to the Director, Campus Life), Catering, Bar and Conference Management (direct enquiry may be made to the Manager, Conference & Catering Services), and the procedures and processes relating thereto; and
- Documents pertaining to Capital Works and Maintenance Programs and Stores and Supplies.

Further documents available from the Deputy Vice-Chancellor, Academic:

- Documents relating to the Faculties, the Industries Skills Centre and Federation College.

The Administrative Office of each Faculty

- Documents and procedures relating to specific academic programs may be obtained from the Office of the Dean of School in each case.

Subscription Services and Free Mailing Lists

- The University does not normally provide literature by way of a subscription service or free mailing lists.

Formal Freedom of Information Requests

The University has a policy of providing access where possible to documents and publications produced by the University.

Persons wishing to obtain information by following the procedures laid down under *Freedom of Information Act 1982* may contact the University General Counsel, Mr D White, Administration Building, Mt Helen Campus, Federation University Australia, University Drive, Mt Helen, Vic 3350, Telephone: (03) 5327 6328 or by email to Legaloffice@federation.edu.au

There was one request for information under the *Freedom of Information Act 1982* during the year.

'Protected Disclosure Act 2012'

The University is a public body to which the *Protected Disclosure Act 2012* applies.

Under the Act the University is not permitted to receive protected disclosure complaints and is not required to report on the number and types of protected disclosure complaints.

The University requires allegations of improper conduct as defined in the Act to be reported directly to the Independent Broad Based Anti-Corruption Commission (IBAC).

The procedures established by the University in accordance with the Act are available from the University website at:

http://policy.federation.edu.au/corporate_governance/governance/protectdisclosure

'Competition and Consumer Act 2010'

The University is committed to ensuring that it complies with the requirements of the *Competition and Consumer Act 2010*.

The University has a Competition and Consumer Law Compliance Manual, which reflects the provisions of the *Competition and Consumer Act 2010* as it applies to the University. The Competition and Consumer Law Compliance Manual is readily available on the University website at http://policy.federation.edu.au/university/general/competition_code_compliance/ and reference to the manual is included in induction material provided to new staff. In addition, the University's Legal Office conducts regular training sessions to staff in the University's various faculties and portfolios regarding competition and consumer law. For provision of commercial services, the University uses a costing model which adopts competitive neutrality and is in accordance with the 'Competitive Neutrality Policy Victoria'.

'Education Services for Overseas Students Act 2000'

General Statement

The University provides experiences to international students that are equivalent to those provided to domestic students. The University has established policies and procedures to ensure it is compliant with the *Educational Services for Overseas Students (ESOS) Act 2000* (as amended) and the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007*. These processes are regularly reviewed to ensure their effectiveness and that they support the positive learning experience for international students.

Assurance programs

ESOS Compliance Team

The ESOS Compliance Team is comprised of representatives from all Faculties and Portfolios. Meetings of this team ensure issues regarding ESOS compliance are raised, discussed and resolved in a timely manner.

Joint Operations Committees

The Joint Operations Committees are comprised of representatives from Faculties and Portfolios and representatives from the University's Partner Providers. The meetings look at operational issues including ESOS compliance issues which are discussed and resolved in a timely manner.

Internal audit

Internal audits are conducted against the University's ESOS Compliance Framework. These audits are conducted on campus and at Partner Provider locations across all programs and courses, student recruitment and student support areas. Results of these audits are reported to the International and Partnerships Committee for discussions and review.

'Building Act 1993'

General statement

The University holds all plans and documentation for building extensions and new buildings lodged for issue of building approvals by certified building surveyors. Upon completion of construction the University has obtained Certificates of Occupancy and practical completion certificates from the relevant architects and surveyors.

Assurance programs

Certification of Building Compliance

Essential Safety Measure (ESM) audits and inspections were undertaken throughout 2014 at all campuses. The University is working towards ensuring all identified issues are rectified.

Building Maintenance Programs

The University has an ongoing maintenance program (using University staff and engagement of specialist external contractors) for works to the existing buildings controlled by the University.

Compliance statement

It is considered that all buildings on campus currently conform to the Building Regulations as existed at the time of construction of the respective buildings. All new buildings constructed since the promulgation of the *Building Act 1993*, comply with those relevant standards.

Annual Essential Maintenance Reports (AESMR's) are in place for all University controlled buildings except for several reports relating to tenanted buildings which are still to be provided by tenants responsible for ESM contracts. The University is seeking these reports.

Grievance and Complaints Procedures

General statement

The University is committed to ensuring that all students and staff have a positive relationship with the University and members of the University community.

Assurance Programs

Grievance and Complaint Procedures

Where issues arise, the University has established the following procedures that include processes for receiving and processing complaints:

- Student Grievance Policy & Procedure
- Student Appeal Policy & Procedure
- Staff Grievance Policy & Procedure

Diversity, Equal Opportunity and Prevention of Bullying

Where issues arise, the University has established the following procedures that include processes for receiving and processing complaints:

- Equal Opportunity and Valuing Diversity Policy
- Bullying Prevention and Management Policy & Procedure
- Harassment Policy
- Harassment Complaint Procedure
- Protected Disclosures Procedure

Policies and procedures can be downloaded from: www.federation.edu.au/staff/policy-central

Ombudsman

Complaints about administrative actions and decisions of the University can be made to the Victorian Ombudsman (www.ombudsman.vic.gov.au).

The Ombudsman is, generally, the office of last resort. If the steps set out in the relevant University procedures are not followed, the Ombudsman may request that this occurs before considering a complaint.

The University is aware of sixteen (16) complaints involving the University being made to the Ombudsman in 2014. Five (5) of these were referred back to the University for further action.

University Addresses, Telephone and Facsimile Numbers, and e-mail Addresses

University Contacts	University Campuses
<p>Mail: PO Box 663, Ballarat Victoria, 3353, Australia</p> <p>Telephone: 1800 FED UNI (1800 333 864)</p> <p>Facsimile: (03) 5327 9704</p> <p>Web Site: www.federation.edu.au</p> <p>Email: info@federation.edu.au</p> <p>CRICOS Provider Number 00103D</p> <p>ABN 51 818 692 256</p>	<p>Ballarat – Mt Helen Headquarters University Drive, Mt Helen, Victoria, 3353, Australia</p> <p>Ballarat – SMB 107 Lydiard Street South, Ballarat, Victoria 3350</p> <p>Camp Street Arts Academy, Camp Street Precinct, Ballarat, Victoria 3350</p> <p>Wimmera Baillie Street, Horsham, Victoria 3400</p> <p>Gippsland Northways Road, Churchill, Vic 3842</p>

Website address for current and previous Annual Reports

Annual Reports prior to 2014 can be found at:
www.federation.edu.au/about-feduni/our-university/portfolios/learning-and-quality/academic-services/data-analysis-and-reporting/organisational-data

Information contained on the University website

The following links to additional information about the University and its activities can be made from the University's home page at:
www.federation.edu.au

Information includes:

- General Information & News
- Resources and Services
- Important Announcements
- Governance
- Prospective Students
- International Education
- Student Life at Federation University Australia
- Business and Community
- Alumni

Other Relevant Information available at the University

Information not contained in the Annual Report

The following information, details of which are not all included in this report, are available through contact with the Office of the Vice-Chancellor.

Telephone: (03) 5327 9500:

- a) declarations of pecuniary interests duly completed by all relevant officers;
- b) details of shares held by a senior officer as nominee or held beneficially in statutory authority or subsidiary;
- c) details of publications produced by the University about the University and the places where the publications can be obtained;
- d) details of changes in prices, fees, charges, rates and levies charged by the University;
- e) details of any major external reviews carried out on the University;
- f) details of major research and development activities undertaken by the University;
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- h) details of major promotional, public relations and marketing activities undertaken by the University to develop community awareness of the University and the services it provides;
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- j) a general statement on industrial relations within the University and details of time lost through industrial accidents and disputes;
- k) a list of major committees sponsored by the University, the purposes of each committee and the extent to which the purposes have been achieved; and
- l) consultants/contractors engaged, services provided; and expenditure committed for each engagement.

University Disclosure Index

Key To Abbreviations

FRD = Financial Reporting Directions: available at:
www.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:
www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance

No.	Source Reference	Disclosure	Page
STANDING DIRECTIONS OF THE MINISTER FOR FINANCE			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	2–38
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	f2
3	SD 4.2(i)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	2
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements; • Financial Reporting Directions; and • Business Rules. 	f1–f12
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> • Balance Sheet and income statement; • Statement of Recognised Income and Expense; • Cash Flows Statement; and • Notes to the financial statements. 	f4–f45
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> • Present fairly the financial transactions during reporting period and the financial position at end of the period; • Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and • Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	f2
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> • \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	f12
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	f2, f46
SD	4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	23
FINANCIAL REPORTING DIRECTIONS			
10	FRD 03A	Accounting for Dividends	n/a
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	f12
12	FRD 9A	Administered assets and liabilities	n/a
13	FRD 10	Disclosure Index	34
14	FRD 11	Disclosure of Ex-gratia Payments	f45
15	FRD 17B	Long Service Leave Wage Inflation and Discount Rates	f11–f12
16	FRD 19	Private Provision of Public Infrastructure	n/a
17	FRD 21B	Responsible Person and Executive Officer Disclosure in the Financial Report	f27–f28
18	FRD 22E	Consultants: Report of Operations must include a statement disclosing each of the following <ol style="list-style-type: none"> 1. Total number of consultancies over \$10,000 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period AND publication on university website required, for each consultancy more than \$10,000, of a schedule listing: <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved • Expenditure for reporting period • Any future expenditure committed to the consultant for the project 	38

Note: f# indicates page in Financial Section

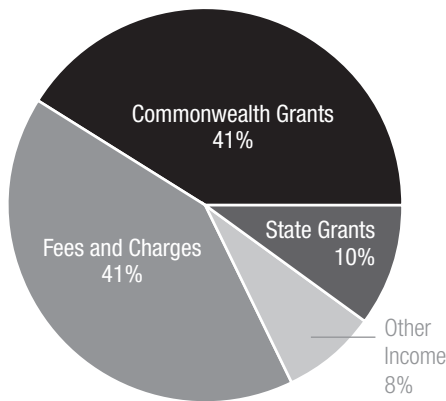
No.	Source Reference	Disclosure	Page
FINANCIAL REPORTING DIRECTIONS continued			
19	FRD 22E	Manner of establishment and the relevant Minister	<i>f3, f27</i>
20	FRD 22E	Objectives, functions, powers and duties	12, <i>f3</i>
21	FRD 22E	Nature and range of services provided including communities served	11
22	FRD 22E	Organisational structure and chart, including accountabilities	26
23	FRD 22E	Names of Council members	13–15
24	FRD 22E	Operational and budgetary objectives, performance against objectives and achievements	2–38
25	FRD 22E	Occupational health and safety statement including performance indicators, performance against those indicators, and how they affected outputs	28
26	FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles	26, 27
27	FRD 22E	Summary of the financial results for the year including previous 4 year comparisons	37
28	FRD 22E	Significant changes in financial position during the year	36
29	FRD 22E	Major changes or factors affecting performance	36
30	FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods	<i>f45</i>
31	FRD 22E	Summary of application and operation of the Freedom of Information Act 1982	30–31
32	FRD 22E	Statement of compliance with building and maintenance provisions of the Building Act 1993	32
33	FRD 22E	Statement on National Competition Policy	31
34	FRD 22E	Summary of application and operation of the Protected Disclosure Act 2012	31
35	FRD 22E	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	n/a
36	FRD 22E	Summary of Environmental Performance	8–9
37	FRD 22E	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))	33
38	FRD 24C	Reporting of office based environmental impacts	8–9, 35
39	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	36
40	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	n/a
41	FRD 101	First time adoption	n/a
42	FRD 102	Inventories	<i>f17</i>
43	FRD 103E	Non-current physical assets	<i>f19–f20</i>
44	FRD 104	Foreign currency	<i>f12, f31</i>
45	FRD 105A	Borrowing Costs	<i>f4, f9–f11</i>
46	FRD 106	Impairment of assets	<i>f9–f11</i>
47	FRD 107	Investment properties	<i>f11–f20</i>
48	FRD 109	Intangible assets	<i>f11–f20</i>
49	FRD 110	Cash Flow Statements	<i>f6, f24</i>
50	FRD 112D	Defined benefit superannuation obligations	<i>f25</i>
51	FRD 113	Investments in Subsidiaries, Jointly Controlled Associates and Entities	<i>f29</i>
52	FRD 119A	Transfers through contributed capital	n/a
53	FRD 120H	Accounting and reporting pronouncements applicable to the reporting period	<i>f12</i>
FINANCIAL MANAGEMENT ACT 1994 (FMA)			
54	FMA 1994 49 (a) 49 (b) 49 (c) 49 (d) 49 (e)	Financial Statements: <ul style="list-style-type: none"> • Contain such information as required by the Minister; • Are prepared in a manner and form approved by the Minister; • Present fairly the financial transactions of the university during the relevant financial year to which they relate; • Present fairly the financial position of the university as at the end of that year; and • Are certified by the accountable officer in the manner approved by the Minister. 	<i>f1–f46</i>
EDUCATION AND TRAINING REFORM ACT 2006 (ETRA)			
55	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	38
DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT			
56	PAEC	Financial and other information relating to the university's international operations	25
UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES			
57		<ul style="list-style-type: none"> • Summary of the university commercial activities • If the university has a controlled entity, include the accounts of that entity in the university's Annual Report 	n/a <i>f29</i>

Financial Summary – Consolidated Results

Federation University Australia and its controlled entities recorded an operating surplus of \$ 2.8 million for the year ended 2014. This compared to an operating surplus of \$4.2 million in 2013

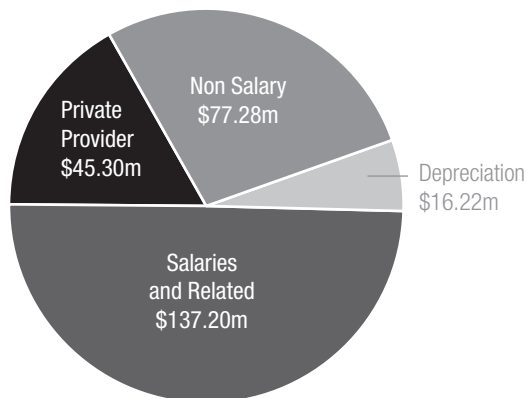
Income

Operating Revenue from continuing operations in 2014 increased by 21.8% to \$278.7 million. Included in this income is Statement of Allocation of Funds the recognition of the assets on the Gippsland Campus as part of the transfer from Monash University on January 1 2014 as well as Campus operational income for 2014



Expenditure

Expenditure increased by 20.8% to \$267.6 million due in the main to the first year of operation of the new Gippsland Campus.



Assets, Liabilities and Equity

Total Assets increased by \$51 million to \$660.6 million, in the main through increased cash balances and the transfer of our new Gippsland Campus from Monash University.

Statement of Allocation of Funds

Federation University Australia allocates public funds for the purpose specified by the Government or other public funding body.

Future Outlook

The University continues to adapt and develop within the changing policy environment it is operating within. It will continue to review its operations to ensure it can invest in the right development to secure long term financial sustainability.

Victorian Industry Participation Policy (VIPP)

The University considers the application of VIPP as part of its procurement process for relevant tenders as defined in the policy. In 2014, the application of VIPP was not considered applicable to tenders.

Five Year Financial Summary

	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000
INCOME					
Revenue from Continuing Operations					
Commonwealth Government Grants	61,346	60,052	97,759	71,089	78,150
HELP - Australian Government payments	38,235	33,258	27,037	23,808	20,780
Victorian State Government Grants	18,094	24,435	31,665	37,796	28,667
Other Income	161,065	87,699	128,328	106,015	113,102
Total revenue from continuing operations	278,740	205,444	284,789	238,708	240,699
Expenses from continuing operations	275,904	201,247	225,153	195,886	210,356
Net result for the year	2,836	4,197	59,636	42,822	30,343
BALANCE SHEET					
Current Assets					
Cash and cash equivalents	123,575	87,222	119,389	93,876	93,876
Receivables	29,209	17,868	12,687	18,083	18,082
Other financial assets	80,292	100,281	80,257	282	282
Other assets	2,698	2,714	2,398	3,149	3,149
Total Current Assets	235,774	208,085	214,731	115,390	115,389
Non-Current Assets					
Receivables	63,270	61,970	85,347	67,268	67,268
Property, plant and equipment	300,423	277,093	261,383	218,624	218,624
Investment Property	59,275	62,845	66,070	65,577	65,577
Other	1,929	3,513	5,081	24,167	24,167
Total Non-Current Assets	424,897	405,421	417,881	375,636	375,636
TOTAL ASSETS	660,671	613,506	632,612	491,026	491,025
Current Liabilities					
Payables	40,737	7,182	9,544	9,955	9,955
Borrowings	632	595	560	495	495
Provisions	34,644	24,307	23,459	19,654	19,654
Other liabilities	13,151	9,329	6,744	3,194	3,194
Total Current Liabilities	89,164	41,413	40,307	33,298	33,298
Non-Current Liabilities					
Borrowings	164	796	1,390	2,478	2,478
Provisions	66,532	64,525	88,340	69,448	69,448
Total Non-Current Liabilities	66,696	65,321	89,730	71,926	71,926
TOTAL LIABILITIES	155,860	106,734	130,037	105,224	105,224
NET ASSETS	504,811	506,772	502,575	385,802	385,801
TOTAL EQUITY	504,811	506,772	502,575	385,802	385,801

Consultancies

In 2014 there were 4 consultancies in excess of \$10,000 totalling \$176,658:

Consultancy	Amount
Mercer Human Resource Consulting Pty Ltd – Gippsland Consultation	\$75,741
Effective Change Pty Ltd – Long term evaluation	\$31,950
Navigo Pty Ltd – HR Technology Strategy review	\$28,967
Moore Stephens HF Services Pty Ltd – ICT Review	\$40,000

The above consultancies were all finalised within the reporting period.

There was 1 consultancy less than \$10,000 during 2014 totaling \$5,500.

Statement on Compulsory non-academic Fees for the Year ending 31 December 2014

	Amount	
	2014	2013
Carry Forward from prior year	648,643	556,889
Current year income	1,559,432	1,409,292
Total SSAF funds Available	2,208,075	1,966,181
Total Expenditure	1,752,276	1,317,538
Total Unspent SSAF funds 31 December	455,799	648,643

During the year the above funds were spent on the following activities:

- Student Experience – Events / Clubs
- Sports and Recreation
- Hotch Potch student magazine
- Student Diary Production
- Orientation
- Improvement to Student Amenities
- Careers and Employment Service
- Student Leadership / Student Senate
- Advisory Service
- Legal Service

FINANCIAL STATEMENTS

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Declaration by Chancellor, Vice-Chancellor and Chief Financial Officer

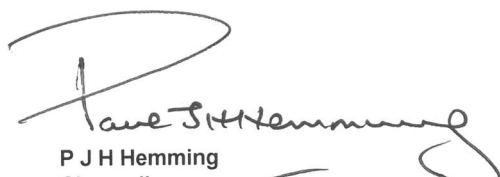
We certify that the attached financial report for Federation University Australia has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2014 and financial position of the University as at 31 December 2014.

At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that the University will be able to pay its debts as and when they became due and payable.

Commonwealth Financial assistance expended during the reporting period was expended in accordance with the purposes for which it was provided.

The Chancellor, Vice Chancellor and Chief Financial Officer sign this declaration as delegates of, and in accordance with a resolution of, the Council of the Federation University Australia.



P J H Hemming
Chancellor



D A Battersby
Vice Chancellor



J Blair
Chief Operating Officer - Chief Financial Officer

Mt.Helen

Dated:

18/2/2015

Establishment of Federation University Australia

Federation University Australia

The *Federation University Australia Act 2010 (the Act)* provides the legislative base for the University's governance and operations. Council is the governing body and is responsible for the University's direction and superintendence of the University.

The Vice Chancellor is the Chief Executive Officer of the University and has such powers, authorities, duties and functions as prescribed under the or as delegated by Council.

Responsible Ministers

The Hon. Peter Hall, MLC was the Minister for Higher Education and Skills from 1 January until 17 March 2014

The Hon. Nick Wakeling, MP was the Minister for Higher Education and Skills from 17 March until 3 December 2014.

The Hon. Steve Herbert, MP was the Minister for Education and Training, from 3 December 2014 until 31 December 2014 following the State election on 29 November 2014.

Object of the University

The Objects of the University include:

- 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:
 - enriching cultural and community life;
 - elevating public awareness of educational, scientific and artistic developments;
 - 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, learning, research and advancement of knowledge activities and thereby contribute to:—
 - realising Aboriginal and Torres Strait Islander aspirations; and
 - the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage;
- g) to provide programs and services in a way that reflects principles of equity and social justice;
- h) to confer degrees and grant diplomas, certificates, licences and other awards; and,
- i) to utilise or exploit its expertise and resources, whether commercially or otherwise.

Statement of Comprehensive Income for the year ended 31 December 2014

Income	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2.1	61,346	60,052	61 346	60,052
HELP - Australian Government payments	2.1	38,235	33,258	38 235	33,258
State Government financial assistance	2.2	18,094	24,435	18 094	24,435
HECS-HELP - Student payments		2,567	2,228	2 567	2,228
Course fees and charges	2.3	102,854	73,337	102 854	73,337
Other fees and charges	2.3	15,035	14,306	15 035	14,306
Consultancy and contract research	2.4	4,947	5,979	4 947	5,979
Investment revenue	2.5	13,454	13,625	13 454	13,625
Other revenue	2.6	2,320	1,651	2 320	1,651
Profit on disposal of assets	11	36	18	36	18
Total revenue from continuing operations		258,888	228,889	258,888	228,889
Recognition of Gippsland Campus	29	19,852	-	19 852	-
Total Revenue		278,740	228,889	278,740	228,889
Expenses from continuing operations					
Employee expenses	3.1	137,198	109,232	137 198	109,232
Depreciation and amortisation	3.2	16,217	13,260	16 216	13,260
Repairs and maintenance	3.3	12,068	5,368	12,068	5,368
Bad and doubtful debts	3.4	886	1,144	886	1,144
Other expenses	3.6	55,871	50,322	55,872	50,315
Finance costs		73	107	73	107
Private providers		45,296	42,034	45,296	42,034
Total expenses from continuing operations		267,609	221,467	267,609	221,460
Revaluation decrement on investment properties	12	8,295	3,225	8,295	3,225
Total Expenses		275,904	224,692	275,904	224,685
Net result before income tax for the year		2,836	4,197	2,836	4,204
Income tax expense	3.5	-	-	-	-
Net result after income tax for the year		2,836	4,197	2,836	4,204
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Loss on revaluation	11 & 19	(4,797)	-	(4,797)	-
Remeasurements of defined benefit plans (gain) / loss	3/24	1,568	(23,445)	1,568	(23,445)
Remeasurements of defined benefit plans gain /(loss)	5/24	(1,568)	23,445	(1,568)	23,445
Total Comprehensive Income		(1 961)	4 197	(1 961)	4 204

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

Statement of Financial Position as at 31 December 2014

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Assets					
Cash and cash equivalents	4	123,575	87,222	123,559	87,206
Receivables	5	29,209	17,868	29,185	17,884
Inventories	6	376	104	376	104
Biological assets	7	-	3	-	3
Other financial assets	8	80,292	100,281	80,292	100,281
Non-current assets held for sale	9	-	70	-	70
Other assets	10	2,322	2,537	2,322	2,536
Total Current Assets		235,774	208,085	235,734	208,084
Non-Current Assets					
Receivables	5	63,270	61,970	63,270	61,970
Other financial assets	8	519	558	519	519
Property, plant and equipment	11	300,423	277,093	300,423	277,093
Investment properties	12	59,275	62,845	59,275	62,845
Intangible Assets	13	1,410	2,955	1,410	2,955
Total Non-Current Assets		424,897	405,421	424,897	405,382
TOTAL ASSETS		660,671	613,506	660,631	613,466
Current Liabilities					
Payables	14	40,737	7,183	40,736	7,181
Borrowings	15	632	595	632	595
Provisions	16	34,644	24,307	34,644	24,307
Other liabilities	17	13,151	9,329	13,151	9,329
Provision for Income Tax	18	-	(1)	-	-
Total Current Liabilities		89,164	41,413	89,163	41,412
Non-Current Liabilities					
Borrowings	15	164	796	164	796
Provisions	16	66,532	64,525	66,532	64,525
Total Non-Current Liabilities		66,696	65,321	66,696	65,321
TOTAL LIABILITIES		155,860	106,734	155,859	106,733
Net Assets		504,811	506,772	504,772	506,733
EQUITY					
Accumulated Surplus	19	363,297	360,461	363,258	360,422
Reserves	19	141,514	146,311	141,514	146,311
TOTAL EQUITY		504,811	506,772	504,772	506,733

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

Statement of Cash Flows for the year ended 31 December 2014

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts					
User fees and charges received		129,755	89,419	129,755	89,419
Investment Income received		12,831	12,547	12,831	12,547
Other receipts		10,583	1,651	10,583	1,651
GST recovered from ATO		10,956	11,669	10,956	11,669
Cash flows from Government					
State Government Grants		15,704	18,626	15,704	18,626
State Government contributions - specific projects	2.2	2,465	1,367	2,465	1,367
Commonwealth Government / Grants		61,346	59,768	61,346	59,768
Higher Education Contribution Scheme:					
Student payments		2,567	2,228	2,567	2,228
HECS-HELP - Commonwealth payments		32,477	26,632	32,477	26,632
STUDENT AMENITIES-HELP		1,297	1,220	1,297	1,220
FEE-HELP - Commonwealth payments		3,110	2,953	3,110	2,953
VET FEE-HELP		1,351	2,856	1,351	2,856
OS-HELP (Net)		19	4	19	4
Superannuation Supplementation (Net)		(1,025)	408	(1,025)	408
Payments					
Payments to employees		(136,229)	(108,958)	(136,229)	(108,958)
Payments to suppliers (Including GST)		(78,619)	(64,448)	(78,619)	(64,425)
Finance costs		(73)	(107)	(73)	(107)
Payments to private providers		(45,296)	(42,034)	(45,296)	(42,034)
Net cash provided by/(used in) operating activities	20	23,219	15,801	23,219	15,824
Cash Flows from Investing Activities					
Payments for property, plant & equipment		(6,701)	(27,669)	(6,701)	(27,669)
Proceeds from sale of property, plant and equipment	11	402	285	402	285
Payments for intangible assets		-	-	-	-
Payments for financial assets		20,028	(20,024)	20,028	(20,048)
Proceeds from sale of financial assets					
Net cash provided by/(used in) investing activities		13,729	(47,408)	13,729	(47,432)
Cash Flows from Financing Activities					
Repayment of borrowings		(595)	(560)	(595)	(560)
Net cash provided for (used in) financing activities		(595)	(560)	(595)	(560)
Net increase / (decrease) in cash and cash equivalents		36,353	(32,167)	36,353	(32,168)
Cash and cash equivalents at the beginning of the financial year		87,222	119,389	87,206	119,374
Cash and cash equivalents at the end of the financial year	4	123,575	87,222	123,559	87,206

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

Statement of Changes in Equity for the year ended 31 December 2014

		2014			2013		
	Note	Reserves \$'000	Retained Surplus \$'000	Total \$'000	Reserves \$'000	Retained Surplus \$'000	Total \$'000
CONSOLIDATED							
Total equity at the beginning of the financial year		146,311	360,461	506,772	146,311	356,264	502,575
Net operating result after income tax for the year		-	2,836	2,836	-	4,197	4,197
Loss on revaluation		(4,797)	-	(4,797)	-	-	-
Transfer of Reserve		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total equity at the end of the financial year	19	<u>141,514</u>	<u>363,297</u>	<u>504,811</u>	<u>146,311</u>	<u>360,461</u>	<u>506,772</u>
UNIVERSITY							
Total equity at the beginning of the financial year		146,311	360,422	506,733	146,311	356,218	502,529
Net operating result after income tax for the year		-	2,836	2,836	-	4,204	4,204
Loss on revaluation		(4,797)	-	(4,797)	-	-	-
Transfer of Reserve		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total equity at the end of the financial year	19	<u>141,514</u>	<u>363,258</u>	<u>504,772</u>	<u>146,311</u>	<u>360,422</u>	<u>506,733</u>

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

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated.

The financial statements include separate statements for Federation University Australia as the parent entity and the consolidated entity consisting of Federation University Australia and its subsidiaries.

The principal address of Federation University Australia is University Drive Mt Helen VIC 3550.

Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of Federation University Australia and its subsidiaries.

They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Victorian Financial Management Act 1994*

Federation University Australia 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

The financial statements were authorised for issue by the Council members of Federation University on 17 February 2015.

Historical cost convention

The 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 at fair value through profit or loss, and certain classes of property, plant and equipment and investment property.

All amounts in the financial statements are in Australian currency and have been rounded to the nearest thousand dollars. Unless otherwise stated, the accounting policies are consistent with those of the prior year.

Fair Value Measurement

The University has applied AASB 13 *'Fair Value Measurements'* and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 *'Accounting Policies, Changes in Accounting Estimates and Errors'* and the specific transitional requirements in AASB 13.

No material adjustments to the carrying amounts of any of the University's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the University's financial statements. These enhanced disclosures are provided in Note 30.

The disclosure requirements in AASB 13 need not be applied by the University in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7 *'Financial Instruments: Disclosures'*, the University has provided this previously provided information as comparatives in the current reporting period.

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 is based on quoted market prices for identical assets and liabilities at the balance sheet 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 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 level in the fair value hierarchy is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The University considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying amount less impairment provisions of trade receivables and payables are considered to approximate their fair value 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 group for similar financial instruments.

Critical accounting estimates and judgements

The preparation of the financial report 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 Federation University Australia's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report, are the valuation of non-current assets (such as land and buildings & investment properties), provision for employee entitlements and superannuation. The University obtains external advice in the calculation of these estimates.

(A) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Federation University Australia as at 31 December 2014 and the results of all subsidiaries for the year then ended. A list of the subsidiaries is included in Note 28. Federation University Australia and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounts of the subsidiaries are prepared for the same reporting period as the University, using consistent accounting policies.

A controlled entity is an entity, including an unincorporated entity such as a partnership, which is controlled by the University.

Under AASB 127 *'Consolidated and Separate Financial Statements'* control exists where the University has the power to govern the financial and operating policies of another entity so that the other entity operates with the University to achieve the objectives of the University, 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. Controlled entities consolidated into this financial report are outlined in Note 28. The financial statements of controlled entities are included from the date control commences and are de-consolidated from the date control ceases. Inter-company transactions, balances and unrealised gains on transactions within the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(B) BUSINESS COMBINATIONS

On 1 January 2014, Federation University Australia acquired the assets and operations (and thereby control) of the Gippsland Campus of Monash University. The acquisition was undertaken consistent with Federation University's strategies to diversify and increase its student load and to increase its presence as a regional university. The acquisition of Gippsland Campus by Federation University was effected by contract and no consideration was paid by Federation University to acquire the Campus. (Note 29)

(C) 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 Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group'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 Group 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:

i) Government grants

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

ii) HELP payments

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

iii) Student fees and charges

Student fees and charges revenue is recognised in the year of receipt. Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, any non-refundable portion of the fees is treated as revenue in the year of receipt and the balance as revenue in advance.

iv) Revenue from sale of goods

Revenue from sale of goods is recognised by the Group when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;

- it is probable that the economic benefits associated with the transaction will flow to the Group, and;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

v) Interest Revenue

Interest revenue is recognised on an accrual basis. Dividend revenue is recognised when received. Donations and bequests are recognised when received by the Group.

(D) FINANCE COSTS

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include interest on bank overdraft and short-term and long-term borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.

(E) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets. (Refer to Note 21).

(F) INCOME TAX

Federation University Australia is exempt from income tax pursuant to Division 50 of the Income Tax Assessment Act 1997. Federation University Australia subsidiaries are not exempt from income tax. Income tax expense or benefit for the period is calculated as 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.

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 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, where the parent entity is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Federation University Australia and its wholly-owned Australian subsidiaries have not implemented the tax consolidation legislation.

(G) CASH AND CASH EQUIVALENTS

For cash flow statement presentation purposes, cash and cash equivalents include 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 change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(H) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables and other debtors are due for settlement no more than 30 days from the date that invoice was issued.

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

(I) INVENTORIES

Inventories include goods and other property held for sale. Inventories are measured at the lower of cost and net realisable value. 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.

(J) LAND HELD FOR RESALE

Land Held for Sale is valued at fair value. Fair 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.

(K) BIOLOGICAL ASSETS

Bloodstock

Bloodstock was measured at fair value less estimated point of sale costs.

(L) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity investments.

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.

i) Financial assets at fair value through profit or loss

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

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short-term and the asset is subject to frequent changes in fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

ii) Available-for-sale financial assets

Available-for-sale financial assets, including unlisted equity securities, are non-derivatives that are either designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date.

Unlisted equity securities are carried at cost. If the market is not active for unlisted securities, the Group establishes fair value by providing for the temporary diminution in the value of the investment based on the underlying net asset base of the security from the latest available accounts. All changes in provisions for diminution in value are taken through the Statement of Comprehensive Income.

iii) Loans and receivables

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

iv) Held-to-maturity investments

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

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Subsequent Measurement

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Comprehensive Income in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Comprehensive Income as gains or losses from investment securities. The fair values of quoted investments are based on current bid prices. If the market for a financial asset or unlisted security is not active, the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Group 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 the equity instrument below its cost is objective evidence 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 or loss – is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

(M) PROPERTY, PLANT AND EQUIPMENT

Land, buildings, artworks (excluding investment properties below) are shown at fair value based on periodic, but at least five yearly, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Individual items of plant and equipment with a cost less than \$5,000 (2013: \$5,000) are charged to the Statement of Comprehensive Income (refer Note 3.6). All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserve directly in equity to the extent of the remaining reserve attributable to the class of asset; all other decreases are charged to comprehensive income. Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of asset	Rates
Property lease	10%
Buildings	2.0% to 33.33%
Leasehold improvements	3.0% to 33.33%
Plant & equipment	5.0% to 36.36%
Motor vehicles	20.0% to 33.33%
Library collections	12.5% to 20.0%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no change in the methodology and rates for 2014.

(N) INVESTMENT PROPERTIES

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the University. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the University.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expenses in the period in which they arise. The properties are not depreciated.

Rental income from the leasing of investment properties is recognised in Statement of Comprehensive Income measured annually, in the period in which it is receivable.

During the year, an asset previously classified as land and buildings was converted for external tenancy and subsequently revalued and reclassified as investment property.

(O) INTANGIBLE ASSETS

Intangible assets with finite lives are amortised on a straight line basis over the assets useful lives (3–7 years). Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Impairment of assets

Assets that are subject to 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. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(P) TRADE AND OTHER PAYABLES

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

(Q) BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

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

(R) BORROWING COSTS

Borrowing costs are expensed as incurred.

(S) PROVISION – EMPLOYEE BENEFITS

Annual Leave

Annual leave has been calculated on an individual liability basis based on salary rates when the leave is expected to be taken as per AASB 119 'Employee Benefits' and includes related oncosts. Provision made in respect of annual leave expected to be settled within 12 months are measured at their nominal values using the salary rate and related on-cost expected to apply at the time of settlement. Provisions made in respect of annual leave which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the University in respect of services provided by employees up to the reporting date.

Long Service Leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

Provisions for employee entitlements which are not expected to be settled within twelve months are discounted using interest rates applicable to Australian Government securities at reporting date, which most closely match the terms of maturity of the related liabilities. In determining the provision for employee entitlements, consideration has been given to future increases in wage and salary rates (including performance based increases), and the consolidated entity's experience with staff departures. Related on-costs have also been included in the liability. Where an employee is presently entitled to payment of their long service leave entitlement and the group has no right to defer payment, the provision is shown as a current liability.

Other Employee Benefits

Maternity leave return to work bonus has been calculated on an individual liability basis based on salary rates when the leave is expected to be taken as per AASB 119 'Employee Benefits' and includes related oncosts. Provision made in respect of these benefits expected to be settled within 12 months are measured at their nominal values using the salary rate and related on-cost expected to apply at the time of settlement.

(T) DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION

AASB119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2014.

As there is no net impact on the Statement of Financial Position or statement of comprehensive income from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2014) outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial statements based on estimates prepared 6 months in arrears. In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, the effects of the unfunded superannuation liabilities of Federation University were recorded in the Statement of Comprehensive Income and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under provisions, with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of Federation University Australia.

Note 24 discloses specific treatment.

(Y) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

As at 31 December 2014 the following standards and interpretations (applicable to the University) had been issued but were not mandatory for financial year ending 31 December 2014. The University has not, and does not intend to, adopt these standards early.

Standards Affected	Outline of Amendment	Application date of Standard	Impact on financial statements
AASB 9 Financial Instruments	Simplifies the model for classifying and recognising financial instruments and aligns hedge accounting more closely with common risk management practices. Changes in own credit risk in respect of liabilities designated at fair value through profit or loss can now be presented within Other Comprehensive Income; this change can be adopted early without adopting AASB 9.	Effective date: 1 January 2017 (may be deferred further, depending on the application date for IFRS 9 which is currently expected to be Jan 1 2018)	Not expected to significantly affect the University. Will be reviewed closer to application date.

(U) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets (excluding receivables) are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority, is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments are presented on a gross basis.

(V) FOREIGN CURRENCY TRANSLATIONS

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The University's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(W) ROUNDING OF AMOUNTS

Amounts in the financial report have been rounded to the nearest thousand dollars.

(X) COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
NOTE 2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES					
(a) Commonwealth Grants Scheme and Other Grants					
Commonwealth Grants Scheme	32.1	52,393	46,987	52,393	46,987
Indigenous Support Fund	32.1	-	188	-	188
Disability Support Programme	32.1	76	38	76	38
Promotion of Excellence in Learning and Teaching	32.1	30	85	30	85
Reward Funding	32.1	-	117	-	117
HE Participation Program	32.1	1,282	1,379	1,282	1,379
HE Partnership Base Funding	32.1	-	250	-	250
HE Partnership Project Funding	32.1	1,265	872	1,265	872
HE Structural Adjustment Fund Program	32.1	-	4,050	-	4,050
Total Commonwealth Grants Scheme and Other Grants		55,046	53,966	55,046	53,966
(b) Higher Education Loan Programmes					
HECS-HELP	32.2	32,477	27,638	32,477	27,638
FEE-HELP	32.2	3,110	2,735	3,110	2,735
SA-HELP	32.2	1,297	1,229	1,297	1,229
VET FEE-HELP	32.2	1,351	1,656	1,351	1,656
Total Higher Education Loan Programmes		38,235	33,258	38,235	33,258
(c) Scholarships					
Australian Postgraduate Awards	32.3	779	791	779	791
International Postgraduate Research Scholarships	32.3	67	66	67	66
Commonwealth Education Costs Scholarships	32.3	-	7	-	7
Commonwealth Accommodation Scholarships	32.3	-	7	-	7
Indigenous Access Scholarships	32.3	-	55	-	55
National Priority Scholarships	32.3	(26)	-	(26)	-
Total Scholarships		820	926	820	926
(d) Education - Research					
Research Training Scheme	32.5	1,777	1,853	1,777	1,853
Research Infrastructure Block Grants	32.5	128	127	128	127
Joint Research Engagement Program	32.5	828	833	828	833
Sustainable Research Excellence Base & Threshold 1	32.5	251	221	251	221
Total Education - Research		2,984	3,034	2,984	3,034
(e) Australian Research Council					
Discovery Projects	32.6	715	177	715	177
Linkages Projects	32.6	189	(15)	189	(15)
Total Australian Research Council		904	162	904	162
(f) Other Australian Government financial assistance					
Higher Education					
Non Capital					
National Health & Medical Research Council		251	604	251	604
Other Commonwealth Grants		1,341	1,360	1,341	1,360
Total Other Australian Government financial assistance		1,592	1,964	1,592	1,964
Total Australian Government financial assistance		99,581	93,310	99,581	93,310

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 2.1 Reconciliation Accrual basis					
Commonwealth Government grants	32.1	55,046	53,966	55,046	53,966
HECS-HELP payments	32.2	32,477	27,638	32,477	27,638
FEE-HELP payments	32.2	3,110	2,735	3,110	2,735
VET FEE-HELP payments	32.2	1,351	1,656	1,351	1,656
SA-HELP payments	32.2	1,297	1,229	1,297	1,229
Learning Scholarships	32.3	820	926	820	926
Education Research	32.5	2,984	3,034	2,984	3,034
Australian Research Council	32.6	904	162	904	162
Other Commonwealth Government		1,592	1,964	1,592	1,964
Total Australian Government financial assistance		99,581	93,310	99,581	93,310
Note 2.1 Reconciliation Cash Basis					
Commonwealth Government grants	32.1	55,046	54,522	55,046	54,522
HECS-HELP payments	32.2	32,477	26,632	32,477	26,632
FEE-HELP payments	32.2	3,110	2,953	3,110	2,953
SA-HELP payments	32.2	1,297	1,220	1,297	1,220
VET FEE-HELP payments	32.2	1,351	2,856	1,351	2,856
Learning Scholarships	32.3	820	86	820	86
Education Research	32.5	2,984	3,034	2,984	3,034
ARC grants - Discovery	32.6	715	177	715	177
ARC grants - Linkage	32.6	189	(15)	189	(15)
Other Commonwealth Government		1,592	1,964	1,592	1,964
Australian Government Grants Received - Cash Basis		99,581	93,429	99,581	93,429
Superannuation Supplementation	32.7	3,997	4,422	3,997	4,422
OS-HELP - Commonwealth payments	32.7	87	34	87	34
Total Australian Government Funding Received - Cash Basis		103,665	97,885	103,665	97,885
NOTE 2.2 State and Local Government financial assistance					
VET					
Non Capital					
VET recurrent and competitive grants		11,793	14,520	11,793	14,520
Other state grants		3,836	3,925	3,836	3,925
Capital					
State capital grants		2,465	5,990	2,465	5,990
Total State and Local Government assistance		18,094	24,435	18,094	24,435
NOTE 2.3 - Fees and charges					
Course fees and charges					
Continuing Education		111	194	111	194
Fee-paying overseas students		63,247	60,406	63,247	60,405
Fee-paying overseas students (Offshore)		1,880	2,139	1,880	2,139
Fee-paying domestic postgraduate students		5,147	4,755	5,147	4,755
Fee-paying domestic non-award students		193	155	193	155
Other student fees		380	412	380	413
Fee for service - Government		165	778	165	778
Fee for service - non Government		31,033	3,913	31,033	3,913
Fee for service - International operations		698	585	698	585
		102,854	73,337	102,854	73,337
Other fees and charges					
Rental Residences		6,841	5,088	6,841	5,088
Rental Other		361	603	361	603
Catering and bar		2,308	2,602	2,308	2,602
Sports facilities		572	457	572	457
Parking fees		106	104	106	104
Student Services and Amenities Fees from students		253	275	253	275
Other		4,594	5,177	4,594	5,177
		15,035	14,306	15,035	14,306
		117,889	87,643	117,889	87,643

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2014

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
NOTE 2.4 Consultancy and contract research					
Consultancy		1,543	3,077	1,543	3,077
Contract research		3,404	2,902	3,404	2,902
		<u>4,947</u>	<u>5,979</u>	<u>4,947</u>	<u>5,979</u>
NOTE 2.5 Investment revenue					
Dividends		64	2	64	2
Interest received		7,569	7,713	7,569	7,713
Rental from Investment Properties		5,810	5,886	5,810	5,886
Total Investment Revenue		<u>13,443</u>	<u>13,601</u>	<u>13,443</u>	<u>13,601</u>
Change in fair value of financial assets through profit or loss		11	24	11	24
Net Investment Revenue		<u>13,454</u>	<u>13,625</u>	<u>13,454</u>	<u>13,625</u>
NOTE 2.6 Other revenue					
Donations and bequests		311	103	311	103
Scholarships and prizes		154	47	154	47
Monash Gippsland Contribution		-	-	-	-
Other		1,855	1,501	1,855	1,501
Other Income		<u>2,320</u>	<u>1,651</u>	<u>2,320</u>	<u>1,651</u>
Recognition of Gippsland Assets		19,852	-	19,852	-
Total Other Income		<u>22,172</u>	<u>1,651</u>	<u>22,172</u>	<u>1,651</u>
NOTE 2.7 Government contributions - Specific projects					
TAFE					
State capital grants		2,465	-	2,465	-
Total Grants for Specific Projects		<u>2,465</u>	<u>-</u>	<u>2,465</u>	<u>-</u>

NOTE 3 | EXPENSES FROM CONTINUING ACTIVITIES

NOTE 3.1 - Employee expenses

Academic					
Salaries		59,528	49,129	59,528	49,129
Contributions to superannuation and pension schemes					
Funded		8,935	6,391	8,935	6,391
Payroll tax		3,503	2,683	3,503	2,683
Work Cover		709	519	709	519
Movement in provisions:					
Annual leave		270	261	270	261
Long service leave		1,334	(142)	1,334	(142)
Other employee entitlements		(10)	81	(10)	81
Total Academic		<u>74,269</u>	<u>58,922</u>	<u>74,269</u>	<u>58,922</u>
Non-Academic					
Salaries		49,505	41,424	49,505	41,424
Contributions to superannuation and pension schemes					
Funded		7,929	5,904	7,929	5,904
Payroll tax		2,901	2,260	2,901	2,260
Work Cover		587	443	587	443
Movement in provisions:					
Annual leave		220	106	220	106
Long service leave		1,644	177	1,644	177
Other employee entitlements		143	(4)	143	(4)
Total Non-Academic		<u>62,929</u>	<u>50,310</u>	<u>62,929</u>	<u>50,310</u>
Total employee related expenses		<u>137,198</u>	<u>109,232</u>	<u>137,198</u>	<u>109,232</u>
Deferred employee expenses for superannuation		1,568	(23,445)	1,568	(23,445)
Total employee related expenses, including Deferred Government employee benefits for superannuation		<u>138,766</u>	<u>85,787</u>	<u>138,766</u>	<u>85,787</u>

NOTE 3.2 - Depreciation and amortisation

Buildings	11	9,572	7,109	9,572	7,109
Buildings Leasehold	11	119	119	118	119
Plant & Equipment	11	3,384	3,234	3,384	3,234
Motor Vehicles	11	422	371	422	371
Library Collection	11	1,175	859	1,175	859
Depreciation Property, Plant and Equipment	11	<u>14,672</u>	<u>11,692</u>	<u>14,671</u>	<u>11,692</u>
Amortisation of Intangible Assets	13	1,545	1,568	1,545	1,568
Total depreciation & amortisation		<u>16,217</u>	<u>13,260</u>	<u>16,216</u>	<u>13,260</u>

NOTE 3 | EXPENSES FROM CONTINUING ACTIVITIES continued

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
NOTE 3.3 - Repairs and maintenance				
Buildings and grounds - maintenance and repairs	11,422	5,051	11,422	5,051
Plant, Equipment - maintenance and repairs	646	317	646	317
Total repairs and maintenance	12,068	5,368	12,068	5,368

Note: a significant amount of building and grounds maintenance was undertaken during the year, including a new signage project across all campuses, redevelopment of the Ceremonial precinct on the Mt Helen Campus, rejuvenation of 13 houses, recreation spaces and residences on the Gippsland campus.

NOTE 3.4 - Impairment of assets

Bad debts written off:				
Students	871	940	871	940
Other	15	7	15	7
	886	947	886	947
Provision for doubtful debts expense:				
Students	-	-	-	-
Other	-	197	-	197
	-	197	-	197
Net movement in doubtful debt provision	886	1,144	886	1,144

NOTE 3.5 - Income tax

Income tax expense	-	-	-	-
	-	-	-	-

NOTE 3.6 - Other expenses

Scholarships, grants and prizes	3,788	4,102	3,788	4,102
Telecommunications	783	625	783	625
Equipment (below capitalisation threshold)	5,482	3,649	5,482	3,649
Independent Contractors	3,684	3,605	3,684	3,605
Advertising, marketing and promotional expenses	4,313	4,780	4,313	4,780
Audit fees, bank charges, legal costs, insurance and taxes	1,779	1,874	1,779	1,874
Travel, staff development and entitlements	4,309	3,527	4,309	3,527
Cost of sale of goods including ancillary trading	1,448	1,517	1,448	1,517
Subscriptions, library materials & licence fees	3,611	3,074	3,611	3,074
Operating lease & rental expenses	409	312	409	312
Contract and other services	16,196	13,293	16,196	13,293
Printing and photocopying	2,047	1,805	2,047	1,805
Utilities	3,655	3,522	3,655	3,522
Motor vehicle running costs	538	401	538	401
Recruitment costs	626	199	626	199
Work experience scheme	590	668	590	668
Other expenses	2,613	3,369	2,614	3,362
Other Expenses	55,871	50,322	55,872	50,315

The increase in the above 2013 figures in the Advertising & Marketing, Contract and other services categories are due in the main to the University incurring \$2.872m of costs associated with the rebranding / name change of the University of Ballarat to Federation University Australia as well as \$1.254m of costs associated with the acquisition of the Monash Gippsland Campus.

NOTE 4 | CASH AND CASH EQUIVALENTS

Cash at bank and on hand	3,172	3,256	3,156	3,240
Deposits at call	50,403	30,046	50,403	30,046
Short term fixed interest bearing bills, bonds/term deposits	70,000	50,000	70,000	50,000
Short term fixed interest bearing bills, bonds/term deposits with TCV	-	3,920	-	3,920
Total cash and cash equivalent assets	123,575	87,222	123,559	87,206

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows.

Cash at bank and on hand:

These are non interest bearing except for bank accounts which receive standard bank interest rates.

Deposits at call:

The effective interest rate on short term deposits at call was 3.4% & 3.83% (2013, 2.59% & 4.2%).

These deposits have an average maturity of 60 days. (2013, 55 days).

NOTE 5 | RECEIVABLES

	Notes	Consolidated		University	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current					
Debtors		3,938	11,124	3,914	11,140
Revenue receivable		16,917	349	16,917	349
Investment receipts		2,773	2,161	2,773	2,161
GST receivable from ATO		1,734	635	1,734	635
Student loans		543	563	543	563
Provision for impaired receivables		(1,611)	(1,611)	(1,611)	(1,611)
		<u>24,294</u>	<u>13,221</u>	<u>24,270</u>	<u>13,237</u>
Deferred Government contributions for superannuation		4,915	4,647	4,915	4,647
		<u>29,209</u>	<u>17,868</u>	<u>29,185</u>	<u>17,884</u>
Non-Current					
Deferred Government contributions for superannuation		63,270	61,970	63,270	61,970
		<u>63,270</u>	<u>61,970</u>	<u>63,270</u>	<u>61,970</u>
Total Receivables		<u>92,479</u>	<u>79,838</u>	<u>92,455</u>	<u>79,854</u>
Movement in Impaired Receivables					
	3.4				
Balance at 1 January		(1,611)	(1,414)	(1,611)	(1,414)
less amounts written off as bad debts during the year		886	947	886	947
plus provision for the year		(886)	(1,144)	(886)	(1,144)
Balance at 31 December		<u>(1,611)</u>	<u>(1,611)</u>	<u>(1,611)</u>	<u>(1,611)</u>

The creation and release of the provision for impaired receivables has been included in 'bad and doubtful debts' in the Statement of Comprehensive Income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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

As at 31 December 2014, current receivables of the Group with a nominal value of \$1,611k (2013: \$1,611k) were impaired. The amount of the provision was \$1,611k (2013: \$1,611k). The individually impaired receivables relate to students and trade debtors who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

		Consolidated	
		2014 \$'000	2013 \$'000
The ageing of these receivables is	1 to 6 Months	819	699
	Over 6 Months	<u>792</u>	<u>912</u>
		<u>1,611</u>	<u>1,611</u>

Impaired receivables

As of December 2014, trade receivables of \$0.331m (2013, \$4.76m) 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:

3 to 6 months	103	132	103	132
Over 6 months	<u>228</u>	<u>252</u>	<u>228</u>	<u>252</u>
	<u>331</u>	<u>384</u>	<u>331</u>	<u>384</u>

NOTE 6 | INVENTORIES

Current

Business activities supplies	376	104	376	104
	<u>376</u>	<u>104</u>	<u>376</u>	<u>104</u>

NOTE 7 | BIOLOGICAL ASSETS

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current				
Sheep		3	-	3
	-	3	-	3
Number of animals - Sheep	-	42	-	42

Reconciliation of the carrying amounts for each class of biological asset between the beginning of the year and end of the current financial year.

	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Sheep:				
Carrying amount at start of year	3	3	3	3
Increases due to:				
plus natural increases - births	-	2	-	2
Decreases attributable to:				
Derecognition of Asset Category	(3)	-	(3)	-
Sales	-	(2)	-	(2)
Carrying amount at end of year	-	3	-	3

NOTE 8 | OTHER FINANCIAL ASSETS

Current				
Available for sale financial assets				
Shares - listed, at fair value	30	26	30	26
Other investments - at fair value	262	255	262	255
Financial assets held to maturity				
Bank Term Deposits	80,000	100,000	80,000	100,000
Total current other financial assets	80,292	100,281	80,292	100,281
Non-current				
Long term fixed interest bearing bills, bonds/term deposits	-	-	-	-
Total Long term fixed interest bearing bills, bonds/term deposits	-	-	-	-
Available for sale financial assets				
Shares - Unlisted, at cost	519	558	519	519
Total available for sale financial assets	519	558	519	519
Total non-current financial assets	519	558	519	519
Market value of investments listed on stock exchange	29	292	281	281

Available for sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

The effective interest rate on short term deposits was 3.11% & 4.34% (2013, 3.83% & 4.98%).

These deposits have an average maturity of 119 days. (2013, 148 days)

Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets

NOTE 9 | NON CURRENT ASSETS HELD FOR RESALE

Land held for resale	-	70	-	70
	-	70	-	70

NOTE 10 | OTHER ASSETS

Current				
Prepayments	2,322	2,537	2,322	2,536
	2,322	2,537	2,322	2,536

NOTE 11 | PROPERTY, PLANT AND EQUIPMENT

	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Notes				
LAND				
At independent valuation 2012	41,024	41,915	41,024	41,915
At fair value	1,655	-	1,655	-
	<u>42,679</u>	<u>41,915</u>	<u>42,679</u>	<u>41,915</u>
BUILDINGS				
At independent valuation 2012	140,595	146,653	140,595	146,653
At fair value	106,593	45,085	106,593	45,085
Accumulated depreciation	(16,212)	(7,109)	(16,212)	(7,109)
Provision for impairment	-	-	-	-
	<u>230,976</u>	<u>184,629</u>	<u>230,976</u>	<u>184,629</u>
CONSTRUCTION IN PROGRESS				
Construction in progress	-	25,536	-	25,536
LEASE OF LAND				
At Valuation	545	545	545	545
Accumulated amortisation	-	-	-	-
	<u>545</u>	<u>545</u>	<u>545</u>	<u>545</u>
LEASEHOLD IMPROVEMENTS				
At fair value	2,165	2,165	2,165	2,165
Accumulated amortisation	(237)	(119)	(237)	(119)
	<u>1,928</u>	<u>2,046</u>	<u>1,928</u>	<u>2,046</u>
EQUIPMENT AND FURNITURE				
At fair value	44,849	41,288	44,849	41,288
Accumulated depreciation	(29,535)	(26,151)	(29,535)	(26,151)
	<u>15,314</u>	<u>15,137</u>	<u>15,314</u>	<u>15,137</u>
MOTOR VEHICLES				
At fair value	3,549	3,271	3,549	3,271
Accumulated depreciation	(1,314)	(1,213)	(1,314)	(1,213)
	<u>2,235</u>	<u>2,058</u>	<u>2,235</u>	<u>2,058</u>
LIBRARY HOLDINGS				
At fair value	15,402	12,950	15,402	12,950
Accumulated depreciation	(10,175)	(9,000)	(10,175)	(9,000)
	<u>5,227</u>	<u>3,950</u>	<u>5,227</u>	<u>3,950</u>
ART COLLECTION				
At independent valuation 2010	1,519	1,277	1,519	1,277
	<u>1,519</u>	<u>1,277</u>	<u>1,519</u>	<u>1,277</u>
Net Book amount	<u>300,423</u>	<u>277,093</u>	<u>300,423</u>	<u>277,093</u>

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year	Additions	Assets associated with Gippsland Campus taken on for nil consideration	Disposals	Depreciation expense	Transfers between categories	Revaluation of Assets	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014								
Consolidated & University								
Land	41,915	-	1,655	-	-	(1,245)	354	42,679
Buildings	184,629	117	36,831	-	(9,572)	24,122	(5,151)	230,976
Construction in progress	25,536	1,560	-	-	-	(27,096)	-	-
Leasehold improvements	2,046	-	-	-	(118)	-	-	1,928
Lease of land	545	-	-	-	-	-	-	545
Equipment and furniture	15,137	2,930	631	-	(3,384)	-	-	15,314
Motor vehicles	2,058	867	98	(366)	(422)	-	-	2,235
Library holdings	3,950	1,227	1,225	-	(1,175)	-	-	5,227
Artworks	1,277	-	242	-	-	-	-	1,519
	<u>277,093</u>	<u>6,701</u>	<u>40,682</u>	<u>(366)</u>	<u>(14,671)</u>	<u>(4,219)</u>	<u>(4,797)</u>	<u>300,423</u>

	Balance at beginning of year	Additions	Disposals	Depreciation expense	Impairment / adjustment & transfers	Carrying amount at end of year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2013						
Consolidated & University						
Land	41,915	-	-	-	-	41,915
Buildings	146,653	1,015	-	(7,109)	44,070	184,629
Construction in progress	48,366	21,240	-	-	(44,070)	25,536
Leasehold improvements	2,165	-	-	(119)	-	2,046
Lease of land	545	-	-	-	-	545
Equipment and furniture	14,644	3,727	-	(3,234)	-	15,137
Motor vehicles	2,080	616	(267)	(371)	-	2,058
Library holdings	3,738	1,071	-	(859)	-	3,950
Artworks	1,277	-	-	-	-	1,277
	<u>261,383</u>	<u>27,669</u>	<u>(267)</u>	<u>(11,692)</u>	<u>-</u>	<u>277,093</u>

Valuation

Refer to Note 31 for detailed disclosures regarding the fair value measurement of the University's property, plant and equipment.

NOTE 11 | PROPERTY, PLANT AND EQUIPMENT continued

Property owned by the Crown

The University is carrying property in its financial report where the title to the property is in the name of the Minister for Education. As at 31 December 2014, the value of land and buildings at written down value in the University's books attributed to the Crown amounts to \$42.37 m.

CONSOLIDATED AND UNIVERSITY	2014 \$'000	2013 \$'000
Profit and/or loss on Sale of Non Current Assets		
Proceeds on sale of property, plant & equipment	402	285
Less written down value	366	267
Net profit/(loss) on disposal	36	18

NOTE 12 | INVESTMENT PROPERTIES

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At Fair value opening balance at 1 January	62,845	66,070	62,845	66,070
Additions		-		-
Transfer between asset categories	4,725	-	4,725	-
Revaluation increment / (decrement)	(8,295)	(3,225)	(8,295)	(3,225)
Closing Balance at 31 December	59,275	62,845	59,275	62,845

Amounts recognised in Statement of Comprehensive Income for investment properties

Rental Income	5,810	5,886	5,810	5,886
Movement in fair value of investment properties	(8,295)	(3,225)	(8,295)	(3,225)
Total Income	(2,485)	2,661	(2,485)	2,661
Direct Operating Expenses	(2,240)	(1,239)	(2,240)	(1,239)
Total Recognised in profit or loss	(4,725)	1,422	(4,725)	1,422

LEASED ASSETS

As at the reporting date the following properties were recognised as investment properties

1995 Geelong Road	14,890	15,050	14,890	15,050
21 University Drive	8,675	8,930	8,675	8,930
28 University Drive	2,915	5,910	2,915	5,910
11 University Drive	6,755	8,130	6,755	8,130
2 Enterprise Grove	2,655	3,800	2,655	3,800
23 Wetlands Drive	5,460	5,710	5,460	5,710
17 Enterprise Grove	1,690	1,770	1,690	1,770
15 Enterprise Grove	6,600	7,630	6,600	7,630
Brewery Building Ballarat City	4,725	-	4,725	-
Vacant Land	4,910	5,915	4,910	5,915
Carrying amount of investment properties	59,275	62,845	59,275	62,845

Operating Lease Receivables

Amounts due				
- one year or less	5,790	5,345	5,790	5,345
- two to five years	18,183	20,954	18,183	20,954
- over five years	3,085	7,762	3,085	7,762
	27,058	34,061	27,058	34,061

Refer to Note 30 for detailed disclosures regarding the fair value measurement of the University's investment properties

NOTE 13 | INTANGIBLE ASSETS

CONSOLIDATED AND UNIVERSITY	Software Development	Work in Progress	Total Net Value
	\$'000	\$'000	\$'000
Year ended 31 December 2013			
Opening net book amount 1 January 2013	4,523	-	4,523
Additions	-	-	-
Amortisation charge	(1,568)	-	(1,568)
Closing net book amount 31 December 2013	2,955	-	2,955
CONSOLIDATED AND UNIVERSITY	Software Development	Work in Progress	Total Net Value
Year ended December 2014			
Opening net book amount 1 January 2014	2,955	-	2,955
Written off	-	-	-
Amortisation charge	(1,545)	-	(1,545)
Closing net book amount December 2014	1,410	-	1,410

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2014

NOTE 14 | PAYABLES

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current				
Creditors and non salary accruals	38,714	6,393	38,713	6,391
Accrued salaries, wages and costs	1,997	784	1,997	784
OS-Help Liability to Australian Government	26	6	26	6
	<u>40,737</u>	<u>7,183</u>	<u>40,736</u>	<u>7,181</u>

Foreign currency risk

The carrying amounts of the group and parent entity's trade and other payables are denominated in Australian dollars.

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to Note 30.2 - Financial Instruments - Summarised Sensitivity Analysis.

NOTE 15 | BORROWINGS

CURRENT

Unsecured

Bills payable - National Australia Bank	632	595	632	595
	<u>632</u>	<u>595</u>	<u>632</u>	<u>595</u>

NON CURRENT

Unsecured

Bills payable - National Australia Bank	164	796	164	796
	<u>164</u>	<u>796</u>	<u>164</u>	<u>796</u>

Financing Arrangements

Credit standby arrangements

Total facilities

Bank overdrafts	150	150	150	150
Other - credit card facilities	3,000	3,000	3,000	3,000
Bank Guarantee	10	10	10	10

Used at reporting date

Bank overdrafts	150	150	150	150
Other - credit card facilities	381	331	381	331

Unused at reporting date

Bank overdrafts	-	-	-	150
Other - credit card facilities	2,619	2,669	2,619	2,669
Bank Guarantee	10	10	10	10

NOTE 16 | PROVISIONS

Current provisions expected to be settled wholly within 12 months

Annual leave	5,891	4,023	5,891	4,023
Long service leave	19,378	12,091	19,378	12,091
Deferred benefits for superannuation	4,915	4,647	4,915	4,647
Other employee benefits	426	292	426	292
	<u>30,610</u>	<u>21,053</u>	<u>30,610</u>	<u>21,053</u>

Current Provisions expected to be settled after more than 12 months

Annual Leave	4,034	3,254	4,034	3,254
	<u>4,034</u>	<u>3,254</u>	<u>4,034</u>	<u>3,254</u>

Total Current Provisions

	<u>34,644</u>	<u>24,307</u>	<u>34,644</u>	<u>24,307</u>
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Non-current

Long service leave	3,262	2,555	3,262	2,555
Deferred benefits for superannuation	63,270	61,970	63,270	61,970
	<u>66,532</u>	<u>64,525</u>	<u>66,532</u>	<u>64,525</u>
	<u>101,176</u>	<u>88,832</u>	<u>101,176</u>	<u>88,832</u>

Annual Leave and Long Service Leave

All annual leave and unconditional vested long service leave (representing 7+ years of continuous service) is:

(i) disclosed in accordance with AASB101 as a current liability even where it is not expected to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;

(ii) measured at:

- nominal value under AASB119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and
- present value under AASB119 where a component of this current liability is not expected to fall due within 12 months after the end of period.

Long service leave representing less than 7 years of continuous service is:

(i) disclosed in accordance with AASB101 as a non-current liability; and

(ii) measured at present value under AASB119 as the entity does not expect to settle this non-current liability within 12 months.

NOTE 16 | PROVISIONS continued

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Classification of employee benefits as current or non-current				
Current				
All annual leave and long service leave entitlements, representing a minimum of 7 years continuous service :				
Short term employee benefits that fall within 12 months after the end of the period, measured at nominal value.	25,269	16,114	25,269	16,114
Current annual leave provision expected to be settled after more than 12 months, measured at present value.	4,034	3,254	4,034	3,254
	<u>29,303</u>	<u>19,368</u>	<u>29,303</u>	<u>19,368</u>
Non-current				
Long service leave representing less than 7 years of continuous service measured at present value.	3,262	2,555	3,262	2,555

Movement in provisions: Consolidated and University

Annual leave:

Carrying amount at start of year	7,021	6,910	7,021	6,910
Additional provisions recognised/ (amounts used)	1,868	111	1,868	111
Carrying amount at end of year	<u>8,889</u>	<u>7,021</u>	<u>8,889</u>	<u>7,021</u>

Long service leave:

Carrying amount at start of year	14,646	14,611	14,646	14,611
Additional provisions recognised/ (amounts used)	7,994	35	7,994	35
Carrying amount at end of year	<u>22,640</u>	<u>14,646</u>	<u>22,640</u>	<u>14,646</u>

Other employee benefits:

Carrying amount at start of year	292	216	292	216
Additional provisions recognised/ (amounts used)	134	76	134	76
Carrying amount at end of year	<u>426</u>	<u>292</u>	<u>426</u>	<u>292</u>

Deferred benefits for superannuation

Carrying amount at start of year	66,617	90,062	66,617	90,062
Movement in actuarial valuation	1,568	(23,445)	1,568	(23,445)
Carrying amount at end of year	<u>68,185</u>	<u>66,617</u>	<u>68,185</u>	<u>66,617</u>

Total Entitlements

	<u>100,140</u>	<u>88,576</u>	<u>100,140</u>	<u>88,576</u>
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NOTE 17 | OTHER LIABILITIES

Funds received in advance	13,151	9,329	13,151	9,329
	<u>13,151</u>	<u>9,329</u>	<u>13,151</u>	<u>9,329</u>

NOTE 18 | CURRENT TAX LIABILITIES

Income Tax	-	(1)	-	-
	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>

NOTE 19 | RESERVES AND RETAINED EARNINGS

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Composition of Reserves				
Asset Revaluation Reserve	141,513	146,311	141,513	146,311
Total Reserves	141,513	146,311	141,513	146,311
Asset Revaluation Reserve				
Land	38,416	38,062	38,416	38,062
Buildings	102,124	107,275	102,124	107,275
Works of art	974	974	974	974
	141,514	146,311	141,514	146,311
	Balance at beginning of year	Revaluation Increment	Carrying amount at end of year	
	\$'000	\$'000	\$'000	
Movement in Carrying Amounts				
Consolidated				
Asset Revaluation Reserve				
Land	38,062	354	38,416	
Buildings	107,275	(5,151)	102,124	
Works of art	974	-	974	
	146,311	(4,797)	141,514	
University				
Asset Revaluation Reserve				
Land	38,062	354	38,416	
Buildings	107,275	(5,151)	102,124	
Works of art	974	-	974	
	146,311	(4,797)	141,514	
	Consolidated	University		
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Movement in Accumulated Surplus				
Balance 1 January	360,461	356,264	360,422	356,218
Net operating surplus for the reporting period	2,836	4,197	2,836	4,204
Transfer of reserve	-	-	-	-
Balance 31 December	363,297	360,461	363,258	360,422
Reconciliation to Statement of Changes in Equity:				
Asset Revaluation Reserve	141,514	146,311	141,514	146,311
Accumulated Surplus	363,297	360,461	363,258	360,422
Total Equity at the end of the financial year	504,811	506,772	504,772	506,733

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(L) and impairments booked to previously revalued increments

NOTE 20 | CASH FLOW INFORMATION

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
a) Reconciliation of net result to net cash provided by/(used in) operating activities				
Net result for the year	2,836	4,197	2,836	4,204
Non-cash flows in operating result				
Depreciation and amortisation of non-current assets	16,216	13,260	16,216	13,260
Movement in doubtful debts provision	886	197	886	197
Other non cash items				
Recognition of Gippsland campus	(19,852)	-	(19,852)	-
(Gain)/ loss on revaluation of investment properties	8,295	3,225	8,295	3,225
Net (profit)/loss on sale of non-current assets	(36)	(18)	(36)	(18)
Net gain/(loss) on investments	11	24	11	24
Decrease/(increase) in:				
Current assets				
Decrease / (Increase) in trade receivables	14,490	(5,540)	14,490	(5,547)
Decrease / (Increase) in inventories	(75)	101	(75)	101
Decrease / (Increase) in biological assets	3	-	3	-
Decrease / (increase) in other assets	285	(328)	285	(327)
Non-Current Assets				
Decrease / (Increase) in receivables	-	-	-	-
Current Liabilities				
Increase/ (Decrease) in payables	19,377	(2,363)	19,378	(2,364)
Increase/ (Decrease) in employee entitlements	(23,040)	222	(23,040)	222
Increase / (Decrease) in other liabilities	3,822	2,823	3,822	2,847
Increase / (Decrease) in provision for income tax	1	1		-
Net cash provided by operating activities	23,219	15,801	23,219	15,824

b) Non-cash financing and investing activities

There is no acquisition of plant and equipment by means of finance leases

c) Credit standby arrangements with banks

- - - -

NOTE 21 | LEASES

LEASE COMMITMENTS

Operating Lease Commitment

Payments due	- one year or less	742	642	742	642
	- one to five years	669	999	669	999
	- over five years	148	13	148	13
		1,559	1,654	1,559	1,654

LEASED ASSETS

As at the reporting date the University leased out the following assets:

Albert Coates Building (part)	128	128	128	128
Camp Street	1,590	1,692	1,590	1,692
Horsham Cafeteria	158	158	158	158
ESTA Building	6,600	7,630	6,600	7,630
Global Innovation Centre	2,655	3,800	2,655	3,800
Greenhill Enterprise Centre	2,915	5,910	2,915	5,910
Advanced Display Technology Building	1,690	1,770	1,690	1,770
IBM Centre	14,890	15,050	14,890	15,050
IBM Internet Laboratory Building	8,675	8,930	8,675	8,930
Brewery Building, Lydiard Street South	4,725	-	4,725	-
Rural Ambulance Victoria Building	5,460	5,710	5,460	5,710
State Library of Victoria (Land only)	126	126	126	126
State Revenue Office Building	6,755	8,130	6,755	8,130
Carrying amount or leased assets	56,367	59,034	56,367	59,034

Operating Lease Receivables

Amounts due	- one year or less	6,250	5,559	6,250	5,559
	- one to five years	18,902	21,555	18,902	21,555
	- over five years	3,990	8,750	3,990	8,750
		29,142	35,864	29,142	35,864

NOTE 22 | COMMITMENTS FOR EXPENDITURE

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Capital Commitments				
As at the reporting date the University had the following outstanding Capital Commitments:				
Building projects	-	584	-	584
	<u>-</u>	<u>584</u>	<u>-</u>	<u>584</u>
Outstanding Capital Commitments are payable as follows				
Payments Due:				
- not later than one year	-	584	-	584
	<u>-</u>	<u>584</u>	<u>-</u>	<u>584</u>

NOTE 23 | CONTINGENT ASSETS AND LIABILITIES

Contingent Assets: There are no contingent assets or liabilities

NOTE 24 | SUPERANNUATION

Contribution Details

The University made contributions for employees who contribute to the funds, as follows:

	2014	2013
Government Superannuation Office		
Revised Scheme (TAFE)	17.30%	17.30%
New Scheme	7.30% to 10.20%	7.30% to 10.20%
State Employees Retirement Benefits Fund	Nil contributors	Nil contributors
Victorian Superannuation Fund		
Vic Super Scheme - Academic Staff	9.25% to 9.50%	9.00% to 9.25%
Vic Super Scheme - Non Academic Staff	11.00%	11.00%
Other Superannuation Schemes		
Unisuper - Superannuation Scheme for Australian Universities	14.00%	14.00%
Unisuper - Award Plus Plan #	3.00%	3.00%
# - Superannuation guarantee levy	9.25% to 9.50%	9.00% to 9.25%

Government Superannuation Office (GSO)

For the year ended December 2014 Emergency Services Superannuation Board, which includes the GSO, provided the following information in relation to Federation University Australia's AASB 119 liability as at 30 June 2014

	30 June 2014 \$ '000	30 June 2013 \$ '000
Assets - Amounts receivable from the Australian Government		
Receivable within 12 Months	4,915	4,647
Receivable later than 12 months	63,270	61,970
Total	<u>68,185</u>	<u>66,617</u>
Movement in deferred Government contributions for superannuation	<u>1,568</u>	<u>(23,445)</u>
Unfunded superannuation liability		
Payable within 12 months	4,915	4,647
Payable later than 12 months	63,270	61,970
Total	<u>68,185</u>	<u>66,617</u>
Movements in deferred employee benefits for superannuation	<u>1,568</u>	<u>- (23,445)</u>

NOTE 24 | SUPERANNUATION continued

UniSuper Defined Benefit Ltd.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standard AASB 119.

Financial Position

As at 30 June 2014, the assets of the DBD in aggregate were estimated to be \$271 million above vested benefits, after allowing for various reserves. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.

As at 30 June 2014 the assets of the DBD in aggregate were estimated to be \$2,071 million above accrued benefits, after allowing for various reserves. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2014. The financial assumptions used were:

	Benefits Per Annum	Accrued Benefits Per Annum
Gross of tax investment return - DBD pensions	6.10%	7.80%
Gross of tax investment return - commercial rate indexed pensions	3.70%	3.70%
Net of tax investment return - non pensioner members	5.50%	7.00%
Consumer Price Index	2.75%	2.75%
Inflationary salary increases long term	3.75%	3.75%

Assets have been included at their market value; that is, after allowing for realisation costs

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations.

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for Federation University Australia'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.

Federation University Australia has a number of present and former staff who are members of the Victorian State Superannuation Fund and in respect of whom defined benefits are payable on termination of employment. As at 30 June 2014, the Victorian State Superannuation Fund was carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the fund. The notional share of this public sector employee superannuation fund's unfunded liabilities attributable to Federation University Australia, as assessed by the fund as at 30 June 2014, amounted to \$66,617,000 (2013: \$68,185,000). Unfunded liabilities are met by the Australian Government.

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

NOTE 25 | AUDITORS' REMUNERATION

Victorian Auditor General's Office Audit and review of the Financial Statements	85	85	85	85
Audit fees				
DEECD Victorian Training Guarantee contract compliance	112	190	112	190
Other audit fees				
Fees paid to other audit firms for the audit or review of miscellaneous financial reports	44	16	44	16
	241	291	241	291

Other audit fees relate to miscellaneous fees paid to other audit firms for the audit or review of financial reports for research grants

NOTE 26 | KEY MANAGEMENT PERSONNEL DISCLOSURES

RESPONSIBLE PERSONS

Responsible persons related disclosures

In accordance with the directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made for the responsible Ministers and responsible Members of Council.

(i) Minister

The relevant Minister is the Hon. Steve Herbert, MP Minister for Education and Training. Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of Parliament.

(i) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of Federation University

The Hon. Peter Hall, MLC Minister for Higher Education and Skills	1/1 - 17/03/2014
The Hon. Nick Wakeling, MP Minister for Higher Education and Skills	17/03 - 31/12/2014
The Hon. Steve Herbert, MP Minister for Education and Training	3/12 - 31/12/2014

Council members during 2014 were:

Dr Paul John Harry Hemming (Chancellor)	1/1 - 31/12/2014
Professor David Arthur Battersby (Vice Chancellor)	1/1 - 31/12/2014
Ms Karen Suzanne Douglas	1/1 - 31/12/2014
Dr Meredith Doig	1/1 - 31/12/2014
Mr George Fong	1/1 - 31/12/2014
Dr Kim Dowling	1/1 - 31/12/2014
Mr Ian Nethercote	1/1 - 31/12/2014
Ms Mashelle Parrett	1/1 - 31/12/2014
Mr Michael Ryan	1/1 - 31/12/2014
Mr Warwick Spargo	1/1 - 25/08/2014
Ms Deborah Spring	1/1 - 31/12/2014
Mr Anthony Stone	1/1 - 31/12/2014
Mr Peter Russell Wilson	1/1 - 31/12/2014
Mr Steve Davies (Ministerial Appointee)	1/1 - 31/12/2014

(ii) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of Federation University Australia during the financial year:

Ms Rowena Coutts	(Senior Deputy Vice Chancellor)	1/1 - 19/09/2014
Professor Andy Smith	(Deputy Vice Chancellor, Academic)	
Professor Frank Stagnitti	(Deputy Vice Chancellor, Research and Innovation)	
Professor Todd Walker	(Deputy Vice Chancellor, Engagement)	
Mr Darren Holland	(Deputy Vice Chancellor, Student Support and Services)	
Mr John Blair	(Chief Operating Officer / CFO)	
Professor Marcia Devlin	(Deputy Vice Chancellor, Learning and Quality)	

All of the above persons were also key management persons during the year ended 31/12/2014

NOTE 26 | KEY MANAGEMENT PERSONNEL DISCLOSURES continued

	Consolidated		University	
	2014	2013	2014	2013
Remuneration of Council Members				
Less than \$10,000	4	6	4	6
\$10,000 to \$19,999	6	4	6	4
\$20,000 to \$29,999	1	-	1	-
\$40,000 to \$49,999	-	1	-	1
\$70,000 to \$79,999	1	-	1	-
\$140,000 to \$149,999	1	1	1	1
\$680,000 to \$689,999	-	1	-	1
\$690,000 to \$699,999	1	-	1	-
	<u>14</u>	<u>13</u>	<u>14</u>	<u>13</u>

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	948	866	948	866
Post-employment benefits	138	126	138	126
	<u>1,086</u>	<u>992</u>	<u>1,086</u>	<u>992</u>

Remuneration of executive officers				
\$20,000 to \$29,999	-	1	-	1
\$70,000 to \$79,999	-	1	-	1
\$90,000 to \$99,999	1	1	1	1
\$100,000 to \$109,999	1	-	1	-
\$110,000 to \$119,999	-	1	-	1
\$130,000 to \$139,999	1	1	1	1
\$140,000 to \$149,999	2	1	2	1
\$150,000 to \$159,999	1	3	1	3
\$160,000 to \$169,999	3	3	3	3
\$170,000 to \$179,999	-	1	-	1
\$180,000 to \$189,999	1	2	1	2
\$190,000 to \$199,999	3	4	3	4
\$200,000 to \$209,999	3	-	3	-
\$210,000 to \$219,999	-	1	-	1
\$230,000 to \$239,999	1	1	1	1
\$240,000 to \$249,999	3	1	3	1
\$250,000 to \$259,999	2	1	2	1
\$260,000 to \$269,999	1	-	1	-
\$270,000 to \$279,999	1	1	1	1
\$280,000 to \$289,999	1	-	1	-
\$290,000 to \$299,999	2	-	2	-
\$310,000 to \$319,999	-	2	-	2
\$320,000 to \$329,999	1	1	1	1
\$330,000 to \$339,999	1	1	1	1
\$340,000 to \$349,999	1	-	1	-
\$380,000 to \$389,999	-	1	-	1
	<u>30</u>	<u>29</u>	<u>30</u>	<u>29</u>

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	5,344	4,675	5,344	4,675
Post-employment benefits	861	735	861	735
Termination benefits	335	384	335	384
	<u>6,540</u>	<u>5,794</u>	<u>6,540</u>	<u>5,794</u>

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Related parties

Transactions with related parties

Federation University Australia entered into the following transactions and has current receivable amounts which are insignificant in amount, with responsible persons and responsible persons related parties in their domestic dealings and within normal customer or employee relationships on terms and conditions no more favourable than those available in similar arm's length dealings:

Professor D Battersby is a member of the Board of Directors of the Committee for Ballarat and is a member of the Board of Directors of Education Australia Limited and IDP. These organisations have relationships with Federation University Australia

Mr George Fong's company, Lateral Plains Pty Ltd rents office space at the University's Global Innovation Centre Mt Helen. 2014 \$42k (2013 \$24k)

NOTE 27 | GEOGRAPHIC INFORMATION

Geographic	Revenue		Results		Assets	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	277,369	202,621	2,710	1,947	660,631	613,466
Asia	1,226	2,636	-	2,135	-	-
Pacific	23	70	5	5	-	-
Europe	122	117	121	117	-	-
	278,740	205,444	2,836	4,204	660,631	613,466

NOTE 28 | SUBSIDIARIES

The Federation University Australia Act 2010, Section 48 permits the University to form limited liability companies.

The consolidated financial statements of the University incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.04.

Entity	Country of Incorp.	Ownership interest 2014	Ownership interest 2013
Inskill Pty Ltd	Australia	100%	100%
The School of Mines and Industries Ballarat Ltd	Australia	100%	100%
Datascreen Pty Ltd (a subsidiary of Inskill)	Australia	55.8%	82.6%
UB Housing Pty Ltd	Australia	100%	100%

The financial statements of the subsidiaries have been audited by the Auditor-General of Victoria.

Income Statement

Entity	Total Revenue		Total Expenditure		Net Profit/(Loss) after Tax Expense	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	-	-	-	-	-	-
The School of Mines and Industries Ballarat Ltd	-	-	-	-	-	-
Datascreen Pty Ltd (a subsidiary of Inskill)	-	-	-	-	-	-
UB Housing Pty Ltd	-	-	-	-	-	-
	-	-	-	-	-	-

Balance Sheet

(a) Assets

Entity	Current Assets		Non-Current Assets		Total Assets	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	17	17	37	38	54	55
The School of Mines and Industries Ballarat Ltd	-	-	-	-	-	-
Datascreen Pty Ltd (a subsidiary of Inskill)	1	1	-	-	1	1
UB Housing Pty Ltd	-	-	-	-	-	-
	18	18	37	38	55	56

(b) Liabilities

Entity	Current Liabilities		Non-Current Liabilities		Total Liabilities	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	1	1	-	-	1	1
The School of Mines and Industries Ballarat Ltd	-	-	-	-	-	-
Datascreen Pty Ltd (a subsidiary of Inskill)	-	-	-	-	-	-
UB Housing Pty Ltd	-	-	-	-	-	-
	1	1	-	-	1	1

(c) Equity and Borrowings

Entity	External Borrowings		Internal Borrowings		Equity	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	-	-	-	-	53	54
The School of Mines and Industries Ballarat Ltd	-	-	-	-	-	-
Datascreen Pty Ltd (a subsidiary of Inskill)	-	-	-	-	1	1
UB Housing Pty Ltd	-	-	-	-	-	-
	-	-	-	-	54	55

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2014

NOTE 29 | BUSINESS COMBINATIONS

On 1 January 2014, Federation University Australia acquired the assets and operations (and thereby control) of the Gippsland Campus of Monash University. The acquisition was undertaken consistent with Federation University's strategies to diversify and increase its student load and to increase its presence as a regional university. The acquisition of Gippsland Campus by Federation University was effected by contract for nil cash consideration.

	Fair Value as at 1 January 2014 \$'000
Land and buildings	38,486
Plant and equipment	2,196
Inventory	197
Receivables from Monash University (i)	27,608
Other receivables	925
Total assets	69,412
Provisions for employee benefits	35,384
Provisions for higher degree research obligations	6,747
Other provisions	7,429
Total liabilities	49,560
Gain recognised in Revenue arising from acquisition of Gippsland Campus	<u>19,852</u>

The gain recognised in the reporting period arising from the acquisition of Gippsland Campus reflects the net benefits Federation University expects to yield from the acquisition relative to the net benefits Monash University expected to receive from continuing to operate the Campus.

- (i) The receivable from Monash University includes contingent receivables to compensate the University for losses in 2014 and 2015 totalling \$14.257m

i) Financial risk management objectives

The University's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University by adhering to principles, interest rate risk, credit risk, the use of financial derivatives and non derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The University does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The University uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the University's finance division under policies approved by the University Council. The Council provides written principles for overall risk management, as well as policies covering specific areas, interest rate risk, credit risk, and investment of excess liquidity.

ii) Financial risk exposures and management

The University's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payables. The main risks the University can be exposed to through its financial instruments are market risk, price risk, funding risk, interest rate risk, credit risk and liquidity risk.

Market Risk

The University in its daily operations is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and/or net worth of the University e.g. an adverse movement in interest rates. The Council ensures that all market risk exposure is consistent with the University's business strategy and within the risk tolerance of the University. Regular risk reports are presented to the Council. There has been no significant change in the University's exposure, or its objectives, policies and processes for managing market risk from the previous reporting period.

Foreign Currency Risk

The University is not exposed to foreign currency risk.

Price Risk

The University is exposed to price risk in respect of fee for service, various business operations and contract services which are subject to open market competition.

There has been no significant change in the University's exposure, or its objectives, policies and processes for managing price risk or the methods used to measure this risk from the previous reporting period.

Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to change the expected net interest earnings in the current reporting period and in future years. Similarly, interest rate risk also arises from the potential for a change in interest rates to cause a fluctuation in the fair value of the financial instruments.

The objective is to manage the rate risk to achieve stable and sustainable net earnings in the long term. This is managed predominately through a mixture of short term and longer term investments according to the University's Investment policy.

Downward movements in interest rates during 2014 have had an impact on the University's year end result. It is estimated that the decrease in interest rates have decreased earnings by \$1.0m for 2014.

The University's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are set out in the financial instrument composition and maturity analysis table.

Funding Risk

Funding risk is the risk of over reliance on a funding source to the extent that a change in that funding source could impact on the operating result for the current year and future years.

The University manages funding risk by continuing to diversify and increase funding from commercial activities both domestically and offshore.

There has been no significant change in the University's exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

Concentrations of Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 31 December 2014.

Credit risk is managed on a group basis and reviewed regularly by the Finance Committee. It arises from exposures to customers as well as through certain financial instruments and deposits with financial institutions.

Management monitors credit risk by actively assessing the rating quality and liquidity of counterparties.

Only banking institutions with an A rating are utilised.

All potential customers are rated for credit worthiness taking into account their size, market position and financial standing. Customers that do not meet the group's strict credit policies may only purchase in cash or using recognised credit cards.

The University does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the University.

The trade receivables balance at 31 December 2014 and 31 December 2013 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

The University minimises credit risk in relation to student loans receivable in the following ways: Specific loan conditions have been established which are applicable to all loans.

The loan terms and conditions are evidenced in a contract signed by both parties. The maximum loan available is \$2,000.

A schedule of repayments is agreed with the student at the time of making application

There has been no significant change in the University's exposure, or its objectives, policies and processes for managing credit risk or the methods used to measure this risk from the previous reporting period.

Liquidity risk

Credit risk is managed on a group basis and reviewed regularly by the Finance Committee. It arises from exposures to customers as well as through certain financial instruments and deposits with financial institutions.

The University has a standby facility of \$150,000 to provide short term cash.

There has been no significant change in the University's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

FINANCIAL INSTRUMENTS	Weighted average effective rate	Floating interest rate	Less than 1 year	1 - 5 years	5+ years	Non interest bearing	Total carrying amount per balance sheet
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated - 2014							
FINANCIAL ASSETS							
• Cash and cash equivalents - Cash at Bank	0.42%	3,172	-	-	-	-	3,172
• Cash and cash equivalents - Deposits at Call	2.55%	50,403	-	-	-	-	50,403
• Receivables-Debtors	-	-	-	-	-	2,327	2,327
• Receivables-Other Debtors	-	-	-	-	-	90,152	90,152
• Other Financial Assets:							
Short Term Deposits	4.10%	-	70,000	-	-	-	70,000
• Other Financial Assets:							
Unlisted Shares	-	-	-	-	-	519	519
• Other Financial Assets:							
Listed Shares	-	-	-	-	-	30	30
• Other Financial Assets:							
Term Deposits	4.10%	80,000	-	-	-	-	80,000
Income Securities	-	262	-	-	-	-	262
Total Financial Assets		133,837	70,000	-	-	93,028	296,865
FINANCIAL LIABILITIES							
• Payables:							
Creditors & Accruals	-	-	-	-	-	40,737	40,737
• Payables:							
Unfunded superannuation	-	-	-	-	-	68,185	68,185
• Interest Bearing Liabilities:							
Bills Payable	6.40%	-	632	164	-	-	796
Total Financial Liabilities		-	632	164	-	108,922	109,718

FINANCIAL INSTRUMENTS	Weighted average effective rate	Floating interest rate	Within 1 year	2 - 5 years	More than 5 years	Non interest bearing	Total carrying amount per balance sheet
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated - 2013							
FINANCIAL ASSETS							
• Cash and cash equivalents - Cash at Bank	0.45%	3,256	-	-	-	-	3,256
• Cash and cash equivalents - Deposits at Call	2.50%	30,046	-	-	-	-	30,046
• Receivables-Debtors	-	-	-	-	-	9,513	9,513
• Receivables-Other Debtors	-	-	-	-	-	70,325	70,325
• Other Financial Assets:							
Short Term Deposits	3.58%	-	53,920	-	-	-	53,920
• Other Financial Assets:							
Unlisted Shares	-	-	-	-	-	558	558
• Other Financial Assets:							
Listed Shares	-	-	-	-	-	26	26
• Other Financial Assets:							
Floating rate notes	-	-	-	-	-	-	-
Term Deposits	-	100,000	-	-	-	-	100,000
Income Securities	-	255	-	-	-	-	255
Total Financial Assets		133,557	53,920	-	-	80,422	267,899
FINANCIAL LIABILITIES							
• Payables:							
Creditors & Accruals	-	-	-	-	-	7,183	7,183
• Payables:							
Unfunded superannuation	-	-	-	-	-	66,617	66,617
• Interest Bearing Liabilities:							
Bills Payable	6.40%	-	595	796	-	-	1,391
Total Financial Liabilities		-	595	796	-	73,800	75,191

Note 30.2 - Financial instruments - summarised sensitivity analysis

The following table summarises the sensitivity of the University's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount	Interest rate risk			
		-0.5%		1.0%	
		Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000
Financial assets					
• Cash and cash equivalents - Cash at Bank	3,172	(16)	(16)	32	32
• Cash and cash equivalents - Deposits at Call	50,403	(252)	(252)	504	504
• Other Financial Assets:					
Short Term Deposits	70,000	(350)	(350)	700	700
• Other Financial Assets:					
Income Securities	262	(1)	(1)	3	3
Financial liabilities					
• Interest Bearing Liabilities:					
Bills Payable	164	(1)	(1)	2	2
Total increase/(decrease)		(620)	(620)	1,241	1,241

31 December 2013	Carrying amount	Interest rate risk			
		-0.5%		1.0%	
		Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000
Financial assets					
• Cash and cash equivalents - Cash at Bank	3,256	(16)	(16)	33	33
• Cash and cash equivalents - Deposits at Call	30,046	(150)	(150)	300	300
• Other Financial Assets:					
Short Term Deposits	53,920	(270)	(270)	539	539
• Other Financial Assets:					
Income Securities	255	(1)	(1)	3	3
Financial liabilities					
• Interest Bearing Liabilities:					
Bills Payable	796	(4)	(4)	8	8
Total Increase/(decrease)		(441)	(441)	883	883

NOTE 31 | FAIR VALUE MEASUREMENTS

(a) Fair value measurements

The fair value of 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 receivables and payables, their carrying amounts are considered to approximate their fair values and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

	Carrying amount		Fair Value	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assets				
Cash and cash equivalents	123,575	87,222	123,575	87,222
Receivables	24,270	13,221	24,270	13,221
Deferred government contributions for superannuation	68,185	66,617	68,185	66,617
Term Deposits	80,000	100,000	80,000	100,000
Other financial assets				
Available for sale financial assets				
Shares - listed at cost	30	26	30	26
Other investments - at cost	262	255	262	255
Total financial assets	296,322	267,341	296,322	267,341
Financial liabilities				
Payables	40,737	7,183	40,737	7,183
Deferred Benefits for superannuation	68,185	66,617	68,185	66,617
Borrowings				
Bank bills secured	796	1,391	796	1,391
Total financial liabilities	109,718	75,191	109,718	75,191

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

- biological assets (blood stock);
- investment property;
- land;
- buildings;
- leased land;
- leasehold improvements;
- equipment and furniture;
- motor vehicles;
- library holdings; and
- art collection.

The University also measured land held for resale (Note 9) at fair value on a non-recurring basis as a result of the assets being classified as non-current assets held for sale in accordance with *AASB 5: Non-current Assets Held for Sale and Discontinued Operations*

(b) Fair Value Hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly; and

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

NOTE 31 | FAIR VALUE MEASUREMENTS continued

(i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2014

The following tables provide the fair values of the University's assets and liabilities measured and recognised initial recognition and their categorisation within the fair value hierarchy.

31 December 2014										
Consolidated					University					
Recurring fair value measurements	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Financial assets										
Available-for-sale financial assets										
-	Shares in listed entities - at fair value	8	-	30	-	30	-	30	-	30
-	Other investments - at cost	8	-	-	262	262	-	-	262	262
Total financial assets recognised at fair value			-	30	262	292	-	30	262	292
Non-financial assets										
	Biological assets (blood stock)	7	-	-	-	-	-	-	-	-
	Land	11	-	-	42,679	42,679	-	-	42,679	42,679
	Buildings	11	-	-	230,976	230,976	-	-	230,976	230,976
	Leased land	11	-	-	545	545	-	-	545	545
	Leasehold improvements	11	-	-	1,928	1,928	-	-	1,928	1,928
	Equipment and furniture	11	-	-	15,314	15,314	-	-	15,314	15,314
	Motor vehicles	11	-	-	2,235	2,235	-	-	2,235	2,235
	Library Holdings	11	-	-	5,227	5,227	-	-	5,227	5,227
	Art collection	11	-	-	1,519	1,519	-	-	1,519	1,519
	Investment properties	12	-	-	59,275	59,275	-	-	59,275	59,275
Total non-financial assets recognised at fair value			-	-	359,698	359,698	-	-	359,698	359,698
Total recurring fair value measurements										
Non-recurring fair value measurements										
	Land held for resale	9	-	-	-	-	-	-	-	-
Total non-recurring fair value measurements			-	-	-	-	-	-	-	-
Total fair value measurement			-	30	359,960	359,990	-	30	359,960	359,990

NOTE 31 | FAIR VALUE MEASUREMENTS continued

31 December 2013										
Consolidated					University					
Recurring fair value measurements	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Financial assets										
Available-for-sale financial assets										
-	Shares in listed entities - at fair value	8	-	26	-	26	-	26	-	26
-	Other investments - at cost	8	-	-	255	255	-	-	255	255
Total financial assets recognised at fair value			-	26	255	281	-	26	255	281
Non-financial assets										
Biological assets (blood stock)	7	3	-	-	3	3	-	-	3	
Land (#)	11	-	-	41,915	41,915	-	-	41,915	41,915	
Buildings (#)	11	-	-	184,629	184,629	-	-	184,629	184,629	
Leased land	11	-	-	545	545	-	-	545	545	
Leasehold improvements	11	-	-	2,046	2,046	-	-	2,046	2,046	
Equipment and furniture	11	-	-	15,137	15,137	-	-	15,137	15,137	
Motor vehicles	11	-	-	2,058	2,058	-	-	2,058	2,058	
Library Holdings	11	-	-	3,950	3,950	-	-	3,950	3,950	
Art collection	11	-	-	1,277	1,277	-	-	1,277	1,277	
Investment properties	12	-	-	62,845	62,845	-	-	62,845	62,845	
Total non-financial assets recognised at fair value			3	-	314,402	314,405	3	-	314,402	314,405
Total recurring fair value measurements										
Non-recurring fair value measurements										
Land held for resale	9	-	70	-	70	-	70	-	70	
Total non-recurring fair value measurements			-	70	-	70	-	70	-	70
Total fair value measurement			3	96	314,657	314,756	3	96	314,657	314,756

The fair value measurement amounts of non-financial assets are being used in their highest and best use.

There were no transfers between Levels 1 and 2 for assets measured at fair value during the reporting period (2013: no transfers.)

NOTE 31 | FAIR VALUE MEASUREMENTS continued

The University has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes. These assets are as follows:		
-	receivables;	
-	term deposits;	
-	payables; and	
-	borrowings – bank bills secured.	
The fair values of held-to-maturity investments (term deposits) that are disclosed in note 30(a) were determined by reference to published price quotations in an active market (Level 1).		
The fair value of non-current borrowings – bank bills secured disclosed in note 30(a) is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the University for similar financial instruments.		
For the period ending 31 December 2014, the borrowing rates were determined to be 0.064 The fair value of current borrowings approximates the carrying amount, as such the impact of discounting is not significant (Level 2)		
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements (2013: no changes).		
(c) Valuation techniques used to derive Level 2 fair values		
<i>(i) Level 2 Recurring fair value measurements</i>		
The following table provides a description of the valuation technique(s) and inputs used in determining Level 2 fair value measurements on a recurring basis.		
Description	Valuation technique(s)	Inputs used
Non-financial assets		
Biological assets (blood stock)	Market approach using recent observable market data for similar assets	Market price per head
Land (*)	Market approach using recent observable market data for similar properties	Market price per hectare
Buildings (*)	Market approach using recent observable market data for similar properties	Market price per square metre
Leased land (*)	Market approach using recent observable market data for similar properties and/or income approach using discounted cash flow methodology	Market price per hectare and/or market borrowing rate
Leasehold improvements	Market approach using recent observable market data for similar assets	Market price per unit
Equipment and furniture	Market approach using recent observable market data for similar assets	Market price per unit
Motor vehicles	Market approach using recent observable market data for similar assets	Market price per unit
Library Holdings	Historic cost of the asset as proxy for fair value	Historical cost
Art collection (**)	Market approach using recent observable market data for similar assets	Replacement price per unit
Investment properties (***)	Market approach using recent observable market data for similar properties and/or income approach using discounted cash flow methodology	Market price per square metre and/or market borrowing rate
(*)	The land and buildings were last independently valued as at 31 December 2012 by The Leader Property Group, acting on behalf of the Office of the Valuer General, Victoria.	
(**)	The art collection was last independently valued as at 31 December 2010 by Deutscher Menzies, Fine Art Auctioneers.	
(***)	The investment properties were last independently valued as at 31 December 2014 by Property Dynamics at The Technology Park on the Mt Helen Campus of Federation University Australia. Property Dynamics performed the valuation on behalf of the Office of the Valuer General Victoria. The staff of Property Dynamics that performed the valuation are independent valuers who have recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued.	
There were no changes during the period in the valuation techniques used by the University to determine Level 2 fair values (2013: no changes).		
<i>(ii) Non-recurring fair value measurements</i>		
Land classified as non-current assets held for sale during 2013 was measured at lower of its carrying amount and fair value less costs to sell in accordance with AASB 5. At the reporting date, the University had entered into negotiations to sell the land but had not completed those negotiations at that date. The fair value of the land was based on the tentative price negotiated up to the reporting date. The negotiated amount was based on a value determined using the sales comparison approach as at the reporting date.		

NOTE 31 | FAIR VALUE MEASUREMENTS continued

(d) Fair value measurements using significant unobservable inputs (Level 3)				
<i>(i) Reconciliation of recurring Level 3 fair value measurements</i>				
The following table provides a reconciliation of Level 3 items for the period ending 31 December 2014 .				
		Other investments	Non financial assets	
Opening balance		255	314,402	
Acquisitions				
Transfers from Level 1				
Transfers from Level 2				
Transfers out of Level 3				
Sales				
Gains/(losses) recognised in profit or loss *		7		
Gains/(losses) recognised in other comprehensive income				
Net Purchases			45,296	
Closing balance		262	359,698	
* Unrealised gains/(losses) recognised in profit or loss attributable to available-for-sale financial assets on hand at the end of the reporting period				
There were no transfers between Levels 2 and 3 for liabilities measured at fair value on a recurring basis during the reporting period (2013: no transfers).				
<i>(ii) Valuation inputs and relationships to fair value</i>				
The following table summarises the quantitative information about the valuation processes and significant unobservable inputs used in Level 3 fair value measurements.				
Description	Valuation technique(s)	Unobservable inputs used	Range of inputs	Estimated sensitivity of fair value measurement to changes in unobservable inputs
Financial assets				
Available-for-sale financial assets				
Other investments	Historic cost of the asset as proxy for fair value	Historical costs used no trading data available	Historic cost of the asset as proxy for fair value	-
Non Financial Assets				
Land	Market Approach	Market price per metre or per hectare (as applicable);	\$1- \$800 per sqm	\$1 increase (decrease) in \$/sqm increases (decreases) fair value by between 1% and 5%
		Community Service Obligation (CSO) discount (when applicable)	25% - 30% of estimated market value	1% increase (decrease) in CSO decreases (increases) fair value by approximately 1%
Buildings	Depreciated replacement cost	Replacement cost figures from Rawlinson's Australia Construction Handbook	-	-
		Estimated remaining useful life	3-50 years	-
There were no significant inter-relationships between unobservable inputs that materially affect the fair value measurements .				
There have been no changes during the period in the valuation technique used by the University to measure the level 3 fair values (2013: no changes).				

NOTE 32 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

Note 32.1 - Education - CGS and Other Education Grants

	Commonwealth Grants Scheme		Indigenous Support Fund		Capital Development Pool		Promotion of Excellence in Learning and Teaching	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	52,393	47,697	-	188	-	-	30	85
Net accrual adjustments	-	(710)	-	-	-	-	-	-
Revenue for the reporting period	52,393	46,987	-	188	-	-	30	85
Surplus/(deficit) from the previous year	-	-	70	-	-	1,405	-	50
Total revenue including accrued revenue	52,393	46,987	70	188	-	1,405	30	135
Less expenses including accrued expenses	(52,393)	(46,987)	(70)	(118)	-	(1,405)	(30)	(135)
Surplus / (deficit) for reporting period	-	-	-	70	-	-	-	-

	HE Partnership Project Funding		HE Structural Adjustment Fund Program		HE Participation Program		HE Partnership Base Funding	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,265	872	-	4,050	1,282	1,225	-	250
Net accrual adjustments	-	-	-	-	-	154	-	-
Revenue for the reporting period	1,265	872	-	4,050	1,282	1,379	-	250
Surplus/(deficit) from the previous year	250	50	16,321	17,662	-	-	-	-
Total revenue including accrued revenue	1,515	922	16,321	21,712	1,282	1,379	-	250
Less expenses including accrued expenses	(1,515)	(672)	(7,237)	(5,391)	(1,282)	(1,379)	-	(250)
Surplus / (deficit) for reporting period	-	250	9,084	16,321	-	-	-	-

	Disability Support Programme		Diversity & Structural Adjustment Fund		Reward Funding		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	76	38	-	-	-	117	55,046	54,522
Net accrual adjustments	-	-	-	-	-	-	-	(556)
Revenue for the reporting period	76	38	-	-	-	117	55,046	53,966
Surplus/(deficit) from the previous year	-	-	42	52	-	-	16,683	19,219
Total revenue including accrued revenue	76	38	42	52	-	117	71,729	73,185
Less expenses including accrued expenses	(76)	(38)	(42)	(10)	-	(117)	(62,645)	(56,502)
Surplus / (deficit) for reporting period	-	-	-	42	-	-	9,084	16,683

NOTE 32 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE continued

Note 32.2 - Higher Education Loan Programmes

	HECS - HELP (Australian Government payments only)		FEE - HELP		VET FEE - HELP		STUD AMEN - HELP		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period in respect of current year	30,189	25,315	3,110	2,320	1,351	1,437	1,297	1,126	35,947	30,198
Cash received in respect of previous years	2,288	1,317	-	633	-	1,419	-	94	2,288	3,463
Net accrual adjustments	-	1,006	-	(218)	-	(1,200)	-	9	-	(403)
Cash Available for period	32,477	27,638	3,110	2,735	1,351	1,656	1,297	1,229	38,235	33,258
Revenue earned	(32,973)	(29,805)	(3,182)	(2,586)	(1,351)	(1,656)	(1,297)	(1,229)	(38,803)	(35,182)
Cash Payable/ (Receivable) at end of year	(496)	(2,167)	(72)	149	-	-	-	-	(568)	(1,924)

Note 32.3 - Learning Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	779	791	67	66	-	(13)	-	(19)
Net accrual adjustments	-	-	-	-	-	20	-	26
Revenue for the reporting period	779	791	67	66	-	7	-	7
Surplus/(deficit) from the previous year	337	255	(63)	(28)	3	-	7	-
Total revenue including accrued revenue	1,116	1,046	4	38	3	7	7	7
Less expenses including accrued expenses	(875)	(709)	(4)	(101)	(4)	(4)	(7)	-
Surplus / (deficit) for reporting period	241	337	-	(63)	(1)	3	-	7

* Includes program deficit from prior year

	National Priority Scholarships		Indigenous Access		Total	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	(26)	(766)	-	27	820	86
Net accrual adjustments	-	766	-	28	-	840
Revenue for the reporting period	(26)	-	-	55	820	926
Surplus/(deficit) from the previous year	-	-	-	-	284	227
Total revenue including accrued revenue	(26)	-	-	55	1,104	1,153
Less expenses including accrued expenses	26	-	-	(55)	(864)	(869)
Surplus / (deficit) for reporting period	-	-	-	-	240	284

* Includes program deficit from prior year

Note 32.4 - Voluntary Student Unionism and Better Universities Renewal Funding

	VSU Transition Fund		Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	-	-	-	-
Net accrual adjustments	-	-	-	-
Revenue for the reporting period	-	-	-	-
Surplus/(deficit) from the previous year	-	566	-	566
Total revenue including accrued revenue	-	566	-	566
Less expenses including accrued expenses	-	(566)	-	(566)
Surplus / (deficit) for reporting period	-	-	-	-

Note 32.5 - Education Research

	Research Training Scheme		Research Infrastructure Block Grants		Joint Research Engagement Program	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,777	1,853	128	127	828	833
Net accrual adjustments	-	-	-	-	-	-
Revenue for the reporting period	1,777	1,853	128	127	828	833
Surplus/(deficit) from the previous year	-	-	82	55	34	-
Total revenue including accrued revenue	1,777	1,853	210	182	862	833
Less expenses including accrued expenses	(1,777)	(1,853)	(204)	(100)	(862)	(799)
Surplus / (deficit) for reporting period	-	-	6	82	-	34

	SRE Base & Threshold 1 & 2		Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	251	221	2,984	3,034
Net accrual adjustments	-	-	-	-
Revenue for the reporting period	251	221	2,984	3,034
Surplus/(deficit) from the previous year	-	-	116	55
Total revenue including brought forward from prior year	251	221	3,100	3,089
Less expenses including accrued expenses	(251)	(221)	(3,094)	(2,973)
Surplus / (deficit) for reporting period	-	-	6	116

Note 32.6 - Australian Research Council Grants

	Discovery Projects		Linkages Projects		Total	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	715	177	189	(15)	904	162
Net accrual adjustments	-	-	-	-	-	-
Revenue for the reporting period	715	177	189	(15)	904	162
Surplus/(deficit) from the previous year	155	114	(69)	166	86	280
Total revenue including accrued revenue	870	291	120	151	990	442
Less expenses including accrued expenses	(427)	(136)	(38)	(220)	(465)	(356)
Surplus / (deficit) for reporting period	443	155	82	(69)	525	86

Note 32.7 - Other Australian Government Grants received

	Higher Education Superannuation		OS - HELP		Total	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	3,997	4,422	87	34	4,084	4,456
Net accrual adjustments	643	174	-	-	643	174
Revenue for the reporting period	4,640	4,596	87	34	4,727	4,630
Surplus/(deficit) from the previous year	-	-	34	-	34	-
Total revenue including accrued revenue	4,640	4,596	121	34	4,761	4,630
Less expenses including accrued expenses	(5,022)	(4,014)	(95)	-	(5,117)	(4,014)
Surplus / (deficit) for reporting period	(382)	582	26	34	(356)	616

NOTE 33 | HIGHER EDUCATION & VET RESULTS

Note 33.1 - Statement of comprehensive income: Higher Education & VET

OPERATING RESULTS: HIGHER EDUCATION AND VET Operations

Operating revenues and operating expenses for Higher Education and VET Operations of the University are shown in the following tables. The figures refer only to the University - consolidated totals are not included. Discrete sets of accounts are maintained for the two divisions for the recording of their separate revenues and expenses. Some central administrative expenses are proportioned between them on bases agreed at the time of establishing budgets. Depreciation is distributed in accordance with relative asset values.

	Higher Education		VET	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from continuing operations				
Australian Government financial assistance				
Australian Government grants	61,346	60,052	-	-
HECS-HELP - Australian Government payments	36,884	31,602	-	-
VET FEE HELP	-	-	1,351	1,656
Student amenities - HELP	-	-	-	-
State Government financial assistance	393	484	17,701	23,951
HECS-HELP - Student payments	2,567	2,228	-	-
Course fees and charges	95,393	64,939	7,461	8,398
Other fees and charges	12,825	12,092	2,210	2,214
Consultancy and contract research	4,947	5,979	-	-
Investment revenue	13,289	13,196	165	429
Other revenue	22,071	1,483	101	168
Profit on disposal of assets	30	24	6	-
Total revenue from continuing operations	249,745	192,079	28,995	36,816
Expenses from continuing operations				
Employee benefits	112,918	82,225	24,280	27,007
Depreciation and amortisation	12,229	9,931	3,987	3,329
Repairs and maintenance	10,274	3,920	1,794	1,448
Bad and doubtful debts	708	736	178	408
Other expenses	48,164	41,918	7,708	8,397
Losses on disposal of assets	-	-	-	6
Finance costs	73	107	-	-
Private providers	45,296	41,977	-	57
Total expenses from continuing operations	229,662	180,814	37,947	40,652
Revaluation decrement on investment properties	8,295	3,225	-	-
Total Expenses	237,957	184,039	37,947	40,652
Operating result before income tax for the year	11,788	8,040	(8,952)	(3,836)

Note 33.2 - Balance sheet: Higher Education & VET

Statement of Financial Position as at 31 December 2014

	Higher Education		VET	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash and cash equivalents	124,520	87,734	(961)	(528)
Receivables	28,539	10,690	646	7,194
Inventories	367	91	9	13
Biological assets	-	-	-	3
Other financial assets	80,292	100,281	-	-
Assets held for resale	-	70	-	-
Other assets	2,319	2,219	3	317
Total Current Assets	236,037	201,085	(303)	6,999
Non-Current Assets				
Receivables	63,270	61,970	-	-
Other financial assets	519	519	-	-
Property, plant and equipment	196,052	162,970	104,371	114,123
Investment Properties	54,550	62,845	4,725	-
Intangible Assets	1,086	2,474	324	481
Total Non-Current Assets	315,477	290,778	109,420	114,604
TOTAL ASSETS	551,514	491,863	109,117	121,603
Current Liabilities				
Payables	38,696	6,740	2,040	441
Borrowings	632	595	-	-
Provisions	30,221	19,732	4,423	4,575
Other liabilities	13,151	9,329	-	-
Total Current Liabilities	82,700	36,396	6,463	5,016
Non-Current Liabilities				
Borrowings	164	796	-	-
Provisions	66,080	63,889	452	636
Total Non-Current Liabilities	66,244	64,685	452	636
TOTAL LIABILITIES	148,944	101,081	6,915	5,652
NET ASSETS	402,570	390,782	102,202	115,951
EQUITY				
Accumulated Surplus	285,419	273,631	77,839	86,791
Reserves	117,151	117,151	24,363	29,160
TOTAL EQUITY	402,570	390,782	102,202	115,951

Note 33.3 - Statement of Cash Flows for the year ended 31 December 2014

Statement of Cash Flows for the year ended 31 December 2014

	Higher Education		VET	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash Flows from Operating Activities				
Receipts				
User fees and charges received	113,561	84,020	16,194	5,399
Investment Income received	12,637	12,142	194	405
Other receipts	10,482	1,483	101	168
GST recovered from ATO	9,093	9,685	1,863	1,984
Cash flows from Government				
State Government Grants	393	484	15,311	18,142
State Government contributions - specific projects	-	-	2,465	1,367
Commonwealth Government / Grants	61,346	56,912		
Student payments	2,567	2,228	-	-
HELP SCHEMES	32,477	26,632	-	-
STUDENT AMENTTIES - HELP	1,297	1,220	-	-
FEE-HELP - Commonwealth payments	3,110	2,953	-	-
VET FEE - HELP	-	2,856	1,351	2,856
OS - HELP (Net)	19	4	-	-
Superannuation Supplementation	(1,025)	408	-	-
Payments				
Payments to employees	(111,725)	(81,239)	(24,504)	(27,719)
Payments to suppliers (Including GST)	(68,807)	(53,859)	(9,813)	(10,566)
Finance costs	(73)	(107)	-	-
Payments to private providers	(45,296)	(41,977)	-	(57)
Net cash provided by/(used in) operating activities	20,056	23,845	3,162	(8,021)
Cash Flows from Investing Activities				
Payments for property, plant & equipment	(3,099)	(13,472)	(3,602)	(14,197)
Proceeds from sale of property, plant and equipment	396	279	6	6
Proceeds/(purchase) of investments	20,028	(20,048)	-	-
Net cash provided by (used in) investing activities	17,325	(33,241)	(3,596)	(14,191)
Cash Flows from Financing Activities				
Repayment of interest bearing liabilities	(595)	(560)	-	-
Net cash provided for (used in) financing activities	(595)	(560)	-	-
Net increase / (decrease) in cash and cash equivalents	36,786	(9,956)	(434)	(22,212)
Cash and cash equivalents at the beginning of the financial year	87,734	97,690	(528)	21,684
Cash and cash equivalents at the end of the financial year	124,520	87,734	(962)	(528)

Note 33.4 - Statement of Changes in Equity for the year ended 31 December 2014

Statement of Changes in Equity for the year ended 31 December 2014

Higher Education				
	2014		2013	
	Total	Reserves	Retained	Total
	\$'000	\$'000	Surplus	\$'000
			\$'000	
Total equity at the beginning of the financial year	390,782	117,151	265,591	382,742
Net operating result after income tax for the year	11,788	-	8,040	8,040
Movement in Revaluation Reserve	-	-	-	-
Transfer of reserves	-	-	-	-
Total equity at the end of the financial year	402,570	117,151	273,631	390,782

VET				
	2014		2013	
	Total	Reserves	Retained	Total
	\$'000	\$'000	Surplus	\$'000
			\$'000	
Total equity at the beginning of the financial year	115,951	29,160	90,627	119,787
Net operating result after income tax for the year	(8,952)	-	(3,836)	(3,836)
Movement in Revaluation Reserve	(4,797)	-	-	-
Total equity at the end of the financial year	102,202	29,160	86,791	115,951

NOTE 34 | EX GRATIA PAYMENTS

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
The University has made no ex-gratia payments	-	-	-	-

NOTE 35 | EVENTS OCCURRING AFTER REPORTING DATE

Other than mentioned herein, at the date of this report there is no matter or circumstance that has arisen since 31 December 2014 which has or may significantly affect:

- (a) The operation of the economic entity;
- (b) The results of those operations; or
- (c) The state of affairs of the economic entity in the financial years subsequent to 31/12/2014

INDEPENDENT AUDITOR'S REPORT

To the Council members, Federation University Australia

The Financial Report

The accompanying financial report for the year ended 31 December 2014 of Federation University Australia which comprises a statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration by the Chancellor, Vice Chancellor and Chief Financial Officer has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising Federation University Australia and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 28 to the consolidated financial statements.

The Council members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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


Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Federation University Australia and the consolidated entity as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
24 February 2015


John Doyle
Auditor-General



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