



## STRATEGIC PLAN

### The Values of Federation University Australia are:

- Excellence:** Pursuit of excellence in education and research through the development of critical thinking, logic and reasoning.
- 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:** Build collaborative relationships of mutual benefit at the local, national and international level.

### The Objectives of Federation University Australia are to be:

1. Regional in focus, 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
3. Strategic in fostering world-class research
4. Productive and effective in forming partnerships and engaging with its communities and regions
5. Accountable for what it does

### The Strategic Priorities for Federation University Australia are:

1. Growing undergraduate, on-campus domestic student load annually by at least 5%
2. Strengthening its research profile to achieve world-class standards
3. Implementing a range of initiatives associated with the further development of Federation University Australia



<b>Letter of Transmittal to the Minister</b>	<b>2</b>	<b>The Council</b>	<b>22</b>	<b>Organisational and Regulatory Information</b>	<b>31</b>
<b>Vice-Chancellor's Report</b>	<b>3</b>	The Chancellor	22	Student Enrolment	31
<b>Our Year in Review</b>	<b>4</b>	The Vice-Chancellor	22	<b>Our workforce</b>	
<b>Special Events</b>	<b>8</b>	Chair, Academic Board	23	2016 Organisational chart	32
<b>Our Students' Learning</b>	<b>10</b>	Ministerial Appointment	23	Staff Code of Conduct	32
<b>Our Staff</b>	<b>12</b>	Members Appointed by the Governor-in-Council	23	Staff Workforce Data as at 31 December 2016	33
<b>Our Research and Learning</b>	<b>13</b>	Members Appointed by Council	23–24	Workplace Relations	33
<b>Our Engagement and Partnerships</b>	<b>14</b>	Elected Members of Council	24	2016 Achievements	33
<b>Sustainability Report</b>	<b>16</b>	Table: Council and Committee Membership and attendance at meetings	25	Distinguished Service List	34
<b>The Federation University Australia Foundation</b>	<b>18</b>	Governance Structure	25	Diversity and Inclusion	35
Donor Recognition	18	Committees of Council	26	<b>Regulatory Compliance</b>	
Financial Statements as at 31 December 2016	19	Academic Board and its Committees	27	Application and Operation of the 'Freedom of Information Act 1982'	36
<b>About the University</b>	<b>20</b>	Academic Board Review	27	'Protected Disclosure Act 2012'	37
Federation University Australia Act 2010 (the Act)	20	Management Structure	28	'Competition and Consumer Act 2010'	37
Services Provided	21	Review	28	'Education Services for Overseas Students Act 2000'	37
Fields of Study	21	Reporting	28	'Building Act 1993'	37
Other Services	21	Role of Council and Duties of Council Members	28	Grievance and Complaints Procedures	37
Research and Consultancy	21	Management of Interests or Conflicts of Interest	29	University Addresses, Telephone and Facsimile Numbers and e-mail Addresses	38
		Risk Management	29	Other Relevant Information available at the University	38
		Register of Shareholdings that includes a Risk Assessment	30	<b>Appendix One</b>	<b>39–40</b>
		Council Professional Development and Appraisal	30	University Disclosure Index	39–40
		Indemnity of Councillors and Senior Officers	30	<b>Appendix Two</b>	<b>41</b>
		Attestation on compliance with the Australian/ New Zealand Risk Management Standard	30	Financial Summary – Consolidated Results	41
				Assets, Liabilities and Equity	41
				Statement of Allocation of Funds	41
				Future Outlook	41
				Victorian Industry Participation Policy (VIPPP)	41
				Five Year Financial Summary	42
				Consultancies	43
				Statement on Compulsory non-academic Fees	43
				<b>Financial Statements</b>	<b>44</b>

The cover of this Annual Report reflects the University's passage through time and space, from its origins as one of Australia's oldest tertiary institutions, to one of its most progressive and expanding.

2016 marked the retirement of the University's Vice-Chancellor, Professor David Battersby. In a gesture to mark this occasion, a limited edition coffee table book was provided to Professor Battersby as a gift from the University. The book, entitled 'Through the Lens', is a photographic essay that unlocks secrets from Federation University Australia's historic campuses and research partners. The iconic snapshots used within the book, and indeed within this 2016 Annual Report, offer hidden insights and visually engaging perspectives of locations including the old Ballarat Goal and the former Camp Street police station and law courts. These heritage sites have been thoughtfully transformed into learning and teaching spaces.



## Letter of Transmittal to the Minister

Dr Paul Hemming

On behalf of the Council of Federation University Australia, I am pleased to present the 2016 Annual Report on the University's activities. The Report was approved by the University Council on 21 February 2017 and has been prepared in accordance with the provisions of the *Financial Management Act 1994*.

Throughout 2016, the University has continued to grow and respond to the needs of the communities it serves. The Council has acted responsibly in its governance requirements and again oversaw a strong period of expansion for the University.

Council closely monitored the progress in the University's Strategic Plan and approved updated Master Plans for each of our campuses, during the year. The majority of Council members attended the National Conference on University Governance later in the year, and used the opportunity to further enhance our governance skills.

During 2016 we welcomed an elected staff member and also a student member in accordance with revised governance arrangements as decided by the Victorian parliament. We also farewelled a long serving Council member in Ms Meredith Doig and welcomed new Council members Pauline Buckland and Ms Stacey Grose.

In December the University farewelled and thanked our Vice-Chancellor, Emeritus Professor David Battersby AM, who retired after ten years of dedicated service in the position. Professor Battersby grew and strengthened our University during his term of office. He also led our transition to Federation University Australia. On behalf of the Council, I thank David for his great work on behalf of the university, and the support provided by his wife, Dr Kennece Coombe.

Finally, I would like to thank our dedicated Council members, including Deputy Chancellor George Fong, senior leaders and all staff for their outstanding service and dedication throughout 2016. I have no doubt that the University is well positioned for its planned future expansion in 2017, as we welcome our new Vice-Chancellor Professor Helen Bartlett.

Dr Paul Hemming  
Chancellor

21 February 2017



Professor Andy Smith

## Vice-Chancellor's Report

I am delighted to present the Annual Report for Federation University Australia for 2016. It has been a year of great change as we announced further expansions for the University.

During 2016 we concluded successful negotiations with Monash University to acquire their campus at Berwick in Melbourne's eastern suburbs from 2018. We will deliver 15 Higher Education programs at the campus from 2017. The extension of the University's activities to Berwick will complement the success of our Gippsland Campus, also acquired from Monash University in 2014.

On the international front, the University officially launched its new Student Support Centre in Kuala Lumpur. Drawing together the University's highly successful operations in Malaysia, the new Student Support Centre will provide a strong physical presence for the University in SE Asia. Another international campus in Brisbane will follow in 2017.

The University also was pleased to confirm our status as one of the nation's leading universities with a series of number one rankings in the latest Quality Indicators for Learning and Teaching. The University was ranked number one in Victoria on a range of quality indicators including teaching quality, student support, full-time employment and median starting salary.

2016 was a year of renewal for TAFE at the University. The Victorian Government released its new policy for vocational education and training, Skills First, which prioritises TAFE in the VET system. FedUni TAFE and Fed College have been major beneficiaries of the increased funding that has flowed from the new policy.

This year we bid farewell to our long-serving Vice-Chancellor, Professor David Battersby. Professor Battersby has been a truly transformative leader for the University, extending our operations in regional Victoria and overseas as well as creating the Federation University Australia identity. His ten years of sterling leadership have positioned the University for a strong period of growth and success in the future.

Also in 2016 we farewelled a number of senior and long-serving staff of the University – Mal Vallance, Pro Vice-Chancellor (Business Asset Strategy); Professor Mike Willis, Pro Vice-Chancellor (International and Partnerships); and Dr Harry Ballis, Head of the Gippsland Campus. All three made an outstanding contribution over many years to the University and its predecessor institutions. We wish them well in their retirement.

In December, the University Council announced Professor Helen Bartlett as the next Vice-Chancellor of the University. Professor Bartlett comes to the University with an outstanding track record in tertiary education management, nationally and internationally. We look forward to welcoming her to the helm of the University in May 2017.

I would like to recognise the hard work and commitment of the University's management and staff throughout 2016. Our appreciation and thanks also are extended to partner providers and the communities and regions we serve.

I also would like to express my thanks to the University Council and the Chancellor, Dr Paul Hemming. Their sound stewardship of the University in 2016 has contributed greatly to our success.

Professor Andy Smith  
Acting Vice-Chancellor

21 February 2017



## Our Year in Review

FedUni once again proved itself a leading national university by recording a spectacular series of top rankings in the 2017 Good Universities Guide. We continued our number one ranking in teaching quality by maintaining our maximum five-star rating for a record eighth consecutive year.

A new Bachelor of Arts program was unveiled in both the Wimmera and Grampians regions.

FedUni TAFE hosted the Victorian Manufacturing Showcase. The event brought together over 400 manufacturers and delegates to showcase and discuss the latest in advanced manufacturing technologies.

Our Wimmera Campus recognised reconciliation week by holding indigenous activities, including local artists performing a traditional dance.

Image courtesy of Wimmera Mail Times

The University Council appointed Professor Helen Bartlett as its next Vice-Chancellor, commencing in May 2017. Previously Professor Bartlett was President and Chief Executive Officer / Pro-Vice Chancellor of Monash University Malaysia.

Prior to commencing this role in 2013, Professor Bartlett was Pro Vice-Chancellor and President of the then Monash Gippsland Campus.





TOP: The Live > Learn > Lead (LLL) program at Federation University Australia received a major award at the 2016 Australian Awards for University Teaching.

ABOVE: Nicole Dickinson and Sarah Jones at FedUni's 2016 Open Day

TOP: The Gippsland Campus welcomed more than 800 new students in 2016.

ABOVE: The first University-wide Disability Action Plan was completed in 2016 to improve accessibility for people with disability in both study and employment.



FedUni confirmed its intention to have a presence at Monash University's Berwick Campus from 2017. The University announced up to 15 degree programs at Berwick in the fields of business, education, nursing, IT and science, with the intention to be the sole University at the campus in 2018.



The launch of a new high technology nursing lab took place at Mt Helen. The precinct was designed on the principles of contemporary health care practice in nursing and will enable students to apply and develop their clinical skills.



Lynne McLennan was made an Honorary Doctor of the University.



Staff were on hand to answer questions from prospective students at the Berwick Campus info evening.





David Battersby and grandson Jamieson Battersby at the unveiling of his portrait at the end of year Council dinner.

Vice-Chancellor and President, Professor David Battersby was farewelled from the University after 10 years in the role.

Professor Battersby led the team responsible for the University's name change from the University of Ballarat to Federation University Australia in 2013, along with a new and enlarged charter to provide higher education and vocational training opportunities across regional Victoria. The intake of students into Federation University Australia in 2016 was the largest ever.

Professor Battersby assumed a major role as a spokesman on regional higher education issues, including Foundation Chair of the Regional Universities Network (RUN); former Lead Vice-Chancellor for Universities Australia on Inter-sectoral Issues and Chair and Board Member of Education Australia Ltd.



## Special Events

Federation University Australia opened its new Support Centre in Kuala Lumpur in November. The dedicated support centre greatly enhances the range of programs and associated activities FedUni can deliver to Malaysia and surrounding locations.

DVC Engagement, Professor Todd Walker, in Malaysia for the Support Centre opening.



The inaugural 'Stars & Scholars' dinner was held in Ballarat to raise awareness of the Federation University Australia Foundation, which awarded a total of 18 scholarships in 2016.

Performing Arts students from the FedUni Arts Academy, researchers, alumni and friends of the University joined forces to help showcase the University and the work of the Foundation in changing peoples' lives



The University was honoured to welcome the 2016 Australian of the Year, Lieutenant General David Morrison AO as guest speaker at the Sir Albert Coates Oration at Mt Helen in October.

From left: DVC Engagement, Todd Walker; Chancellor, Dr Paul Hemming; Lieutenant General David Morrison AO; and Don Moss.



Rick Chew from the Arts Academy paid tribute to retiring Vice-Chancellor, Professor David Battersby.



TABLE  
5



## Our Students' Learning

More than 600 students graduated from Federation University Australia in 2016, including students at Gippsland, where the first graduation ceremony was held since the University moved into the Churchill-based campus in 2013.

Building commenced at Mt Helen on the Student Commons area. The area will be a 24/7 group study space enabling students to gather to collaborate on group assignments, undertake self and peer directed learning while engaging in a casual social environment supported by technology deployment to enhance their learning.

Thirty awards to FedUni students were presented at the 2016 TAFE Awards for Excellence at the SMB Campus in March.

Our students excelled in the annual WorldSkills Australia National Competition. Ten apprentices from Ballarat and the Wimmera competed in 10 categories in the competition with five medals awarded.

Aunty Eileen Harrison, highly respected Kurnai Elder and artist received a standing ovation when she received an Honorary Doctorate in recognition of her eminent service to art and to her people at the University's first graduation ceremony at its Gippsland Campus in May.

In Ballarat, a May graduation ceremony was held at the Regent Theatre in Lydiard Street, creating a colourful spectacle for motorists and shoppers.

Federation Business School held two Awards nights in Ballarat and Traralgon recognising academic excellence. Recipient, Samuel Carrol, is pictured below.





In 2016 FedUni Schools Outreach brought a taste of University to over 8000 school students between Grades 5/6 and Year 12 from 71 regional schools across Western and Eastern Victoria, with in-school sessions, on-campus activities and camps at the Ballarat and Gippsland campuses.



The FedUni Kokoda Challenge once again saw staff and students complete the 90km Kokoda Track during the mid-year lecture break in 2016. The Challenge allowed participants the opportunity to take part in an authentic learning and cultural experience while gaining an understanding of the historical significance of the Kokoda Track.

International business exchange students take a break from study to meet with Lecturer Vicki Bethell and Executive Dean Bob O'Shea.



## Our Staff



Executive and Personal Assistants were given access to a targeted Professional Development Program developed and implemented by the Hendy Award recipients. The award is named in honour of the late Geoff Hendy, a long-servicing staff member. The 2016 award recipients, Susan Scott, Angela Mazou and Linda Atkinson, used the development grant to establish the training program to ensure FedUni EA's and PA's are better prepared, informed, skilled and responsive to both University and senior executive needs.

FedUni staff who will benefit from the Hendy Training Program from left, Cheryl Henry, Rana Stollery, Denise Wright, Susan Scott, Pauline Williamson and Danielle Squire.

The University acknowledged 73 10-year milestone recipients; 17 20-year recipients, seven 30-year recipients; and one 40-year recipient, totalling 98 staff members across all of our Federation University campuses.

Among the service milestone award recipients were sisters Tara Hale and Tracey Demetrios, pictured being congratulated by Head of Campus at Gippsland, Professor Harry Ballis, who retired from the University in December.

Each year, our staff volunteer to serve up a Xmas in July luncheon to raise funds for the 3BA Christmas in July Appeal and other nominated charities in Ballarat and Gippsland. Campus Life staff, Alyssa Walshe and Chelsea Annear were among those on duty.

Professor Marcia Devlin, Deputy Vice-Chancellor (Learning and Quality), was a state finalist in the Public Sector and Academia category of the 2016 Telstra Business Women's Awards.

FedUni alumni member Dayle Stevens, Chief Information Officer at the National Australia Bank, was also a state finalist in the Corporate and Private category.



Mal Vallance, former Director of the Ballarat Technology Park (pictured above), was awarded the title Fellow of the University, as was Dr Kennece Coombe. Vice-Chancellor Professor David Battersby, who retired in December 2016, received an Honorary Doctorate and was awarded the title Emeritus Professor. Lynne McLennan, Aunty Eileen and Elizabeth Lewis-Gray also received Honorary Doctorates.

George Fong was appointed Deputy Chancellor.

# Our Research and Learning

The University announced research priority areas aimed at expanding its research potential, including information forensics and security; transformative and preventative health; injury prevention in active populations; sport and recreational spatial analysis; history and heritage; improving policy and practice in vocational education and training, and; the assessment and management of dynamic landscapes

The University announced a \$20,000 upgrade to its nursing facilities at Horsham as it prepared to introduce a new Diploma of Nursing training package in 2017.

The Centre for eResearch and Digital Innovation (CeRDI) was awarded the prestigious Asia Pacific Spatial Excellence Award for Environment and Sustainability.

The University confirmed its status as one of the nation's leading universities with a series of number one rankings in the latest Quality Indicators for Learning and Teaching.

The Australian Historical Association's 2016 Conference, From Boom to Bust, was hosted by the University Australia's Collaborative Research Centre for Australian History (CRAH) in Ballarat.

The Australian Collaboration for Research into Injury in Sport and its Prevention announced a new domestic PhD scholarship in injury epidemiology.

The National Health and Medical Research Council (NHMRC) awarded funds to Professor Fadi Charchar for a major research project on Y chromosome mechanisms in coronary artery disease.

The University succeeded in obtaining three prestigious research grants from the Federal Government's Higher Education Participation and Partnerships Program National Priorities Pool.

Two new Vice-Chancellor's Awards were instigated in 2016 to recognise excellence in research. Australian Collaboration for Research into Sport and its Prevention (ACRISP), under the leadership of Professor Caroline Finch, won the inaugural Vice-Chancellor's Awards for Excellence for Research. Dr Lauren Fortington from ACRISP won the inaugural Vice-Chancellor's Award for Excellence for Research – Early Career Researcher.

Federation University Australia's Dr Richard Dazeley was named ICT Educator of the Year at the prestigious 2016 ACS Digital Disruptors Awards.

The University and CO<sub>2</sub>CRC Limited officially opened a new carbon capture and storage (CCS) laboratory at the Gippsland Campus on 16 September 2016. Pictured below is Minister Darren Chester, alongside FedUni's Dr Vince Verheyen and Former Federal Minister for Resources and Energy Martin Ferguson, at the official opening of the Carbon Capture and Storage Research Laboratory.



TOP: FedUni Lecturer Jessica Reeves (right) and Earth Ed educator Colleen Filippa were chosen for a women-only expedition to Antarctica.

ABOVE: Jessica Reeves, contemplating what lies ahead. (Photo Sarah Conolly)



Professor Erica Smith was presented with the Ray Barker Award for Distinguished Service to VET research.





## Our Engagement and Partnerships

FedUni was confirmed as an Elite Athlete Friendly University following the signing of an agreement with the Australian Sports Commission.

FedUni and Hebei University of Science and Technology (HUST) announced plans to establish a joint education institute in Shijiazhuang, China.

A two-year partnership between the University and Downer EDI Limited will see Downer will provide \$160,000 to fund eight industry placements for students in 2017.

The University signed a Memorandum of Understanding with Taizhou University China in a ceremony at the Gippsland Campus.

\$9,000 was raised during the fifth annual Blue Tie Ball supporting Beyondblue, the national depression and anxiety initiative. Pictured from left Colin Marshall, former Prime Minister Julia Gillard and Georgie Harman, the CEO of beyondblue.

Phoenix P-12 Community College entered their first crew in the annual Head of the Lake Regatta following sponsorship support from FedUni.

Federation Business School sponsored the Commerce Ballarat Business Excellence Awards for the third year running. The awards recognise the achievements of small business in Ballarat with a gala evening held in August.

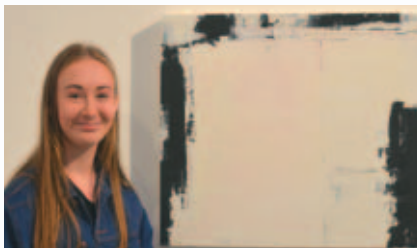


Photography courtesy of The Courier, Ballarat.



The University supported the following events and activities through the Vice-Chancellor's Sponsorship Fund in 2016, including:

- The Victorian Country Short Course Swimming Championships
- North Ballarat Football Club – Major Community Partner
- FedUni Pipe Band
- St Patrick's College Ballarat – Flanagan Art Prize
- Ballarat Basketball Association – Corporate Partnership
- Ballarat Agricultural Society – Junior Ambassadors – Ballarat Show
- WorldSkills Australia – Ballarat/Wimmera Region
- Ararat Viva Festival – Gold Sponsor
- Latrobe's Biggest Blokes BBQ – raising money for prostate cancer research



Ali Taylor, Gippsland Grammar, winner of FedUni's Refresh Art Prize.



FedUni sponsored the Flanagan Art Prize



FedUni became an elite Athlete Friendly University and began delivering its Applied Management and Business programs to senior AFL players.



In November, FedUni and Central Highlands Water signed a Memorandum of Understanding to collaborate on education, training, research and consulting projects.

The Regional Engagement Programs supported the ongoing collaborative efforts between FedUni and Anglicare, for the Maria Island: Hike to Higher Education involving Year 9 and 10 students from Ararat and Horsham Secondary Colleges and student mentor volunteers from FedUni.



# Sustainability Report

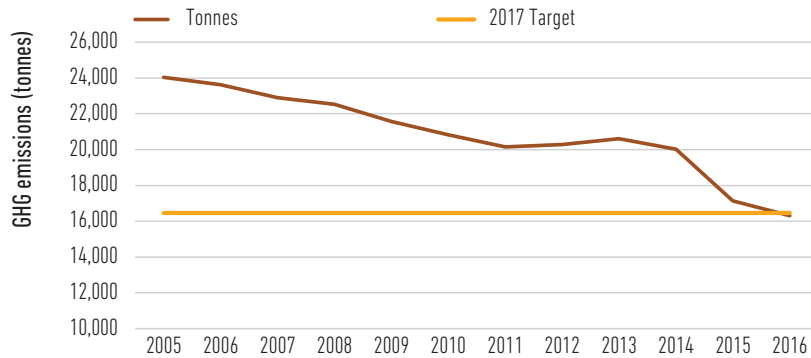


FedUni continued to reduce the environmental impact on every campus through a range of measures including energy reduction, waste minimisation, and vehicle fuel savings. Our 2016-17 Sustainability Strategy sets environmental targets against the baseline year (2013).

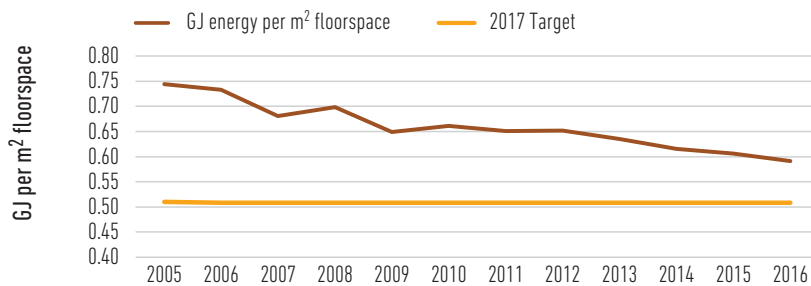
Since 2013 FedUni has achieved the following:

- reduction in greenhouse gas emissions (GHG) by 21% or 4,842 tonnes
- electricity consumption reduced by 17%
- natural gas consumption reduced by 3%
- water consumption reduced by 4% or 3.5 million litres
- recycled waste increased by 60 tonnes, a 28% improvement
- waste to landfill reduced by 17 tonnes, a 4% improvement
- fuel consumption for the vehicle fleet reduced by 19%, a saving of 41,800 litres
- Staff patronage on V/Line train travel increased by 96%
- paper consumption decreased by 36% or 7,255 reams

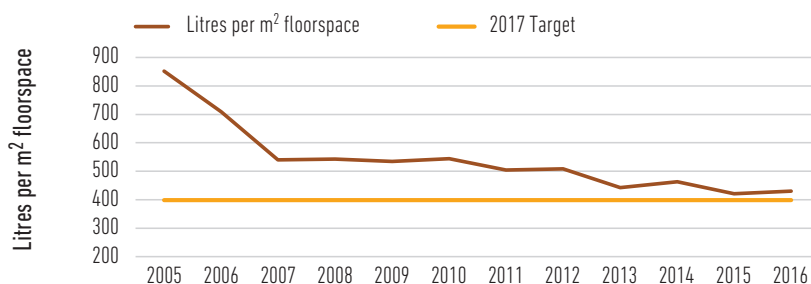
## Greenhouse Gas Emissions (scope 1&2)



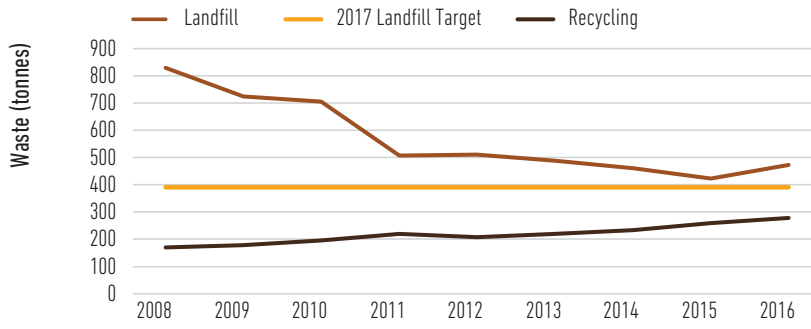
## Energy consumption



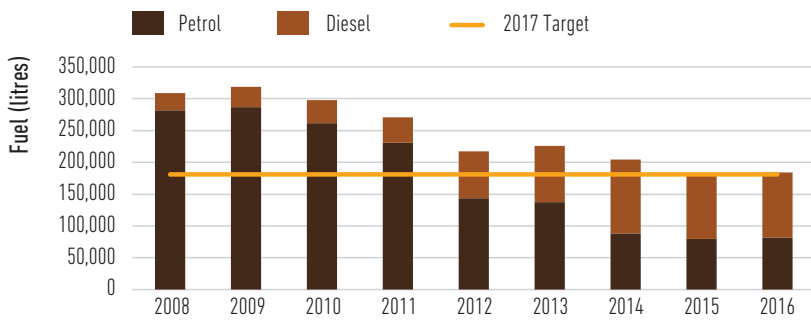
## Potable water consumption



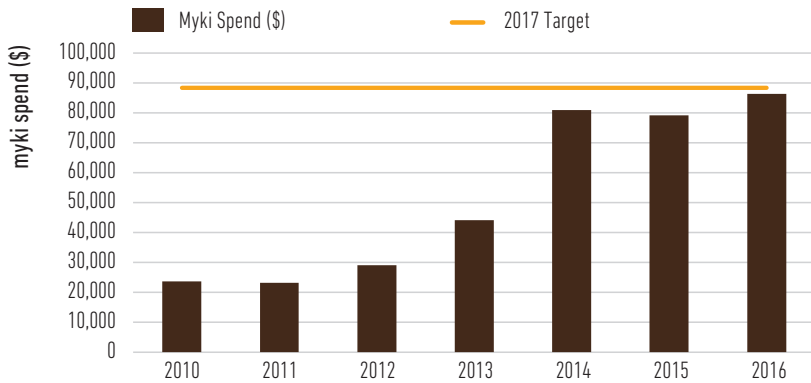
### Waste and Recycling



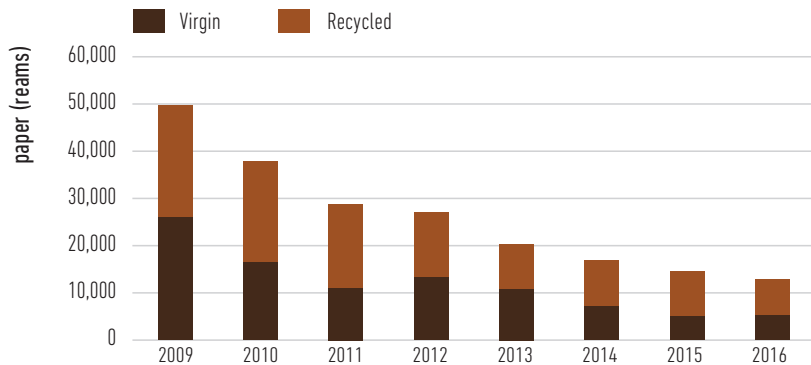
### Fleet vehicle fuel



### V/Line



### Paper Consumption



# The Federation University Australia Foundation

In 2016, the Foundation increased its scholarship allocation from eleven \$7,000 scholarships, to eighteen \$7,000 scholarships, as well as two Gippsland Education Precinct bursaries to the value of \$2,500 each and one Brian Mackenzie Gippsland Bursary to the value of \$3,000.

The Federation University Australia Foundation donations continued to rise throughout 2016, with overall donations to the Foundation reaching just over \$3 million.

The Foundation would also like to acknowledge with gratitude funds donated to the University prior to the establishment of the Foundation, which enabled the creation of the overall scholarship fund, and warmly thanks all current donors and their families for their generosity in growing the Foundation funds.

The University held its first Stars and Scholars dinner to raise funds for the Foundation in September with over \$19,000 raised. The Foundation thanks our sponsor, the Buninyong & District Community Bank branch of the Bendigo Bank for their contribution towards the evening.

## Donor Recognition

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

#### 2015

Bendigo Community Bank, Buninyong  
 Dr Meredith Doig  
 Dr Paul J H Hemming  
 Dr Janet Holmes a Court AO AC  
 In memory of Carol Lynette Prowse, Dip. Teach (UB) 1962–2015  
 Sandra & Tony Stone

#### 2016

Professor David Battersby AM  
 Dr Paul J H Hemming

### Corporate donors

#### 2011

Pierce Armstrong Trust

#### 2014

Gippsland Education Precinct  
 Golden Key International Honours Society

#### 2015

Buninyong Community Bank  
 Inskill Pty Ltd

#### 2016

Buninyong Community Bank

### Platinum Circle donor

#### 2010

Dr. Wai-Man Woo

#### 2015

Inskill Pty Ltd

### Gold Circle donor

#### 2014

Estate Ian Alexander Gordon

#### 2015

Gippsland Education Precinct

#### 2016

Dr Meredith Doig  
 Dr Shesh Ghale  
 Dr Kiran Mazumdar-Shaw

### Silver Circle donor

#### 2014

Brian Mackenzie Gippsland Bequest

### Bronze Circle donor

#### 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

#### 2015

Mr Steven Davies  
 Prof Marcia Devlin  
 Mr Ian Nethercote  
 Mr Michael Ryan  
 Ms Pam Sutcliffe

#### 2016

Mr Shane Armstrong & Mrs Yvonne Armstrong  
 In memory of John Charles Barker, B. Eng. (B.C.A.E.) 1958–1994  
 Ms Pauline Buckland  
 Mr Steven Davies  
 Ms Janet Dore  
 Professor Emeritus Kwong Chiu Lee Dow AM AO  
 FedUni Ex-Staff Association (Ballarat Branch)  
 Dr Janet Holmes a Court AO AC  
 Mr Geoffrey Lord  
 Professor John McDonald  
 Mr Colin Prowse OAM  
 Mrs Shirley Prowse  
 Mr Michael Ryan  
 Mrs Deborah Spring  
 Mr Tony & Mrs Sandra Stone  
 Professor Leigh Sullivan  
 Prof Todd & Mrs Jayne Walker

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



**2016 Foundation Scholarship recipients:** From left: Deanne Hayes, Bethany Harrison, Erin Mitchell, Katrina Beer, Tara Schultz, Dr Paul Hemming (Chancellor), Jill Philpotts, Joshua Callander, Rebecca Bredin, Nathan Finley and Troy McLean.

The **Brian Mackenzie Gippsland Bursary\*** was established to honour the late Emeritus Professor Brian Mackenzie who passed away.



From left: Dr Harry Ballis (Head of Campus Gippsland), Danielle Brandon (2016 Gippsland Education Precinct Bursary recipient), Harrison Carter (2016 Brian Mackenzie Gippsland Bursary recipient), Kristie Russell (2016 Foundation scholarship recipient) and Dr Paul Hemming, Chancellor.

The **Ian Alexander Gordon Scholarship** was established to honour the life of Dr Gordon who passed away in 2012.



From left: David Gordon, Deanne Hayes (2016 recipient) and Fiona Gordon holding a photo of their father Ian Gordon.

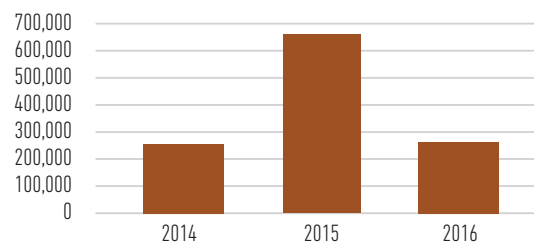
The **Carol Lynette Grant Prowse Scholarship** was established to honour the life of Carol who passed away in 2015.



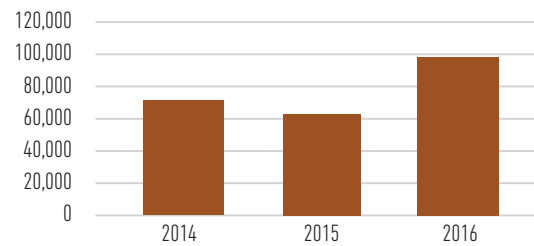
From left: Colin Prowse, Matthew Farnell, Luke Grant, Erin Mitchell (2016 recipient), Emily Grant, Shirley Prowse and Craig Grant.

## Financial Statements as at 31 December 2016

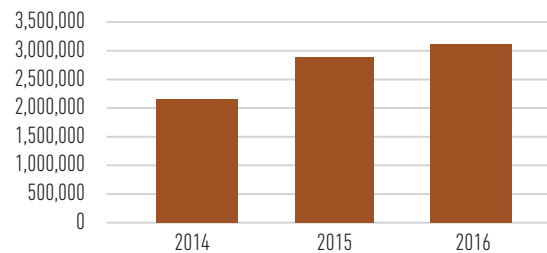
### Donations received



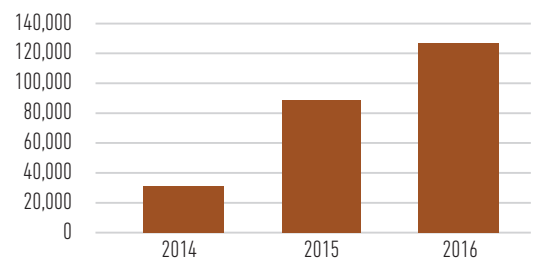
### Investment income



### Net assets



### Value of scholarships given



\*The Gippsland Education Precinct elected for voluntary cancellation of its Incorporation in 2014 and the residual funds were transferred to the Foundation to establish two bursaries at the value of \$2,500 each.



## About the University

### 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 has 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.

In 2016, Federation University Australia announced plans to take possession, over a two-year period, of Monash's Berwick Campus in the south-east corridor of Melbourne. Federation University Australia, or FedUni, is headquartered in Ballarat and 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.

The name Federation University Australia was chosen to convey the scope and capacity of an expanded regional university with a federated network of campuses.

## Services provided

The users of services provided by the University are drawn largely from the Central Highlands, Gippsland and Wimmera regions of Victoria, but also include 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"> <li>• Food Sciences</li> <li>• Primary Industries</li> <li>• Nursing</li> <li>• Occupational, Health and Safety</li> <li>• Children's Services</li> <li>• Language, Literacy and Numeracy</li> <li>• Foundation Studies</li> <li>• Further Education</li> <li>• Prisons Education</li> <li>• General Manufacturing</li> <li>• Automotive</li> <li>• Metals and Engineering</li> <li>• Building and Construction</li> <li>• Building Design</li> <li>• Primary Industry and Forestry</li> <li>• Horticulture and Conservation and Land Management</li> <li>• Business and Management</li> <li>• Information Technology</li> <li>• Hair and Beauty</li> <li>• Community Services and Health</li> <li>• Cultural and Recreational</li> <li>• Transport and Storage</li> <li>• Electro Technology and Communications</li> <li>• Wholesale, Retail and Personal Services</li> <li>• VCAL</li> <li>• Training and Education</li> </ul>	<ul style="list-style-type: none"> <li>• Biomedical Science</li> <li>• Food and Nutritional Sciences</li> <li>• Exercise and Sport Science</li> <li>• Health and Physical Education</li> <li>• Visual and Performing Arts</li> <li>• Education and Early Childhood</li> <li>• Arts and Humanities</li> <li>• Social Science</li> <li>• Human and Community Services</li> <li>• Business Management</li> <li>• Accounting</li> <li>• Marketing</li> <li>• Psychology</li> <li>• Information Technology</li> <li>• Mathematics</li> <li>• General Science</li> <li>• Geoscience</li> <li>• Environmental and Conservation Sciences</li> <li>• Veterinary and Wildlife Science</li> <li>• Nursing</li> <li>• Engineering – civil, mechanical and mining</li> <li>• Mechatronic</li> </ul>

Other Services
Research and Consultancy
<p>Federation University Australia undertakes world-class research, and engages in knowledge transfer in strategic areas that have direct and considerable 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 enhancing its engagement and impact. 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>The university's major innovation platforms are its Technology Parks: including the largest regional technology park in Australia adjacent our Ballarat campus. Proven benefits of technology parks for technology based tenants include the synergies and innovative business opportunities that arise from a close proximity with other technology providers in related fields including other park tenants and university-based researchers and research facilities.</p> <p>The University aspires to enhance further its delivery of research and innovation by increasing the collaborative opportunities available in our technology parks including the main Technology Park at Ballarat and also in the innovation hub recently opened at Morwell in the Latrobe Valley, Gippsland.</p>
Other Services
<p>Other services include:</p> <ul style="list-style-type: none"> <li>• Library, Learning Support and Study Skills</li> <li>• Facilities Management</li> <li>• Information Technology Services</li> <li>• Catering and Conferencing Services</li> <li>• Wellbeing, Counselling and Sporting and Social services</li> <li>• Residential Living, Residential Community and Settlement services</li> <li>• Careers and Employment services</li> <li>• Project management services</li> <li>• Equity and Equal Opportunity Support and Outreach services</li> <li>• Centre for Learning Innovation and Professional Practice (CLIPP)</li> <li>• Aboriginal Education Centre</li> <li>• Public Relations and Alumni</li> <li>• Human Resources</li> <li>• Legal</li> <li>• Finance</li> </ul>



## 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 15 members. Set out below are the members of the Council as at 31 December 2016 including the terms of office, years on Council, qualifications and experience.

Second row, left to right: Ms Jane Smith, Ms Mashelle Parrett, Ms Stacey Grose, Ms Deborah Spring, Mr Tony Stone, Mr Ian Nethercote, Ms Alice Langley, Ms Pauline Buckland, Assoc. Prof. Kim Dowling.

Front row, left to right: Mr Cameron Beyer, Mr Steve Davies, Prof Andy Smith (Acting Vice-Chancellor), Dr Paul J H Hemming (Chancellor), Mr George Fong (Deputy Chancellor), Mr Adrian Tinetti (Secretary to Council), Mr Michael Ryan.

### The Chancellor

#### Dr Paul John Harry Hemming

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

<b>Term of Office</b>	01 July 2015 to 30 June 2018
(as Chancellor)	01 July 2012 to 30 June 2015
<b>Years on Council</b>	Chancellor 4+
	Council Member 6

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 Andy Smith (Acting)

MA (Cantab), PGCE (Oxon), MBA (Aston), PhD (Tas)

<b>Term of Office</b>	28 November 2016 to of the commencement of the University's newly appointed Vice-Chancellor in 2017
<b>Years on Council</b>	-1

Professor Smith joined Federation University Australia (FedUni) in 2008 as Head of the School of Business and Professor of Management. Prior to joining FedUni, he held a number of senior positions at Charles Sturt University. From 1999 to 2002 Professor Smith was General Manager (Research and Evaluation) at the National Centre for Vocational Education Research in Adelaide. He has worked with senior policy makers in VET at national and state level and served on numerous national committees in vocational training. Professor Smith began his career in manufacturing industry in the United Kingdom where he held a number of human resource management positions before emigrating to Australia with his family in 1987.

He was appointed Acting Vice-Chancellor on 28 November 2016, pending the arrival of the University's newly appointed Vice-Chancellor in 2017.

#### Professor David Arthur Battersby AM

MHEd NSW, PhD Waikato.

<b>Term of Office</b>	01 July 2010 to 28 November 2016
	01 July 2006 to 30 June 2010
<b>Years on Council</b>	10+

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 2015 to 31 December 2016  
31 October 2012 to 31 December 2014

**Years on Council** 4+

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 Australia.

Currently research interest in Medical Geology with a particular interest in arsenic contamination and site rehabilitation.

## Ministerial Appointment

### Ms Pauline Buckland

Bachelor of Business (Accounting) University of Ballarat, Masters of Business Administration RMIT, Fellow of the Institute of Chartered Accountants of Australia and New Zealand, Graduate of the Australian Institute of Company Directors

**Term of Office** 01 January 2016 to 31 December 2018  
**Years on Council** 1

Currently employed as the Chief Financial Officer and Company Secretary at Underground Cable Systems.

Pauline has extensive experience in various roles over the past 20 years across a range of sectors including utilities, postal and manufacturing in Australia, Canada, United Kingdom and New Zealand.

Pauline has previously worked in senior roles at Powercor, Australia Post and Deloitte holding roles in finance, company secretariat, quality and governance, supply chain, procurement, strategic projects, project management, human resources, risk management and audit.

## 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 March 2017  
**Years on Council** 3

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, Ian 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** 01 January 2016 to 31 December 2018  
29 January 2013 to 31 December 2015

**Years on Council** 4

Currently employed with the Australian Securities and Investment Commission. Mashelle 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-Generals Office and Ernst and Young.

### Mr Michael Walter Ryan

Bachelor of Business (Accounting) RMIT; Fellow of the Institute of Chartered Accountants of Australia and New Zealand; Graduate of the Australian Institute of Company Directors; Registered Company Auditor.

**Term of Office** 01 January 2016 to 31 December 2017  
04 March 2013 to 31 December 2015  
01 July 2012 to 3 March 2013  
(Council Appointee)

**Years on Council** 4+

Currently self-employed providing audit and assurance services to the small Corporate and Not-for-Profit sectors. Previous experience includes: many years in Public Accountancy Practice and business management in Regional Australia; elected local government member for several years including terms as Mayor and contributions to many Governance and Management Committees and Control Groups for local and regional projects; and, former member of the Regional Accountants Advisory Committee of the Institute of Chartered Accountants in Australia.

### 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** 01 January 2016 to 31 December 2017  
01 July 2012 to 31 December 2015

**Years on Council** 4+

Broad experience gained over 27 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, Chair of the Rail Industry Safety and Standards Board, and Mount Hotham Alpine Resort Management Board (Chair).

## Members appointed by Council

### Mr Steve Davies

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

**Term of Office** 01 January 2016 to 31 December 2018  
01 July 2013 to 31 December 2015

**Years on Council** 3+

IBM Australia's leader responsible for the operations of the GBS Client Innovation Centre in Ballarat, Victoria. The Client Innovation Centre delivers a broad range of application services to both corporate and government clients. Steve has an extensive background in the IT industry and specifically in the development, enhancement and support of business critical applications and real-time command & control systems. Roles have included software engineer, software configuration manager, development team lead, solutions architect, project team lead, project manager, program manager, project executive, site executive and

client innovation centre leader supporting clients across industries as diverse as defence, telecommunications, utilities, mining and oil & gas.

Recent roles within IBM include National Testing and Environment Services Leader, Application Services Leader for Western Australia responsible for building a services delivery capability in a growth market, Delivery Centre Leader providing leadership and up-line management for an organisation delivering application services to a major client in the telecommunication industry, and Platform Lead on a large greenfields operational support systems development for a new national telecommunications corporation.

Specialties include: IT strategy development; organisation and people management; and, program and project management.

Steve is also a member of the University's Infrastructure Committee covering physical and digital infrastructure and Federation College P-TECH Steering Committee.

## 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** 01 January 2014 to 03 May 2016  
01 January 2011 to 31 December 2013

**Years on Council** 5+

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; past Facilitator with the Institute of Company Directors; and, past Moderator with the Cranlana Program on Ethics and the Good Society.

### Mr George Joseph Fong, Deputy Chancellor

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

**Term of Office** 01 July 2015 to 31 December 2017  
01 July 2012 to 30 June 2015

**Years on Council** 4+

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; Chair of Internet Australia; Chair, Central Highlands Regional Partnership Committee; Member of the Regional Development Advisory Committee; 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.

### Ms Stacey Grose

Bachelor of Laws, Bachelor of Arts (Linguistics)

**Term of Office** 13 July 2016 to 31 December 2018  
**Years on Council** -1

Currently Director at BJT Legal, Director and Secretary of United Way Australia, Director of the Art Gallery of Ballarat and Board Member of Ballarat Regional Tourism.

Previous positions include: Chair and Board Member of United Way Ballarat; Chair and Director of the Ballarat Foundation; Chair and Board Member of the Ballarat Business Centre; and various advisory committees.

Particular areas of expertise/ interest include: accredited business law specialist; legal compliance and board governance; leadership and management; and economic development of regional cities.

### Ms Jane Smith

**Term of Office** 01 January 2016 to 31 December 2018  
**Years on Council** 1

Director, the Shiny Shiny World. Jane was the inaugural director of the Museum of Australian Democracy at Eureka (M.A.D.E). M.A.D.E is designed to be a museum of the future, using immersive and interactive content to bring history alive and be a catalyst for visitors to link the importance of the Eureka Stockade to contemporary issues. M.A.D.E won a 2015 Museums and Galleries National Award for Innovation.

Jane has over 25 years experience dealing with technology change, content generation and the changing behaviour of consumers. Jane's senior roles include being corporate strategist for the Australian Broadcasting Corporation, Chief Executive of the NSW Film & TV Office for nine years, Vice-President of Seed Australia – actor Hugh Jackman's production company.

In addition, Jane's senior management experience is in strategy, planning, stakeholder relations, project development, marketing and financing, governance, organisational strengthening, creativity and content generation and technology change and innovation in the ICT, broadcasting, arts, film and television and education sectors. She has extensive experience in working overseas.

Jane has held a number of board positions including the Australian Children's Television Foundation, Chair of the Mobile Premium Services Review and a Member of the national Classification Review Board. She is currently on the board of the Melbourne Writer's Festival.

Jane was also the inaugural Head of the Centre for Screenwriting at the Australian Film, TV and Radio School. She also did a major project with the Australian School of Business at the University of NSW. Jane sat on the steering committee that created Centre for Research into Contemporary Australian History (CRAH). Jane is an Honorary Research Fellow for CRAH.

### Mr Anthony Stone

MBA (International Business)

**Term of Office** 01 January 2016 to 31 December 2018  
01 July 2013 to 31 December 2015

**Years on Council** 3+

Experienced in Franchising, Manufacturing and the Automotive and Building Materials Sectors. Has held senior management positions in the USA, Asia and Australia and has extensive business experience in South East Asia.

Currently serves on Victorian Police Western Region Governance Committee and as Chair of AICD Regional Committee.

Previous positions: Managing Director Selkirk Group of Companies, Managing Director Asia/Pacific FMP Group, Vice President and General Manager Americas Honeywell Inc.

## Elected Members of Council

### Mr Cameron Beyer (staff)

Bachelor of Social Science (Psychology) (Honours), Graduate Diploma of Psychology, Bachelor of Applied Science, Diploma of Project Management, Diploma of Management and Certificate IV in Training and Assessment.

**Term of Office** 01 September 2016 to  
31 December 2018

**Years on Council** -1

Employed at Federation University Australia (previously University of Ballarat) since 2004. Cameron's first role at the University was as Business Development Consultant within the Commercial Services Unit. This role required Cameron to identify and contract fee for service research, consultancy and training projects that were delivered by the Higher Education and TAFE divisions of the University for industry and government. In 2013, Cameron joined the Dual Sector Partnership Project (DSP) as the Manager Business Development and Marketing and a year later took up the role as Manager DSP. The DSP was a strategically important project for the University that introduced a new platform for higher education delivery in regional Victoria through partnering with six regional TAFE institutes to deliver undergraduate degrees. In 2015, Cameron returned to the Commercial Services team to take up the role of Manager Commercial Services.

Cameron has significant experience in working collaboratively with internal and external stakeholders to advance projects delivered by the University for industry and its partners. This has included managing activities relating to: communications, marketing and business development, accreditation, infrastructure, delivery schedule and professional development of staff.

In addition, Cameron has previously worked with Westpac as a financial planner, as a consultant with one of Australia's largest agricultural consultancy firms and spent two years working in research and development at Cargill, a large agriculture, financial and industrial company in the United States.

### Ms Alice Langley (student)

Currently studying Bachelor of Health & Physical Education / Bachelor of Outdoor & Environmental Education.

Alice is involved in many aspects of the FedUni student community serving on committees of the Students of Ballarat Hockey Club, P.E Society, Outdoor Ed Society and has lived on campus for two years.

She is also employed casually in positions with FedUni Schools Outreach, FedUni Living, UniSports and Student Futures, meeting and working with students from various different faculties and campuses.

Alice is currently on the executive for The National Association of Australian University Colleges (NAAUC) which is the peak representative body for tertiary students living in on-campus accommodation.

**Table: Council and Committee Membership and attendance at meetings**

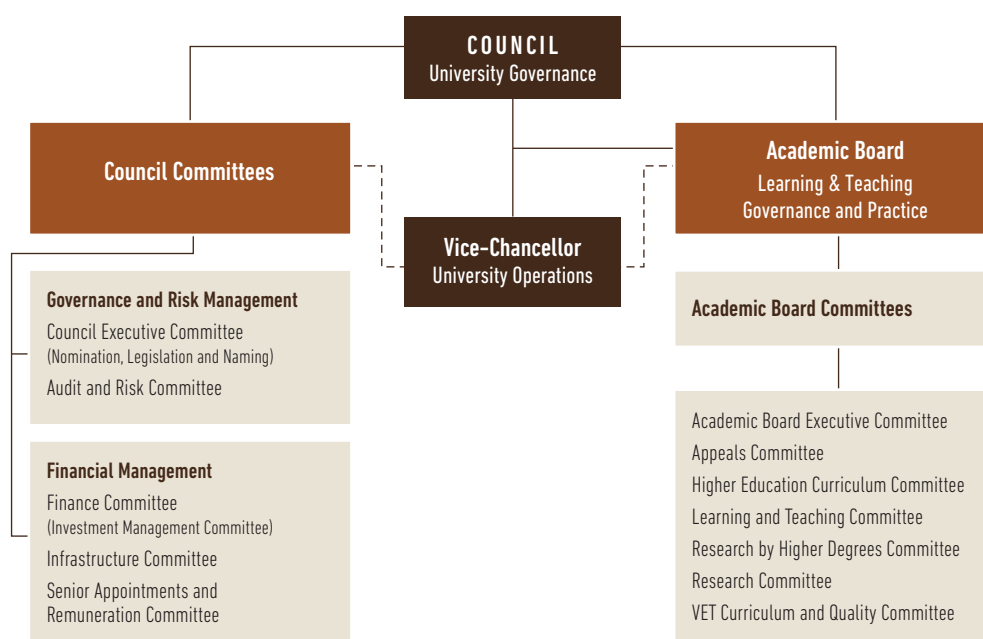
Council Member	Committee member and meeting attendance											
	Council		Executive		Audit & Risk		Infrastructure		Finance		Senior Appts & Remuneration	
No. of meetings held during the year	9		6		8		8		8		3	
	M	A	M	A	M	A	M	A	M	A	M	A
Dr Paul J H Hemming	•	9	•	6							•	3
Professor David Battersby <sup>(1)</sup>	•	8	•	5					•	7		
Prof Andrew Smith <sup>(1&amp;4)</sup>	•	7										
Assoc Prof Kim Dowling	•	7	•	6								
Mr Cameron Beyer <sup>(4)</sup>	•	4										
Ms Pauline Buckland	•	9			•	8			•	8	•	3
Mr Steve Davies	•	9					•	7				
Dr Meredith Doig <sup>(3)</sup>	•	3			•	3						
Mr George Fong	•	9	•	5			•	7			•	3
Ms Stacey Grose <sup>(4)</sup>	•	4			•	2						
Ms Alice Langley <sup>(4)</sup>	•	3										
Mr Ian Nethercote <sup>(2)</sup>	•	7			•	8	•	7				
Ms Mashelle Parrett <sup>(2)</sup>	•	8			•	8						
Mr Michael Ryan	•	9	•	6	•	8			•	8	•	3
Ms Jane Smith <sup>(2)</sup>	•	8			•	8						
Ms Deborah Spring	•	9					•	7	•	7		
Mr Tony Stone <sup>(2)</sup>	•	8					•	7	•	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) Special leave was granted by Council during the year for meetings not in attendance.
- 3) Member retired during the year but attended the required number of meetings from date of appointment.
- 4) Member appointed to Council and/or Standing Committee during the year and attended the required number of meetings from date of appointment.

## Governance structure





Opera Singer Jacqueline Dark was awarded Distinguished Alumna for outstanding professional achievement.

## 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 appointments 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.

- **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.

- **Senior Appointments & 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

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The principal academic body of the University is the Academic Board. In 2016, the board comprised 30 members of whom 18 were ex-officio members representing senior academic and teaching staff and members of the senior management team, eight elected members from teaching and general staff and students across the University, three appointed members and one co-opted member.

The purpose of the Academic Board is to provide:

- academic oversight of all academic programs and courses of study in the University and related legislation and policy; and
- a quality assurance framework for all learning, teaching and research conducted in the University, reporting to Council. 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 Review

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The Academic Board was externally reviewed in 2015 and developed an action plan for its future development guided by recommendations from the review panel. The Board constituted a revised structure of Standing and Governance Committees (below) which report regularly to the Board.

### Academic Governance Committees

The following committees assist the Academic Board on matters relating to academic governance

- **The Academic Board Executive Committee**  
Serves as the executive of the Board, makes decisions on its behalf as delegated, manages the Board's agenda and schedule of business, initiates discussion and commissions papers on major issues of educational importance.

### Standing Committees

The following committees assist the Academic Board on matters of quality assurance and academic integrity across the University's learning, teaching and research activities.

- **Higher Education Curriculum Committee**  
Holds broad responsibility in the domain of new course work programs, the review and accreditation of programs and integrity of academic offerings in Higher Education, Reports to the Board on the accordance of programs with the Australian Qualifications Framework and current Commonwealth regulations
- **Learning and Teaching Committee**  
Addresses the enhancement and quality assurance of learning and teaching across the Higher Education and Vocational Education and Training sectors in the University. Develops and monitors the University's Learning and Teaching Plan to and reports to the Board on its implementation.
- **Research by Higher Degrees Committee**  
Addresses quality and compliance in all aspects of research higher degree engagement. Develops strategies to enhance the research culture, training and research higher degree experience of researchers.
- **Research Committee**  
Addresses the enhancement and quality assurance of research in the University. Develops and monitors the University Strategic Research Plan and oversees compliance with national codes of conduct in research.
- **VET Curriculum and Quality Committee**  
Holds broad responsibility in the domain of new courses, review and accreditation of programs and integrity of education offerings in Vocational and Education Training. Reports to the Board on the accordance of the University's VET offerings with all aspects of VET regulations, including relevant Commonwealth and State regulations.
- **Appeals Committee**  
Appeal hearings are convened as required to determine appeals from students relating to their study experience including exclusion or disputes about academic results.  
Report annually to the Academic Board on the origins, numbers and outcomes of appeals.

## 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 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 from all members.

An external Review is conducted every five years. In 2015, both Council and Academic Board were externally reviewed and subsequently an action plan to guide their future development was approved.

The Senior Appointments and Remuneration Committee annually sets performance goals for the Vice-Chancellor, on behalf of Council, reviews progress of these during the year. 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

At each meeting throughout 2016, Council received comprehensive presentations relating to specific strategic priorities outlined in the 2016-2020 Strategic Plan from members of the Vice-Chancellor's Senior Team and/or other senior staff members, which fed into Council planning and strategic initiatives.

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

Council received 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 receives regular 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 are 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 are subject to independent external audit, the findings of which is reported to Council.

The University's Annual Report to the Victorian Government incorporates 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 the following procedures apply in relation to pecuniary or other conflicts of interest at all Council meetings including meetings of its committees:

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



Federation University Australia's Jamie McDonald was named one of the nation's most innovative marketers for the work the Marketing, Advancement and Community Engagement team did on the Federation Generation campaign.

## 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	Inactive	Low
Brisbane Education Services Pty Ltd	Provision of education and training	Low

### 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
Council of Australian University Directors of Information Technology Inc (CAUDIT)	Procurement and collaboration in information technology	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 of professional development;
- Participation in events organised by the relevant Commonwealth and State Government Departments responsible for Higher Education and TAFE;
- Additional workshops and conferences addressing specific skills i.e. Governance, 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 from 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, Adrian Tinetti 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.



Mr Adrian Tinetti  
Secretary to Council

21 February 2017



# Organisational and Regulatory Information

## Student Enrolment

### HE Delivery – Equivalent Full-time Student Load

Overall 2016 Equivalent Full-time Student Load (EFTSL) declined by 9.1% to 9,726.5 EFTSL compared to 2015. This was due to significant decline in fee-paying domestic student enrolments on-campus and international student enrolments at the University Partner Provider locations on-shore and off-shore. Demand for Commonwealth supported higher education places continue to rise with undergraduate load up by 6.2% to 5,531.2 EFTSL (a new record high) and Research Training Scheme load up by 17.1% to 183.0 EFTSL.

#### Summary of HE Student Load

Student Type	2015	2016	% difference
CSP Student	5,209.6	5,531.2	6.2%
Domestic Fee-Paying	212.5	191.0	-10.1%
International Fee Paying – On shore	4,247.7	3,188.8	-24.9%
International Fee Paying – Off shore	873.8	632.5	-27.6%
Research Training Scheme	156.3	183.0	17.1%
<b>Grand Total</b>	<b>10,699.9</b>	<b>9,726.5</b>	<b>-9.1%</b>

\* Load as at 31 December per internal load reporting.

### TAFE Delivery – Student Contact Hours of Training

Overall, the University delivered VET programs to over 6,500 students in 2016, equating to approximately 1.3 million Student Contact Hours (SCH) of training – with 1.08 million SCH related to funding from the State Government and 0.26 million SCH in non-government funded training.

#### Summary of TAFE Training Delivery

	Actual SCH million		% difference
	2015	2016	
Government Funded	1.12	1.08	-3.5 %
Non-Government Funded	0.33	0.26	-21.0%
<b>Total ( SCH )</b>	<b>1.45</b>	<b>1.34</b>	<b>-7.3 %</b>

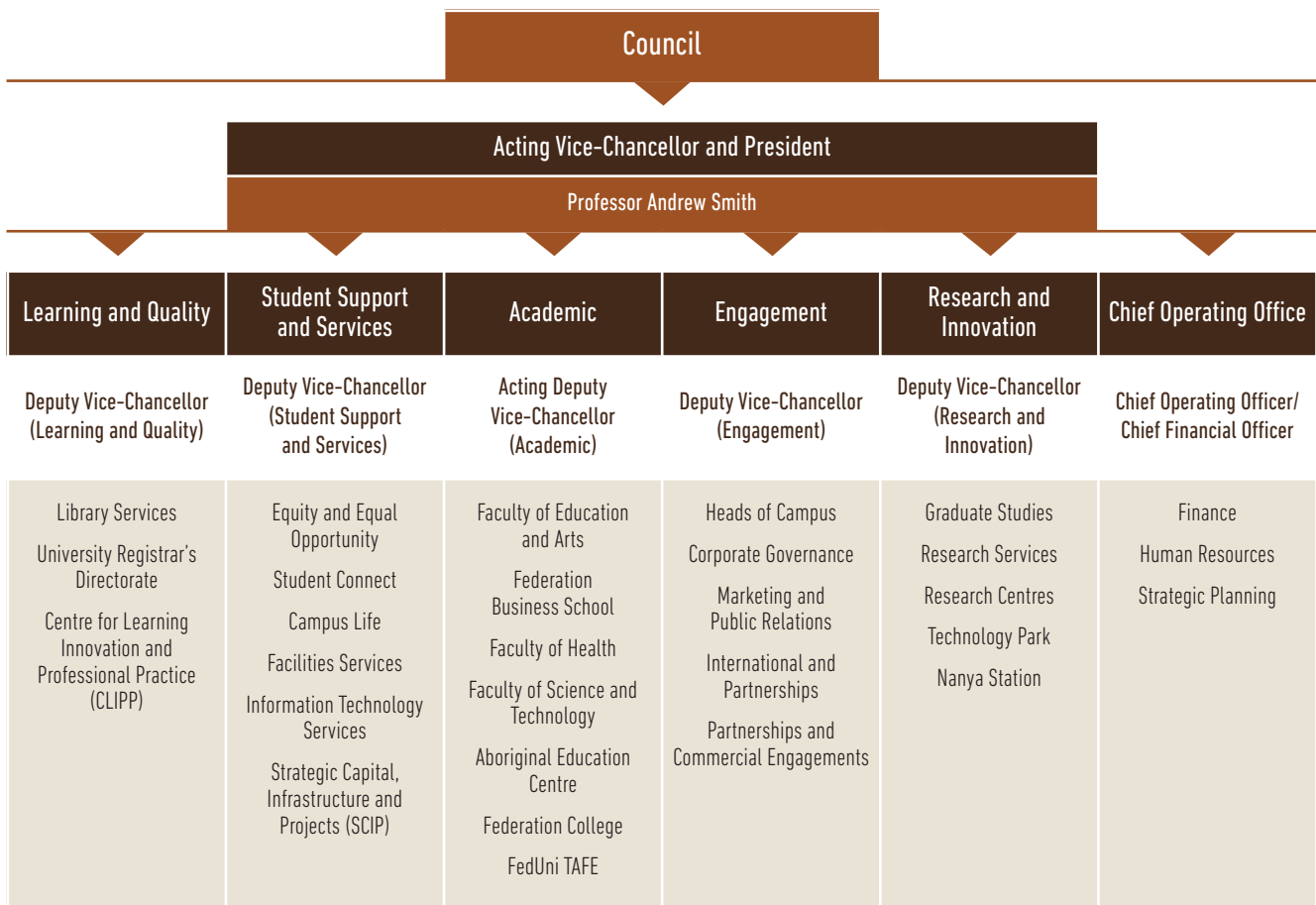
\* TAFE load as at 29 November per internal load reporting.

### Total student enrolments – headcount

	2016	2015	% Variance
<b>TOTAL STUDENT ENROLMENTS HEADCOUNT</b>	<b>20,251</b>	<b>21,043</b>	<b>-3.8%</b>
<b>By Type</b>			
Domestic	15,169	13,830	9.7%
International	5,082	7,213	-29.5%
<b>By Gender</b>			
Female	8,205	8,528	-3.8%
Male	12,046	12,515	-3.7%
<b>By Attendance Mode</b>			
Full-time	10,665	12,594	-15.3%
Part-time	9,586	8,449	13.5%
<b>By Education Portfolio</b>			
Higher Education	13,446	15,192	-11.5%
TAFE	6,805	5,851	16.3%
<b>By Enrolment Type</b>			
Commencing	11,144	10,685	4.3%
Continuing	9,107	10,358	-12.1%
<b>By Australian Qualification Framework Classification</b>			
<b>Higher Education Sector Accreditation</b>			
Research Degrees	316	296	6.8%
Master's Degree, by coursework	3,022	4,306	-29.8%
Graduate Diploma	329	433	-24.0%
Graduate Certificate	94	209	-55.0%
Bachelor Degree	9,075	8,933	1.6%
Associate Degree, Advanced Diploma	163	647	-74.8%
Diploma	2	4	-50.0%
<b>Vocational Education and Training Sector Accreditation*</b>			
Vocational Graduate Diploma	–	–	
Vocational Graduate Certificate	13	31	-58.1%
Advanced Diploma	129	177	-27.1%
Diploma	607	679	-10.6%
Certificate IV	462	575	-19.7%
Certificate III	1,874	2,153	-13.0%
Certificate II	1,586	1,596	-0.6%
Certificate I	593	586	1.2%
Schools Sector Accreditation	–	–	
Senior Secondary Certificate of Education VCAL	259	217	19.4%
Other/Non-award	2,415	1,121	115.4%
*Included in Qualifications are: Apprenticeships and Traineeships	1,616	1,681	-3.9%

# Our workforce

## 2016 Organisational chart



## Staff Code of Conduct

Federation University Australia's values guide behaviour between staff members, and towards students and the wider community.

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, respectful and ethical behaviour and to ensure the University meets its obligations under state and commonwealth legislation.

The Code will assist the University safeguard public trust and confidence in the integrity and professionalism of its 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.

All staff are expected to act with integrity, which includes being aware of and acting within the laws that apply to their conduct.

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.

The following University's principles underpin the Code of Conduct.

### Excellence

Pursuit of excellence in education and research through the development of critical thinking, logic and reasoning.

### 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

Build collaborative relationships of mutual benefit at the local, national and international level.

## Staff Workforce Data as at 31 December 2016

	2015		2016	
	No of Persons	Full-time Equivalent	No of Persons	Full-time Equivalent
<b>Higher Education Academic Staff*</b>				
<b>On-going</b>				
Male	148	144.3	158	154.4
Female	160	146.4	172	153.6
<b>Fixed-Term</b>				
Male	31	28.5	24	20.7
Female	38	29.1	38	28.16
<b>TOTAL</b>	<b>377</b>	<b>348.3</b>	<b>392</b>	<b>356.86</b>
Total Male	179	172.8	182	175.1
Total Female	198	175.5	210	181.76
*Does not include casual staff (estimated to be full-time equivalent staff 39.75 for 2015 and 42.25 for 2016), nor staff employed by third party providers. Probationary staff are included in the ongoing staff statistics.				
<b>VET Teaching Staff*</b>				
<b>On-going</b>				
Male	60	58.3	62	59.5
Female	31	25.6	30	23.5
<b>Fixed-Term</b>				
Male	14	13.7	16	13.9
Female	10	8	17	14.2
<b>TOTAL</b>	<b>115</b>	<b>105.6</b>	<b>125</b>	<b>111.1</b>
Total Male	74	72	78	73.4
Total Female	41	33.6	47	37.7
*Does not include casual staff (estimated to be full-time equivalent staff 28.10 for 2015 and 31.70 for 2016), nor staff employed by third party providers.				
<b>General / Professional Staff*</b>				
<b>On-going</b>				
Male	169	156.21	177	167.25
Female	406	344.7	481	404.44
<b>Fixed-Term</b>				
Male	169	156.21	68	63.65
Female	406	344.7	118	98.04
<b>TOTAL</b>	<b>766</b>	<b>666.65</b>	<b>844</b>	<b>733.38</b>
Total Male	228	212.32	245	230.9
Total Female	538	454.33	599	502.48
*Does not include casual staff (estimated to be full-time equivalent staff 74.40 for 2015 and 76.05 for 2016), nor staff employed by third party providers.				

## Workplace Relations

The major industrial instruments in which Federation University Australia (the University) staff terms and conditions of employment are stipulated are:

- The Federation University Australia Union Collective Agreement 2015–2018, Academic and General Staff Employees (“the Agreement”); and
- The Victorian TAFE Teaching Multi-Business Agreement 2009 (for TAFE Teachers).

The implementation of the new Agreement continued with minimal issues over the course of 2016. Bargaining for the replacement agreement to cover both Academic and General/Professional Staff will commence in late 2017.

Bargaining for a new Agreement covering Federation University Australia TAFE teaching staff is yet to be concluded however, on 13 May 2016, the University used an administrative arrangement to provide TAFE teaching staff with a one-off pay increase.

The University made one appearance at the Fair Work Commission in 2016 in relation to the Student Administration Transformation major change proposal and was able to conclude this matter at the conciliation stage. Other tasks in 2016 have included various change management initiatives and the resolution of a number of individual industrial disputes. More specifically the University received eight formal dispute notices from the NTEU and were able to resolve the majority of these, as well as three individual disputes that commenced in 2015.

The University had no industrial dispute matters progress to formal hearings in 2016.

## 2016 Achievements

### Employee Assistance Program

The Employee Assistance Program is now in its 13th year and its services continue to be well supported by staff members and their immediate family. The counselling and Career Assist services were well utilised during the year. As at 30 November 2016, 528 counselling sessions were undertaken with a utilisation rate of 7.15% across all campuses; an increase from 6.5% in 2015.

### WorkCover

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

One success indicator of the University's early injury management approach has been the continued downward trend in WorkCover costs. The premium reduced by 31% for 2015/16 followed by a further 28% reduction for 2016/17. This reflects the reduced number of injuries resulting in claims for time lost from work and the overall improvement in return to work outcomes.

Of 41 injuries reported during 2016, 15 resulted in standard claims and seven of those were for psychological injuries. These claims alone have cost \$699K to date. Injuries caused by muscular stress, slips, trips and falls continue to make up the majority of injuries with a total cost of \$122K to date.

While maintaining our injury management focus in 2017, more attention will be given to identifying and developing primary risk-reduction strategies to reduce the incidence and severity of psychological injuries.

## Workplace initiatives

### White Ribbon Accreditation and Family and Domestic Violence:

In 2015, the University embarked on the process of becoming a White Ribbon Accredited organisation as it became increasingly aware of the impact family violence has in the workplace, and the negative effects this has on our staff and students.

During the past year, the University has worked towards completing the White Ribbon Australia accreditation process and has also participated in activities to raise awareness around family and domestic violence. In April, the University partnered with Women's Health Grampians to deliver training to a group of senior managers on preventing violence against women using a workplace-based approach. White Ribbon "White Night" events were also conducted across the University in July and staff from across campuses participated in community-based activities for White Ribbon day in November.

A Family and Domestic Violence Policy and Procedure have been developed for both staff and students, and are currently in the final approval stages with implementation to occur in early 2017. These aim to provide guidance to both those reporting violence and those receiving reports.

The University is also considering options to roll out online training for staff on family and domestic violence matters.

### Management, Leadership and Professional Development

Human Resources commenced responsibility for leadership, management and professional development for professional/general staff in 2015. A diverse range of delivery partners (leadership, training and development specialists and facilitators) delivered 33 programs during 2016 based on the needs analysis conducted at the commencement of 2016 as well as a range of other data available to Human Resources, i.e. Employee Assistance Program utilisation data, WorkCover data and qualitative trends. All programs were well received with participants strongly agreeing that programs met their development needs.

186 University staff (14.05%) attended leadership, management and professional development programs as per the 2016 calendar.

The graph below shows the programs and total number of participants per leadership, management and professional development program/s:



## Distinguished Service List

The University thanks the following staff who departed the organisation in the period 1 January 2016 to 31 December 2016. Their combined efforts represent 45.92 years of service to the University and its communities.

Name	Start Date	Date Left	Years of Service	Position Description	School / Section
Mr Nicolas Dore	16Mar92	25Aug16	24.42	Onsite Support Officer	Information Technology Services
Mrs Kerry Wilson	09Jan95	15Jul16	21.50	Associate Librarian, Client Services	Library Services
			45.92		

## Diversity and Inclusion

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Federation University Australia is committed to providing equal opportunity and freedom from discrimination, harassment and vilification for all members of the University community, and to creating an environment which reflects and values the social and cultural diversity within the University community and the communities it serves.

In 2016 the University implemented a wide range of initiatives to fulfil this commitment, including:

- under the oversight of the Social Inclusion Committee, review of progress of the University's Social Inclusion Plan 2015-2016, which establishes objectives, actions and indicators, and provides a coordinated framework for on-going improvement, with respect to equity, diversity and social inclusion in all aspects of University operations;
- under the oversight of the Higher Education Participation and Partnership Program (HEPPP) Advisory Panel, undertaking a wide range of programs and initiatives to improve educational access and success for people from low socio-economic status backgrounds;
- completion of actions under the Disability Action Plan 2014-2016 to improve accessibility for people with disability in both study and employment, including:
  - > disability considerations and prompts being embedded into each stage of the FedUni staff recruitment process;
  - > a comprehensive online guide and checklist to accessible events developed and widely promulgated;
  - > a Workplace Adjustments for Staff with Disability Procedure developed to provide the framework for new and existing staff to request adjustments for disability, supported by the establishment of a central fund to support high cost adjustments.
- being selected to participate in the Science in Australia Gender Equity (SAGE) program to progress gender equity within the University, with a particular focus on STEM;
- on-going actions towards accreditation as a White Ribbon Accredited Workplace, including the development of a Family and Domestic Violence Policy and Procedure;
- initiation of a Mentoring Program for Women;
- raising awareness about unacceptable behaviours and support services through the Respect. Now. Always campaign, with the aim to prevent and address sexual assault and sexual harassment on campus.
- under the oversight of the Reconciliation Action Plan Committee, review of progress of the University's Reconciliation Action Plan 2015-2017;
- holding a wide range of events across the University in National Reconciliation Week with a focus on education, engagement and discussion;
- attendance by more than 225 staff in Aboriginal Cultural Awareness training;
- through FedUni Schools Outreach, working with 8,800 students between Grades 5/6 and Year 12 from 71 regional schools across Western and Eastern Victoria, to increase aspiration towards, and reduce perceived barriers to, higher education;
- implementation of actions under the FedPride Strategy to create an equitable educational and work environment for Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ) students and staff, including allocation of a Queer Space for students at Mt Helen; amendment of University forms to enable students and staff to identify their gender as other than male/female; celebrations and events for International Day against Homophobia and Transphobia (IDAHOT) and Wear it Purple Day, and introduction of gender neutral bathrooms;
- updates to the University's Children in University Activities Policy and Procedure and the Breastfeeding of Infants Policy to ensure that any request to bring a child to a University activity is considered fairly and reasonably.
- submission of the University's annual report under the *Workplace Gender Equality Act 2012* and being assessed as compliant;
- requiring all ongoing and fixed-term contract staff to undertake the University's equity online training. The University-wide completion rate at the end of 2016 was 88%.

# Regulatory Compliance

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

### General Statement

The Corporate 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 f2 of this report. The University's website <http://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 Director, Corporate Governance. 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 2016.

#### 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, 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 Development and Planning, and the procedures and processes relating thereto.

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

- Documents pertaining to the Legal Office, Council and its Committees, Academic Secretariat, Occupational Health & Safety, External Marketing, Public Relations, Community Relations, University Legislation and International Programs; and
- Documents pertaining to Partnerships and Commercial Engagements and the procedures and processes relating thereto.

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

- Documents pertaining to Curriculum Renewal;
- Documents pertaining to University-wide policies, procedures and guidelines and the procedures and processes relating thereto;
- Documents pertaining to Professional Practice, Student Administration, Learning Environment, Library Services and Records Management.

#### 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 (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 and Conference Management (direct enquiry may be made to the Manager, Conference & Catering Services), and the procedures and processes relating thereto;
- Documents pertaining to Capital Works, Maintenance Programs, Stores and Supplies; and
- Documents pertaining to the management of Student Loans and Parking Procedures.

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

- Documents relating to the Faculties, FedUni TAFE, Federation College and Aboriginal Education.

#### The Administrative Office of each Faculty

- Documents and procedures relating to specific academic programs may be obtained from the Executive Deans 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 under the *Freedom of Information Act 1982* may contact the Director, Corporate Governance, Mr A Tinetti, Building A, Mt Helen Campus, Federation University Australia, University Drive, Mt Helen, Vic 3350, Telephone: (03) 5327 9504 or by email to [a.tinetti@federation.edu.au](mailto:a.tinetti@federation.edu.au).

There were three valid requests for information under the *Freedom of Information Act 1982* during 2016.

## ‘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](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 applicable 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](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

**Staff training** – All staff involved in the delivery of programs to international students are provided with face-to-face training on their responsibilities under the ESOS Act’s National Code of Practice 2007. Staff will be employed in the areas of recruitment, admissions, support (academic and welfare) and teaching.

**Joint Operations Committees** – The Joint Operation 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 policy. The audits are conducted on campus and at Partner Provider locations. Results of these audits are reported to the International and Partnerships Committee.

## ‘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 audits and inspections were undertaken throughout 2016 at all Campuses. The University is working towards ensuring all identified critical compliance actions and 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.

## 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 and Procedure
- Student Appeal Policy and Procedure
- Staff Grievance Policy and 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 and Procedure
- Discriminatory and Sexual Harassment Complaint Procedure
- Protected Disclosures Procedure

Policies and procedures can be downloaded from:  
<http://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](http://www.ombudsman.vic.gov.au)). The Victorian Ombudsman is, generally, the office of last resort. If the steps set out in the relevant University procedures are not followed, the Victorian Ombudsman may request that this occurs before considering a complaint.

The University is aware of eighteen complaints involving the University being made to the Victorian Ombudsman in 2016.

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

### University Contacts

PO Box 663, Ballarat, Victoria, 3353, Australia

Telephone: 1800 FED UNI (1800 333 864)

Facsimile: (03) 5327 9704

Web Site: [www.federation.edu.au](http://www.federation.edu.au)

Email: [info@federation.edu.au](mailto:info@federation.edu.au)

CRICOS Provider Number 00103D

ABN 51 818 692 256

### University Campuses

#### Ballarat – Mt Helen Headquarters

University Drive, Mt Helen, Victoria, 3353, Australia

#### Ballarat – SMB

107 Lydiard Street South, Ballarat, Victoria, 3350

#### Camp Street

Arts Academy, Camp Street Precinct, Ballarat, Victoria, 3350

#### Gippsland

Northways Road, Churchill, Victoria, 3842

#### Wimmera

Baillie Street, Horsham, Victoria, 3400

### Website address for current and previous Annual Reports

Annual Reports prior to 2016 can be found at: [www.federation.edu.au/about-feduni/our-university/portfolios/learning-and-quality/academic-services/data-analysis-and-reporting/organisational-data](http://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](http://www.federation.edu.au)

Information includes:

- General Information and 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, may be 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; and
- 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 and the nature of services provided.



# Appendix One

## KEY TO ABBREVIATIONS

FRD – Financial Reporting Directions (as at 27 July 2016) available at:

<http://www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Reporting-Policy/Financial-reporting-directions-and-guidance>

SD = Standing Directions (as at 13 May 2016) available at:

<http://www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance>

No.	Source	Summary of Reporting Requirement	Page
<b>STANDING DIRECTIONS/FINANCIAL MANAGEMENT ACT 1994 (FMA)</b>			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the <i>Financial Management Act 1994</i> .	f3-f50
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	f7
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	2, f7
4	SD 5.2.2	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> <li>• Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements;</li> <li>• Financial Reporting Directions; and</li> <li>• Business Rules.</li> </ul>	f7-f50
5	FRD 22G and FMA	Financial Statements available, including: <ul style="list-style-type: none"> <li>• Balance Sheet and income statement;</li> <li>• Statement of Recognised Income and Expense;</li> <li>• Cash Flows Statement; and</li> <li>• Notes to the financial statements.</li> </ul>	f3-f50
6	5.2.2 and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none"> <li>• Present fairly the financial transactions during reporting period and the financial position at end of the period;</li> <li>• Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and</li> <li>• Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements.</li> </ul>	39, f1
7	FRD 30	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> <li>• \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and</li> <li>• \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li> </ul>	f11
8	SD 3.2.1.1 (C)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	f1, f51
9	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework.	30
10	FRD 03A	Accounting for Dividends	N/A
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	f11
12	FRD 10	Disclosure Index	39-40
13	FRD 11	Disclosure of Ex-gratia Payments	f50
14	FRD 17B	Long Service leave and annual leave for employees	f10
15	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	f31-f32
16	FRD 22G	Consultants: Report of Operations must include a statement disclosing each of the following <ol style="list-style-type: none"> <li>1. Total number of consultancies of \$10,000 or more (excluding GST)</li> <li>2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available</li> <li>3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</li> </ol> AND for each consultancy more than \$10,000, a schedule is to be published on the University website listing: <ul style="list-style-type: none"> <li>• Consultant engaged</li> <li>• Brief summary of project</li> <li>• Total project fees approved (excluding GST)</li> <li>• Expenditure for reporting period (excluding GST)</li> <li>• Any future expenditure committed to the consultant for the project</li> </ul>	43

# Appendix One

No.	Source	Summary of Reporting Requirement	Page
17	FRD 22G	Manner of establishment and the relevant Minister	f2, f31
18	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4–8, 20
19	FRD 22G	Nature and range of services provided including communities served	20–21
20	FRD 22G	Organisational structure and chart, including responsibilities	32
21	FRD 22G	Names of Council members	22–24
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	4–21
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at (a) to (e) in the FRD	33
24	FRD 22G	Workforce data for current and previous reporting period including a statement on employment and conduct principles and that employees have been correctly classified in the workforce data collections	33
25	FRD 22G	Summary of the financial results for the year including previous 4 year comparisons	42
26	FRD 22G	Significant changes in financial position during the year	41
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	3, 11
28	FRD 22G	Major changes or factors affecting performance	N/A
29	FRD 22G	Discussion and analysis of operating results and financial results	41
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods	f50
31	FRD 22G	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	35
32	FRD 22G	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) – (d) in the FRD	N/A
33	FRD 22G	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	36
34	FRD 22G	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	37
35	FRD 22G	Statement where applicable on the implementation and compliance with the <i>National Competition Policy</i>	N/A
36	FRD 22G	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	37
37	FRD 22G	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
38	FRD 22G and 24C	Summary of Environmental Performance including a report on office based environmental impacts	16–17
39	FRD 22G	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD))	38
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	41
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
42	FRD 102	Inventories	f9
43	FRD 103F	Non-financial physical assets	f10, f20
44	FRD 104	Foreign currency	f11
45	FRD 105A	Borrowing Costs	N/A
46	FRD 106	Impairment of assets	f7
47	FRD 107A	Investment properties	f10
48	FRD 109	Intangible assets	f10
49	FRD 110	Cash Flow Statements	f6, f26
50	FRD 112D	Defined benefit superannuation obligations	f29–f30
51	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	f33–f34
52	FRD 119A	Transfers through contributed capital	N/A
53	FRD 120I	Accounting and reporting pronouncements applicable to the reporting period	f11
54	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	43
55	PAEC	Financial and other information relating to the university's international operations	f33
56	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"> <li>• Summary of the university commercial activities</li> <li>• If the university has a controlled entity, include the accounts of that entity in the university's Annual Report</li> </ul>	f33–f34

# Appendix Two

## Financial Summary – Consolidated Results

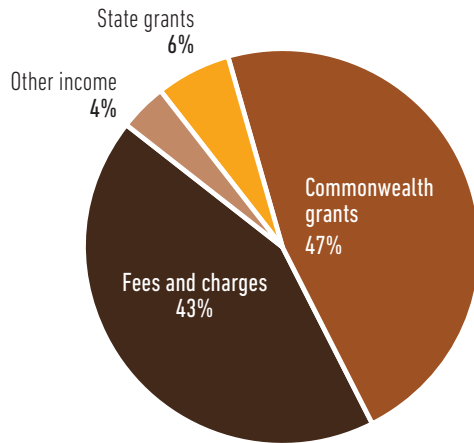
Federation University Australia and its controlled entities recorded an operating surplus of \$ 0.5 million for the year ended 2016.

This compared to an operating surplus of \$6.4 million in 2015.

### Income

Operating Revenue from continuing operations in 2016 saw an increase in Commonwealth Grants of 6%.

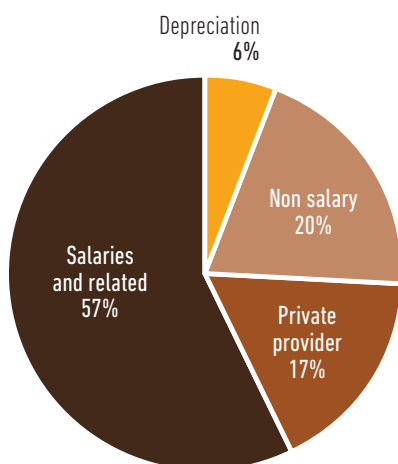
#### Total Income



### Expenditure

The predominant expenditure continues to be salary related expenditure. The main reduction for 2016 was the reduction in third party payments made to other teaching providers, who operate under licence in major Australian capital cities.

#### Total Expenditure



## Assets, Liabilities and Equity

Net Assets increased by \$2 million to \$545 million. The University maintain a strong level of liquidity with a current ratio of 2.8:1.

## 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. The University continues to be challenged under the demand driven environment, especially where main campuses operate in regional areas, where the population is generally not growing. For 2017 Federation University Australia is commencing operations in both Melbourne (Berwick) and Brisbane CBD.

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 2016, the application of VIPP was not considered applicable to tenders.

# Appendix Two

## Five Year Financial Summary

INCOME	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
<b>Revenue from continuing operations</b>					
Commonwealth Government Grants	74,460	70,436	61,346	60,052	97,759
HELP – Australian Government payments	44,943	41,459	38,235	33,258	27,037
Victorian State Government Grants	15,610	12,354	18,094	24,435	31,665
Other Income	128,078	148,620	161,065	87,699	128,328
<b>Total revenue from continuing operations</b>	<b>263,091</b>	<b>272,869</b>	<b>278,740</b>	<b>205,444</b>	<b>284,789</b>
Expenses from continuing operations	262,577	266,515	275,904	201,247	225,153
<b>Net result for the year</b>	<b>514</b>	<b>6,354</b>	<b>2,836</b>	<b>4,197</b>	<b>59,636</b>
<b>Balance Sheet</b>					
<b>Current Assets</b>					
Cash and cash equivalents	62,103	79,466	123,575	87,222	119,389
Receivables	14,372	15,588	29,209	17,868	12,687
Other financial assets	81,498	130,511	80,292	100,281	80,257
Other assets	3,633	3,645	2,698	2,714	2,398
<b>Total Current Assets</b>	<b>161,606</b>	<b>229,210</b>	<b>235,774</b>	<b>208,085</b>	<b>214,731</b>
<b>Non-Current Assets</b>					
Receivables	59,785	63,111	63,270	61,970	85,347
Property, plant and equipment	304,600	311,768	300,423	277,093	261,383
Investment Property	66,165	66,570	59,275	62,845	66,070
Other	73,387	9,757	1,929	3,513	5,081
<b>Total Non-Current Assets</b>	<b>503,937</b>	<b>451,206</b>	<b>424,897</b>	<b>405,421</b>	<b>417,881</b>
<b>TOTAL ASSETS</b>	<b>665,543</b>	<b>680,416</b>	<b>660,671</b>	<b>613,506</b>	<b>632,612</b>
<b>Current Liabilities</b>					
Payables	10,216	22,794	40,737	7,182	9,544
Borrowings	–	164	632	595	560
Provisions	39,182	36,153	34,644	24,307	23,459
Other liabilities	8,668	13,013	13,151	9,329	6,744
<b>Total Current Liabilities</b>	<b>58,066</b>	<b>72,124</b>	<b>89,164</b>	<b>41,413</b>	<b>40,307</b>
<b>Non-Current Liabilities</b>					
Borrowings	–	–	164	796	1,390
Provisions	62,718	65,876	66,532	64,525	88,340
<b>Total Non-Current Liabilities</b>	<b>62,718</b>	<b>65,876</b>	<b>66,696</b>	<b>65,321</b>	<b>89,730</b>
<b>TOTAL LIABILITIES</b>	<b>120,784</b>	<b>138,000</b>	<b>155,860</b>	<b>106,734</b>	<b>130,037</b>
<b>NET ASSETS</b>	<b>544,759</b>	<b>542,416</b>	<b>504,811</b>	<b>506,772</b>	<b>502,575</b>
<b>TOTAL EQUITY</b>	<b>544,759</b>	<b>542,416</b>	<b>504,811</b>	<b>506,772</b>	<b>502,575</b>

# Appendix Two

## Consultancies

In 2016 there were four consultancies in excess of \$10,000 totalling \$302,524.50.

CONSULTANCY	AMOUNT
Deloitte Consulting Pty Ltd – Financial Services framework	\$33,504
Shinewing Australia – Brisbane Project	\$134,221
Strat 2 Exec Pty Ltd – ITS Review and Digital Roadmap	\$56,400
Thomas Duryea Consulting Pty Ltd – Upgrade to standard operating environment	\$78,400

The above consultancies were all finalised within the reporting period.

There were seven consultancies of less than \$10,000 each during 2016. The total value of these was \$37,583.58.

## Statement on Compulsory non-academic Fees

For the Year ending 31 December 2016

	AMOUNT	
	2016	2015
Carry Forward from prior year	297,852	455,799
Current year income	1,792,529	1,676,193
<b>Total SSAF funds Available</b>	<b>2,090,381</b>	<b>2,131,992</b>
<b>Total Expenditure</b>	<b>1,809,251</b>	<b>1,834,140</b>
<b>Total unspent SSAF funds 31 December</b>	<b>281,130</b>	<b>297,852</b>

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

- Student Events and Activities
- Student Clubs and Societies
- Sports and Recreation
- FedPress student magazine
- Student Diary Production
- Student Orientation and Retention Activities
- Improvement to Student Amenities
- Careers and Employment Service
- Student Leadership and Volunteer Program
- Student Senate
- Advisory Service
- Legal Service
- FedUNITED Awards
- Student Health and Wellbeing Initiatives

# Financial Statements

## Contents

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Declaration by Chancellor, Vice-Chancellor and Chief Financial Officer	f1
Establishment of Federation University Australia	f2
Statement of Comprehensive Income	f3
Statement of Financial Position	f4
Statement of Changes in Equity	f5
Statement of Cash Flows	f6
<b>Notes to the Financial Statements</b>	<b>f7</b>
Note 1   Summary of Significant Accounting Policies	f7
Note 2   Revenue from Continuing Activities	f12–15
Note 3   Expenses from Continuing Activities	f16–17
Note 4   Cash and Cash Equivalents	f17
Note 5   Receivables	f18
Note 7   Non-Current Assets Held for Sale	f19
Note 8   Other Assets	f19
Note 6   Other Financial Assets	f19
Note 9   Property, Plant and Equipment	f20
Note 10   Investment Properties At Fair Value	f21
Note 12   Payables	f22
Note 13   Borrowings	f22
Note 11   Intangible Assets	f22
Note 14   Provisions – Employee Entitlements	f23–24
Note 15   Other Liabilities	f24
Note 16   Reserves and Retained Earnings	f24–25
Note 17   Cash Flow Information	f26
Note 18   Leases	f27
Note 20   Contingent Assets and Liabilities	f28
Note 19   Commitments for Expenditure	f28
Note 21   Superannuation	f29–30
Note 22   Auditors' Remuneration	f30
Note 23   Key Management Personnel Disclosures	f31–33
Note 25   Subsidiaries	f33–34
Note 24   Geographic Information	f33
Note 26   Financial Risk Management	f35–38
Note 27   Fair Value Measurements	f39–43
Note 28   Acquittal of Commonwealth Government Financial Assistance	f44–46
Note 29   Higher Education & VET Results	f47–50
Note 30   Ex Gratia Payments	f50
Note 31   Events Occurring After Reporting Date	f50
<b>Auditors' Report</b>	<b>f51</b>

# Declaration by Chancellor, Vice-Chancellor and Chief Financial Officer/Chief Operating 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.

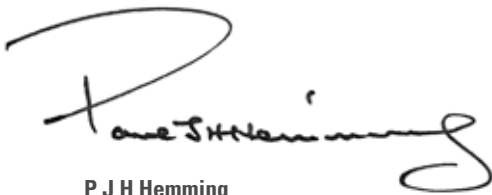
We further state that, in our opinion, the information set out in the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2016 and financial position of the University as at 31 December 2016.

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.

The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Federation University Australia has complied with 'applicable legislation, contracts, agreements and program guidelines in making expenditure.

Federation University Australia charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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



**P J H Hemming**  
Chancellor



**A Smith**  
Acting Vice-Chancellor



**John Blair**  
Chief Operating Officer / Chief Financial Officer

Mt Helen  
Dated: 21 February 2017

# Establishment of Federation University Australia

## FEDERATION UNIVERSITY AUSTRALIA

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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.

## OBJECT OF THE UNIVERSITY

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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 2016

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>INCOME FROM CONTINUING OPERATIONS</b>					
Australian Government financial assistance					
Australian Government grants	2.1	74,460	70,436	74,460	70,436
HELP – Australian Government payments	2.1	44,943	41,459	44,943	41,459
State Government financial assistance	2.2	15,610	12,354	15,610	12,354
HECS-HELP – Student payments		2,190	2,497	2,190	2,497
Course fees and charges	2.3	88,710	104,992	88,710	104,992
Other fees and charges	2.3	12,797	13,000	12,797	13,000
Consultancy and contract research	2.4	5,576	5,018	5,576	5,018
Investment revenue	2.5	14,677	12,415	14,677	12,016
Other revenue	2.6	4,039	4,665	4,039	4,665
<b>Total income from continuing operations</b>		<b>263,002</b>	<b>266,836</b>	<b>263,002</b>	<b>266,437</b>
Profit on disposal of assets	9	89	172	89	172
Revaluation increment on investment properties	10	–	5,861	–	5,861
<b>Total Income</b>		<b>263,091</b>	<b>272,869</b>	<b>263,091</b>	<b>272,470</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employee expenses	3.1	150,084	129,153	150,073	129,153
Depreciation and amortisation	3.2	15,514	16,841	15,514	16,841
Repairs and maintenance	3.3	5,516	9,660	5,516	9,660
Bad and doubtful debts	3.4	594	766	594	766
Other expenses	3.5	45,571	54,495	45,501	54,093
Finance costs		22	31	20	31
Private providers		44,871	55,569	44,871	55,569
<b>Total expenses from continuing operations</b>		<b>262,172</b>	<b>266,515</b>	<b>262,089</b>	<b>266,113</b>
Revaluation decrement on investment properties	10	405	–	405	–
<b>Total Expenses</b>		<b>262,577</b>	<b>266,515</b>	<b>262,494</b>	<b>266,113</b>
<b>Net result</b>		<b>514</b>	<b>6,354</b>	<b>597</b>	<b>6,357</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain / (Loss) on revaluation of land & buildings	9 & 16	–	22,063	–	22,063
<b>Items that may be reclassified to profit or loss</b>					
Remeasurements of defined benefit plans (gain) / loss	21	( 2,859)	( 28)	( 2,859)	( 28)
Remeasurements of defined benefit plans gain /(loss)	21	2,859	28	2,859	28
Gain on value of available for sale financial assets	16	1,829	9,188	1,829	9,188
<b>Total Other Comprehensive Income</b>		<b>1,829</b>	<b>31,251</b>	<b>1,829</b>	<b>31,251</b>
<b>Total Comprehensive Income</b>		<b>2,343</b>	<b>37,605</b>	<b>2,426</b>	<b>37,608</b>

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

# Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	62,103	79,466	62,072	79,436
Receivables	5	14,375	15,588	14,476	15,620
Inventories		338	235	338	235
Other financial assets	6	81,498	130,511	81,498	130,511
Non-current assets held for sale	7	—	742	—	742
Other assets	8	3,295	2,668	3,295	2,668
<b>Total Current Assets</b>		<b>161,609</b>	<b>229,210</b>	<b>161,679</b>	<b>229,212</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	5	59,785	63,111	59,785	63,111
Other financial assets	6	73,387	9,729	73,365	9,707
Property, plant and equipment	9	304,600	311,768	304,600	311,768
Investment properties	10	66,165	66,570	66,165	66,570
Intangible Assets	11	—	28	—	28
<b>Total Non-Current Assets</b>		<b>503,937</b>	<b>451,206</b>	<b>503,915</b>	<b>451,184</b>
<b>TOTAL ASSETS</b>		<b>665,546</b>	<b>680,416</b>	<b>665,594</b>	<b>680,396</b>
<b>CURRENT LIABILITIES</b>					
Payables	12	10,219	22,794	10,220	22,810
Borrowings	13	—	164	—	164
Provisions	14	39,182	36,153	39,182	36,153
Other liabilities	15	8,668	13,013	8,668	13,013
<b>Total Current Liabilities</b>		<b>58,069</b>	<b>72,124</b>	<b>58,070</b>	<b>72,140</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	14	62,718	65,876	62,718	65,876
<b>Total Non-Current Liabilities</b>		<b>62,718</b>	<b>65,876</b>	<b>62,718</b>	<b>65,876</b>
<b>TOTAL LIABILITIES</b>		<b>120,787</b>	<b>138,000</b>	<b>120,788</b>	<b>138,016</b>
<b>NET ASSETS</b>		<b>544,759</b>	<b>542,416</b>	<b>544,806</b>	<b>542,380</b>
<b>EQUITY</b>					
Accumulated Surplus	16	370,165	369,651	370,212	369,615
Reserves	16	174,594	172,765	174,594	172,765
<b>TOTAL EQUITY</b>		<b>544,759</b>	<b>542,416</b>	<b>544,806</b>	<b>542,380</b>

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

# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	RESERVES \$000	2016 RETAINED SURPLUS \$000	TOTAL \$000	RESERVES \$000	2015 RETAINED SURPLUS \$000	TOTAL \$000
<b>CONSOLIDATED</b>							
Total equity at the beginning of the financial year		172,765	369,651	542,416	141,514	363,297	504,811
Net operating result after income tax for the year		–	514	514	–	6,354	6,354
Gain / (Loss) on revaluation		1,829	–	1,829	31,251	–	31,251
<b>Total equity at the end of the financial year</b>	<b>16</b>	<b>174,594</b>	<b>370,165</b>	<b>544,759</b>	<b>172,765</b>	<b>369,651</b>	<b>542,416</b>
<b>UNIVERSITY</b>							
Total equity at the beginning of the financial year		172,765	369,615	542,380	141,514	363,258	504,772
Net operating result after income tax for the year		–	597	597	–	6,357	6,357
Gain / (Loss) on revaluation		1,829	–	1,829	31,251	–	31,251
<b>Total equity at the end of the financial year</b>	<b>16</b>	<b>174,594</b>	<b>370,212</b>	<b>544,806</b>	<b>172,765</b>	<b>369,615</b>	<b>542,380</b>

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

# Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>RECEIPTS</b>					
User fees and charges received		112,045	135,273	111,976	135,217
Investment Income received		12,165	13,892	12,165	13,493
Other receipts		4,039	4,665	4,039	4,665
GST recovered from ATO		10,824	11,519	10,824	11,519
<b>CASH FLOWS FROM GOVERNMENT</b>					
State Government Grants		13,916	11,942	13,916	11,942
State Government contributions – specific projects	2.7	1,511	–	1,511	–
Commonwealth Government Grants		74,499	70,694	74,499	70,694
Higher Education Contribution Scheme:					
Student payments		2,190	2,497	2,190	2,497
HECS-HELP – Commonwealth payments		37,477	35,198	37,477	35,198
FEE-HELP – Commonwealth payments		3,527	2,948	3,527	2,948
STUDENT AMENITIES-HELP		1,600	1,509	1,600	1,509
VET FEE-HELP		2,339	1,804	2,339	1,804
OS-HELP (Net)		104	67	104	67
Superannuation Supplementation (Net)		132	909	132	909
<b>PAYMENTS</b>					
Payments to employees		( 149,123)	( 128,272)	( 149,112)	( 128,272)
Payments to suppliers (Including GST)		( 81,481)	( 94,663)	( 81,426)	( 94,222)
Finance costs		( 22)	( 31)	( 20)	( 31)
Payments to private providers		( 44,871)	( 55,569)	( 44,871)	( 55,569)
<b>Net cash provided by/(used in) operating activities</b>	17	<b>871</b>	<b>14,382</b>	<b>870</b>	<b>14,368</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Payments for) / Proceed from property, plant and equipment	9	( 7,487)	( 6,997)	( 7,487)	( 6,997)
(Payments for) / Proceeds from financial assets		( 10,583)	( 50,862)	( 10,583)	( 50,862)
<b>Net cash provided by/(used in) investing activities</b>		<b>( 18,070)</b>	<b>( 57,859)</b>	<b>( 18,070)</b>	<b>( 57,859)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of borrowings		( 164)	( 632)	( 164)	( 632)
<b>Net cash provided by (used in) financing activities</b>		<b>( 164)</b>	<b>( 632)</b>	<b>( 164)</b>	<b>( 632)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>( 17,363)</b>	<b>( 44,109)</b>	<b>( 17,364)</b>	<b>( 44,123)</b>
Cash and cash equivalents at the beginning of the financial year		79,466	123,575	79,436	123,559
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>62,103</b>	<b>79,466</b>	<b>62,072</b>	<b>79,436</b>

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

# Notes to the Financial Statements

## 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. Federation University Australia (the University) and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

The principal address of Federation University Australia is University Drive Mt Helen, Victoria, 3353.

### BASIS OF PREPARATION

The annual financial statements represent the audited general purpose financial statements of the University and its subsidiaries. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

The University applies Tier 1 reporting requirements.

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 (Standing Direction 4.2(c) and applicable Financial Reporting Directions)*

The University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

### DATE OF AUTHORISATION

The financial statements were authorised for issue by the Council members of Federation University Australia on 21 February 2017.

### 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.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### KEY ESTIMATES

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

### DEPRECIATION

Management uses external independent valuers to establish the useful life of buildings. Useful lives of other property, plant and equipment are established according to the guidelines provided by the Department of Treasury and Finance, the Australian Taxation Office and Australian Accounting Standards.

### AMORTISATION OF INTANGIBLE ASSETS

Management uses estimates of useful life to determine the amortisation of internally developed or acquired intangible assets.

### IMPAIRMENT

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporated a number of key estimates.

### LONG SERVICE LEAVE PROVISION

In calculating long service leave provisions, management uses a combination of the bond rates issued by the Reserve Bank of Australia, the salary increases in accordance with the Enterprise Bargaining Agreement and the probability factors based on staff retention rates. The methodology is consistent with the Department of Treasury and Finance's long service leave model.

### KEY JUDGMENTS – PROVISION FOR IMPAIRED RECEIVABLES

Included in consolidated Accounts Receivable at 31 December 2016 are amounts receivable from customers and students amounting to \$9.931m (2015 – \$12.075m). The full amount of the debt is not recoverable and as such a doubtful debts provision amounting to \$1.271m (2015 – \$1.501m) has been set aside.

### FAIR VALUE MEASUREMENT

The Group has applied Australian Accounting Standards Board (AASB) *AASB 13 'Fair Value Measurements'* and the relevant consequential amendments arising from the related Amending Standards 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 Group'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 Group's financial statements. These enhanced disclosures are provided in Note 27.

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

## (A) BASIS OF CONSOLIDATION

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The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2016 and the results of all controlled entities consolidated into this financial report are outlined in Note 25.

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 10 'Consolidated Financial Statements' and AASB 127 '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. 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) REVENUE RECOGNITION

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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 University obtains control of the right to receive the grant, it is probable that economic benefits will flow to the University and it can be reliably measured.
- (ii) **Higher Education Loan Programme (HELP) payments**  
This category comprises of HECS HELP, FEE HELP, VET FEE HELP & Student Amenities FEE HELP. 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 are recognised in the year of receipt. Where student fees and charges revenue have 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:
  - (a) the significant risks and rewards of ownership of the goods have transferred to the buyer;
  - (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - (c) the amount of revenue can be reliably measured;
  - (d) it is probable that the economic benefits associated with the transaction will flow to the Group, and;
  - (e) 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.

## (C) FINANCE COSTS

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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.

## (D) LEASES

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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 18).

## (E) INCOME TAX

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The University is exempt from income tax pursuant to Division 50 of the *Income Tax Assessment Act 1997*.

## (F) CASH AND CASH EQUIVALENTS

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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.

## **(G) 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 the invoice was issued.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that 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.

## **(H) 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.

## **(I) NON-CURRENT ASSETS HELD FOR SALE**

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

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

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

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

## **(J) INVESTMENTS AND OTHER FINANCIAL ASSETS**

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

## (K) PROPERTY, PLANT AND EQUIPMENT

Land and buildings (excluding investment properties Note: (1)(L) and artworks 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 (2015: \$5,000) are charged to the Statement of Comprehensive Income (refer Note 3.5). 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
Buildings	2.17% to 50.00%
Leasehold improvements	2.9% to 20.00%
Plant & equipment	5.0% to 100%
Motor vehicles	6.66% to 33.33%
Library collections	12.50% to 20.00%

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 for 2016.

## (L) INVESTMENT PROPERTIES

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. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition at cost, investment property is carried at fair value, which is based on active market prices of similar properties, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the University uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in the income statement as part of other income.

## (M) 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).

## (N) 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.

## (O) 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 on-costs. 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 University 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.

#### (P) DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION

AASB 119 'Employee Benefits' requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 31 December 2016. 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).

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 recognised under receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of the University.

Note 21 discloses specific treatment.

#### (Q) 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.

#### (R) 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 Group'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.

#### (S) ROUNDING OF AMOUNTS

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

#### (T) COMPARATIVE FIGURES

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

#### U) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

At the date of this report certain new Accounting Standards and Interpretations have been published that are not mandatory for the financial year ending 31 December 2016. They are available for early adoption, but have not been applied in preparing this financial report. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. Application may result in material changes to the Group's future financial reports, however the quantitative effects of the Group adopting these standards has not yet been determined.

STANDARD OF INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 9 Financial Instruments	1 Jan 2018	1 Jan 2018
AASB 2014 1 Amendments to Australian Accounting Standards (Part E Financial Instruments)	1 Jan 2018	1 Jan 2018
AASB 15 Revenue from Contracts with Customers	1 Jan 2019	1 Jan 2019
AASB 16 Leases	1 Jan 2019	1 Jan 2019

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 9 and AASB 15.

A number of other new or revised standards, amendments to standards and interpretations applicable to future reporting periods have been issued, none of which are expected to have a material impact on the Group's future financial reports.

## NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NOTE 2.1 – AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES</b>					
<b>(A) COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS</b>					
Commonwealth Grants Scheme	28.1	65,869	59,409	65,869	59,409
Indigenous Support Fund	28.1	–	145	–	145
Disability Support Programme	28.1	69	128	69	128
Promotion of Excellence in Learning and Teaching	28.1	55	65	55	65
HE Participation Program	28.1	2,396	2,459	2,396	2,459
<b>Total Commonwealth Grants Scheme and Other Grants</b>		<b>68,389</b>	<b>62,206</b>	<b>68,389</b>	<b>62,206</b>
<b>(B) HIGHER EDUCATION LOAN PROGRAMMES</b>					
HECS-HELP	28.2	37,477	35,198	37,477	35,198
FEE-HELP	28.2	3,527	2,948	3,527	2,948
SA-HELP	28.2	1,600	1,509	1,600	1,509
VET FEE-HELP	28.2	2,339	1,804	2,339	1,804
<b>Total Higher Education Loan Programmes</b>		<b>44,943</b>	<b>41,459</b>	<b>44,943</b>	<b>41,459</b>
<b>(C) SCHOLARSHIPS</b>					
Australian Postgraduate Awards	28.3	666	735	666	735
International Postgraduate Research Scholarships	28.3	69	67	69	67
Indigenous Access Scholarships	28.3	271	252	271	252
National Priority Scholarships	28.3	150	–	150	–
<b>Total Scholarships</b>		<b>1,156</b>	<b>1,054</b>	<b>1,156</b>	<b>1,054</b>
<b>(D) EDUCATION – RESEARCH</b>					
Research Training Scheme	28.4	1,640	1,697	1,640	1,697
Research Infrastructure Block Grants	28.4	188	141	188	141
Joint Research Engagement Program	28.4	987	890	987	890
Sustainable Research Excellence Base & Threshold 1	28.4	425	286	425	286
<b>Total Education – Research</b>		<b>3,240</b>	<b>3,014</b>	<b>3,240</b>	<b>3,014</b>
<b>(E) AUSTRALIAN RESEARCH COUNCIL</b>					
Discovery Projects	28.5	148	318	148	318
Linkages Projects	28.5	28	61	28	61
<b>Total Australian Research Council</b>		<b>176</b>	<b>379</b>	<b>176</b>	<b>379</b>
<b>(F) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE</b>					
Higher Education					
Capital					
Education Investment Fund		–	2,170	–	2,170
Non-Capital					
National Health & Medical Research Council		255	291	255	291
Other Commonwealth Grants		1,244	1,322	1,244	1,322
<b>Total Other Australian Government financial assistance</b>		<b>1,499</b>	<b>3,783</b>	<b>1,499</b>	<b>3,783</b>
<b>Total Australian Government financial assistance</b>		<b>119,403</b>	<b>111,895</b>	<b>119,403</b>	<b>111,895</b>

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NOTE 2.1 – RECONCILIATION ACCRUAL BASIS</b>					
Commonwealth Government grants	28.1	68,389	62,206	68,389	62,206
HECS-HELP payments	28.2	37,477	35,198	37,477	35,198
FEE-HELP payments	28.2	3,527	2,948	3,527	2,948
VET FEE-HELP payments	28.2	2,339	1,804	2,339	1,804
SA-HELP payments	28.2	1,600	1,509	1,600	1,509
Learning Scholarships	28.3	1,156	1,054	1,156	1,054
Education Research	28.4	3,240	3,014	3,240	3,014
Australian Research Council	28.5	176	379	176	379
Other Commonwealth Government		1,499	3,783	1,499	3,783
<b>Total Australian Government financial assistance</b>		<b>119,403</b>	<b>111,895</b>	<b>119,403</b>	<b>111,895</b>

**NOTE 2.1 – AUSTRALIAN GOVERNMENT GRANTS RECEIVED – CASH BASIS**

Commonwealth Government grants	28.1	68,389	62,206	68,389	62,206
HECS-HELP payments	28.2	37,477	35,198	37,477	35,198
FEE-HELP payments	28.2	3,527	2,948	3,527	2,948
SA-HELP payments	28.2	1,600	1,509	1,600	1,509
VET FEE-HELP payments	28.2	2,339	1,804	2,339	1,804
Learning Scholarships	28.3	1,006	1,149	1,006	1,149
Education Research	28.4	3,240	3,014	3,240	3,014
ARC grants – Discovery	28.5	148	318	148	318
ARC grants – Linkage	28.5	28	61	28	61
Other Commonwealth Government		1,499	3,783	1,499	3,783
Australian Government Grants received – cash basis		119,253	111,990	119,253	111,990
Superannuation Supplementation	28.6	4,399	5,229	4,399	5,229
OS-HELP – Commonwealth payments	28.6	347	208	347	208
<b>Total Australian Government Funding received – cash basis</b>		<b>123,999</b>	<b>117,427</b>	<b>123,999</b>	<b>117,427</b>

**NOTE 2.2 – STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE**

<b>VET</b>					
<b>Non-Capital</b>					
VET recurrent and competitive grants		9,450	9,631	9,450	9,631
Other state grants		4,649	2,723	4,649	2,723
<b>Capital</b>					
State capital grants		1,511	–	1,511	–
<b>Total State and Local Government assistance</b>		<b>15,610</b>	<b>12,354</b>	<b>15,610</b>	<b>12,354</b>

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued...

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NOTE 2.3 – FEES AND CHARGES</b>					
<b>COURSE FEES AND CHARGES</b>					
Continuing Education		25	68	25	68
Fee-paying overseas students (Onshore)		65,773	77,601	65,773	77,601
Fee-paying overseas students (Offshore)		2,132	2,969	2,132	2,969
Fee-paying domestic postgraduate students		4,317	4,391	4,317	4,391
Fee-paying domestic non-award students		76	92	76	92
Other student fees		1,919	2,440	1,919	2,440
Fee for service – Government		96	10	96	10
Fee for service – non-Government		14,372	17,393	14,372	17,393
Fee for service – International operations		–	28	–	28
<b>Total course fees and charges</b>		<b>88,710</b>	<b>104,992</b>	<b>88,710</b>	<b>104,992</b>
<b>OTHER FEES AND CHARGES</b>					
Rental residences		7,224	6,928	7,224	6,928
Rental other		484	383	484	383
Catering and bar		1,778	1,879	1,778	1,879
Sports facilities		477	550	477	550
Parking fees		110	106	110	106
Student Services and Amenities Fees from students		178	179	178	179
Other		2,546	2,975	2,546	2,975
<b>Total other fees and charges</b>		<b>12,797</b>	<b>13,000</b>	<b>12,797</b>	<b>13,000</b>
<b>Total fees and charges</b>		<b>101,507</b>	<b>117,992</b>	<b>101,507</b>	<b>117,992</b>
<b>NOTE 2.4 – CONSULTANCY AND CONTRACT RESEARCH</b>					
Consultancy		675	1,306	675	1,306
Contract research		4,901	3,712	4,901	3,712
<b>Total consultancy and contracts</b>		<b>5,576</b>	<b>5,018</b>	<b>5,576</b>	<b>5,018</b>
<b>NOTE 2.5 – INVESTMENT REVENUE</b>					
Dividends		2,888	1,367	2,888	1,367
Sale of Investments		–	399	–	–
Interest received		4,347	5,210	4,347	5,210
Rental from investment properties		5,209	6,082	5,209	6,082
<b>Total investment revenue</b>		<b>12,444</b>	<b>13,058</b>	<b>12,444</b>	<b>12,659</b>
Change in fair value of financial assets through profit or loss		2,233	( 643)	2,233	( 643)
<b>Net investment revenue</b>		<b>14,677</b>	<b>12,415</b>	<b>14,677</b>	<b>12,016</b>

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued...

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NOTE 2.6 – OTHER REVENUE</b>					
<b>OTHER REVENUE</b>					
Donations and bequests		437	540	437	540
Scholarships and prizes		42	145	42	145
Other		3,560	3,980	3,560	3,980
<b>Total other revenue</b>		<b>4,039</b>	<b>4,665</b>	<b>4,039</b>	<b>4,665</b>
<b>NOTE 2.7 – GOVERNMENT CONTRIBUTIONS – SPECIFIC PROJECTS</b>					
<b>TAFE</b>					
State capital grants		1,511	–	1,511	–
<b>Total Grants for specific projects</b>		<b>1,511</b>	<b>–</b>	<b>1,511</b>	<b>–</b>

## NOTE 3 | EXPENSES FROM CONTINUING ACTIVITIES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NOTE 3.1 – EMPLOYEE EXPENSES</b>					
<b>ACADEMIC</b>					
Salaries		62,630	58,878	62,630	58,878
Contributions to superannuation and pension schemes					
Funded		8,957	8,488	8,957	8,488
Payroll tax		3,486	3,374	3,486	3,374
Work Cover		396	606	396	606
Movement in provisions:					
Annual leave		373	( 205)	373	( 205)
Long service leave		667	250	667	250
Other employee entitlements		27	16	27	16
<b>Total academic</b>		<b>76,536</b>	<b>71,407</b>	<b>76,536</b>	<b>71,407</b>
<b>NON-ACADEMIC</b>					
Salaries		59,287	45,012	59,278	45,012
Contributions to superannuation and pension schemes					
Funded		9,068	8,269	9,067	8,269
Payroll tax		3,339	3,078	3,338	3,078
Work Cover		379	566	379	566
Movement in provisions:					
Annual leave		446	254	446	254
Long service leave		1,057	629	1,057	629
Other employee entitlements		( 28)	( 62)	( 28)	( 62)
<b>Total non-academic</b>		<b>73,548</b>	<b>57,746</b>	<b>73,537</b>	<b>57,746</b>
<b>Total employee related expenses</b>		<b>150,084</b>	<b>129,153</b>	<b>150,073</b>	<b>129,153</b>
Deferred employee expenses for superannuation	21	( 2,859)	( 28)	( 2,859)	( 28)
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>		<b>147,225</b>	<b>129,125</b>	<b>147,214</b>	<b>129,125</b>

### NOTE 3.2 – DEPRECIATION AND AMORTISATION

Buildings	9	10,368	10,264	10,368	10,264
Buildings Leasehold	9	171	143	171	143
Plant & Equipment	9	2,905	3,286	2,905	3,286
Motor Vehicles	9	733	525	733	525
Library Collection	9	1,309	1,241	1,309	1,241
<b>Depreciation Property, Plant and Equipment</b>	<b>9</b>	<b>15,486</b>	<b>15,459</b>	<b>15,486</b>	<b>15,459</b>
Amortisation of Intangible Assets	11	28	1,382	28	1,382
<b>Total depreciation &amp; amortisation</b>		<b>15,514</b>	<b>16,841</b>	<b>15,514</b>	<b>16,841</b>

### NOTE 3.3 – REPAIRS AND MAINTENANCE

Buildings and grounds – refurbishment, maintenance and repairs		5,089	8,650	5,089	8,650
Plant, Equipment – maintenance and repairs		427	1,010	427	1,010
<b>Total repairs and maintenance</b>		<b>5,516</b>	<b>9,660</b>	<b>5,516</b>	<b>9,660</b>

NOTE 3 | EXPENSES FROM CONTINUING ACTIVITIES continued...

NOTES	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NOTE 3.4 – IMPAIRMENT OF ASSETS</b>				
Bad debts written off:				
Students	815	846	815	846
Other	9	30	9	30
	<b>824</b>	<b>876</b>	<b>824</b>	<b>876</b>
Provision for doubtful debts expense:				
Students	( 230)	–	( 230)	–
Other	–	( 110)	–	( 110)
	<b>( 230)</b>	<b>( 110)</b>	<b>( 230)</b>	<b>( 110)</b>
<b>Net movement in doubtful debt provision</b>	<b>594</b>	<b>766</b>	<b>594</b>	<b>766</b>

**NOTE 3.5 – OTHER EXPENSES**

Scholarships, grants and prizes	4,812	4,525	4,812	4,525
Telecommunications	749	892	749	892
Equipment (below capitalisation threshold)	3,367	4,156	3,367	4,156
Independent contractors	2,969	2,768	2,969	2,768
Advertising, marketing and promotional expenses	3,528	3,820	3,528	3,820
Audit fees, bank charges, legal costs, insurance and taxes	1,776	1,799	1,765	1,799
Travel, staff development and entitlements	4,025	4,030	4,025	4,030
Cost of sale of goods including ancillary trading	1,188	1,340	1,188	1,340
Subscriptions, library materials & licence fees	5,356	5,040	5,356	5,040
Operating lease & rental expenses	326	325	326	325
Contract and other services	6,645	13,591	6,630	13,190
Printing and photocopying	1,975	1,907	1,975	1,907
Utilities	3,913	4,028	3,913	4,028
Motor vehicle running costs	499	456	499	456
Recruitment costs	645	307	602	307
Work experience scheme	4	616	4	616
Miscellaneous expenses	3,794	4,895	3,793	4,894
<b>Total other expenses</b>	<b>45,571</b>	<b>54,495</b>	<b>45,501</b>	<b>54,093</b>

**NOTE 4 | CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	64	4,202	33	4,172
Deposits at call	22,039	9,363	22,039	9,363
Short term fixed interest bearing bills, bonds/term deposits	40,000	65,901	40,000	65,901
<b>Total cash and cash equivalent assets</b>	<b>62,103</b>	<b>79,466</b>	<b>62,072</b>	<b>79,436</b>

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 2.55% & 3.14% (2015, 2.69% & 3.83%).

These deposits have an average maturity of 48 days. (2015, 54 days).

## NOTE 5 | RECEIVABLES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CURRENT</b>					
Debtors		5,450	3,839	5,567	3,871
Revenue receivable		956	4,348	956	4,348
Investment receipts		2,218	1,939	2,218	1,939
GST receivable from ATO		1,349	1,716	1,333	1,716
Student loans		160	201	160	201
Provision for impaired receivables		(1,271)	(1,501)	(1,271)	(1,501)
		8,862	10,542	8,963	10,574
Deferred Government contributions for superannuation	21	5,513	5,046	5,513	5,046
<b>Total current receivables</b>		<b>14,375</b>	<b>15,588</b>	<b>14,476</b>	<b>15,620</b>
<b>NON-CURRENT</b>					
Deferred Government contributions for superannuation	21	59,785	63,111	59,785	63,111
		59,785	63,111	59,785	63,111
<b>Total receivables</b>		<b>74,160</b>	<b>78,699</b>	<b>74,261</b>	<b>78,731</b>
<b>MOVEMENT IN IMPAIRED RECEIVABLES</b>					
	3.4				
Balance at 1 January		(1,501)	(1,611)	(1,501)	(1,611)
less amounts written off as bad debts during the year		824	876	824	876
plus provision for the year		(594)	(766)	(594)	(766)
<b>Balance at 31 December</b>		<b>(1,271)</b>	<b>(1,501)</b>	<b>(1,271)</b>	<b>(1,501)</b>

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 2016, current receivables of the Group with a nominal value of \$1271k (2015: \$1501k) were impaired. The amount of the provision was \$1271k (2015: \$1501k). 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	
		2016 \$'000	2015 \$'000
The ageing of these receivables is:	1 to 6 Months	367	634
	Over 6 Months	904	867
<b>Total current impaired receivables</b>		<b>1,271</b>	<b>1,501</b>

	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>IMPAIRED RECEIVABLES</b>				
As of December 2016, trade receivables of \$0.819m (2015, \$0.715m) 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	68	47	68	47
Over 6 months	751	668	751	668
<b>Total past due but not impaired current receivables</b>	<b>819</b>	<b>715</b>	<b>819</b>	<b>715</b>



## NOTE 6 | OTHER FINANCIAL ASSETS

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CURRENT</b>					
Financial assets held to maturity		81,498	130,511	81,498	130,511
<b>Total current other financial assets</b>		<b>81,498</b>	<b>130,511</b>	<b>81,498</b>	<b>130,511</b>
<b>NON-CURRENT</b>					
<b>Available for sale financial assets</b>					
Shares – Unlisted, at fair value		11,558	9,729	11,536	9,707
<b>Financial assets held to maturity</b>					
Long term fixed interest bearing bills, bonds/term deposits		61,829	–	61,829	–
<b>Total non-current financial assets</b>		<b>73,387</b>	<b>9,729</b>	<b>73,365</b>	<b>9,707</b>
<b>Total other financial assets</b>		<b>154,885</b>	<b>140,240</b>	<b>154,863</b>	<b>140,218</b>

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 2.55% & 3.14% (2015, 2.69% & 3.83%).

These deposits have an average maturity of 226 days. (2015, 172 days).

### IMPAIRMENT AND RISK EXPOSURE

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

## NOTE 7 | NON-CURRENT ASSETS HELD FOR SALE

Land held for resale	–	742	–	742
<b>Total non-current assets held for sale</b>	<b>–</b>	<b>742</b>	<b>–</b>	<b>742</b>

During 2016, two properties were sold. The property on 12 Davey Street was reassessed and was not available for sale. It was transferred back to Land and Buildings.

## NOTE 8 | OTHER ASSETS

<b>CURRENT</b>					
Prepayments		3,295	2,668	3,295	2,668
<b>Total other assets</b>		<b>3,295</b>	<b>2,668</b>	<b>3,295</b>	<b>2,668</b>

## NOTE 9 | PROPERTY, PLANT AND EQUIPMENT

UNIVERSITY AND CONSOLIDATED	LAND \$'000	BUILDINGS \$'000	WORK IN PROGRESS \$'000	LEASE OF LAND \$'000	L'HOLD IMPROV. \$'000	PLANT AND EQUIPMENT \$'000	MOTOR VEHICLES \$'000	LIBRARY \$'000	WORKS OF ART \$'000	TOTAL \$'000
<b>AS AT JANUARY 2015</b>										
At Cost	–	–	–	–	–	44,849	3,549	15,402	–	63,800
Fair Value	1,655	106,593	–	–	2,165	–	–	–	–	110,413
Valuation	41,024	140,595	–	545	–	–	–	–	1,519	183,683
Accumulated Depreciation	–	(16,212)	–	–	(237)	(29,535)	(1,314)	(10,175)	–	(57,473)
<b>Net Book Amount January 1 2015</b>	<b>42,679</b>	<b>230,976</b>	<b>–</b>	<b>545</b>	<b>1,928</b>	<b>15,314</b>	<b>2,235</b>	<b>5,227</b>	<b>1,519</b>	<b>300,423</b>
<b>MOVEMENT DURING THE YEAR ENDED DECEMBER 2015</b>										
Opening Net Book Value as at January 1 2015	42,679	230,976	–	545	1,928	15,314	2,235	5,227	1,519	300,423
Additions	–	1,178	178	–	(1)	2,781	408	1,739	–	6,283
Disposals	–	–	–	–	–	–	(107)	–	–	(107)
Transfers	(900)	2,079	–	–	–	(2,466)	88	–	–	(1,199)
Revaluation	(1,219)	21,078	–	85	2,279	–	–	–	(162)	22,061
Items expensed	–	–	–	–	–	(234)	–	–	–	(234)
Depreciation Expense	–	(10,264)	–	–	(143)	(3,286)	(525)	(1,241)	–	(15,459)
<b>Closing Net Book Value as at 31 December 2015</b>	<b>40,560</b>	<b>245,047</b>	<b>178</b>	<b>630</b>	<b>4,063</b>	<b>12,109</b>	<b>2,099</b>	<b>5,725</b>	<b>1,357</b>	<b>311,768</b>
<b>SUMMARY DECEMBER 2015</b>										
At Cost	–	–	–	–	–	27,289	4,003	17,141	–	48,433
Fair Value	–	–	178	–	4,063	–	–	–	–	4,241
Valuation	40,560	245,047	–	630	–	–	–	–	1,357	287,594
Accumulated depreciation	–	–	–	–	–	(15,180)	(1,904)	(11,416)	–	(28,500)
<b>Net Book Value 31 December 2015</b>	<b>40,560</b>	<b>245,047</b>	<b>178</b>	<b>630</b>	<b>4,063</b>	<b>12,109</b>	<b>2,099</b>	<b>5,725</b>	<b>1,357</b>	<b>311,768</b>
<b>DETAILS FOR THE YEAR ENDED 31 DECEMBER 2016</b>										
Opening Net Book Value	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768
Additions	175	–	3,491	–	–	2,079	702	1,878	6	8,331
Disposals	–	–	–	–	–	–	(183)	–	–	(183)
Transfers	170	–	–	–	–	–	–	170	–	–
Depreciation Expense	–	(10,368)	–	–	(171)	(2,905)	(733)	(1,309)	–	(15,486)
<b>Closing Net Book Value as at 31 December 2016</b>	<b>40,735</b>	<b>234,849</b>	<b>3,669</b>	<b>630</b>	<b>3,892</b>	<b>11,283</b>	<b>1,885</b>	<b>6,294</b>	<b>1,363</b>	<b>304,600</b>
<b>SUMMARY DECEMBER 2016</b>										
At Cost	–	–	3,669	–	–	14,188	2,618	7,603	6	28,084
Fair Value	175	–	–	–	–	–	–	–	–	175
Valuation	40,560	245,217	–	630	4,063	–	–	–	1,357	291,827
Accumulated depreciation	–	(10,368)	–	–	(171)	(2,905)	(733)	(1,309)	–	(15,486)
<b>Net Book Value 31 December 2016</b>	<b>40,735</b>	<b>234,849</b>	<b>3,669</b>	<b>630</b>	<b>3,892</b>	<b>11,283</b>	<b>1,885</b>	<b>6,294</b>	<b>1,363</b>	<b>304,600</b>

### 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 2016, the value of land and buildings at written down value in the University's books attributed to the Crown amounts to \$36.9 m.

UNIVERSITY & CONSOLIDATED	2016 \$'000	2015 \$'000
Profit and/or loss on Sale of Non Current Assets		
Proceeds on sale of property, plant & equipment	844	723
Less written down value	755	551
<b>Net profit/(loss) on disposal</b>	<b>89</b>	<b>172</b>

NOTE 10 | INVESTMENT PROPERTIES AT FAIR VALUE

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At Fair value opening balance at 1 January		66,570	59,275	66,570	59,275
Additions		–	1,434	–	1,434
Revaluation increment / (decrement)		( 405)	5,861	( 405)	5,861
<b>Closing Balance at 31 December</b>		<b>66,165</b>	<b>66,570</b>	<b>66,165</b>	<b>66,570</b>
<b>AMOUNTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME FOR INVESTMENT PROPERTIES</b>					
Rental Income		5,313	6,204	5,313	6,204
Movement in fair value of investment properties		( 405)	5,861	( 405)	5,861
Total Income		4,908	12,065	4,908	12,065
Direct Operating Expenses		( 3,037)	( 2,007)	( 3,037)	( 2,007)
<b>Total Recognised in profit or loss</b>		<b>1,871</b>	<b>10,058</b>	<b>1,871</b>	<b>10,058</b>
<b>AS AT THE REPORTING DATE THE FOLLOWING PROPERTIES WERE RECOGNISED AS INVESTMENT PROPERTIES</b>					
1995 Geelong Road		14,470	14,800	14,470	14,800
21 University Drive		9,770	9,470	9,770	9,470
28 University Drive		4,160	4,650	4,160	4,650
11 University Drive		8,000	7,750	8,000	7,750
2 Enterprise Grove		3,490	3,840	3,490	3,840
23 Wetlands Drive		5,680	6,530	5,680	6,530
17 Enterprise Grove		1,820	1,850	1,820	1,850
15 Enterprise Grove		8,240	7,890	8,240	7,890
Brewery Building Ballarat City		5,430	4,320	5,430	4,320
Vacant Land held for future development		5,105	5,470	5,105	5,470
<b>Carrying amount of investment properties</b>		<b>66,165</b>	<b>66,570</b>	<b>66,165</b>	<b>66,570</b>
<b>OPERATING LEASE RECEIVABLES</b>					
Amounts due					
one year or less		5,838	5,570	5,838	5,570
one to five years		14,299	17,750	14,299	17,750
over five years		1,998	1,719	1,998	1,719
		<b>22,135</b>	<b>25,039</b>	<b>22,135</b>	<b>25,039</b>

Refer to Note 27 for detailed disclosures regarding the fair value measurement of the University's investment properties

## NOTE 11 | INTANGIBLE ASSETS

CONSOLIDATED AND UNIVERSITY	SOFTWARE DEVELOPMENT \$'000	TOTAL NET VALUE \$'000
<b>YEAR ENDED 31 DECEMBER 2015</b>		
Opening net book amount 1 January 2015	1,410	1,410
Amortisation charge	( 1,382)	( 1,382)
<b>Closing net book amount 31 December 2015</b>	<b>28</b>	<b>28</b>
<b>YEAR ENDED DECEMBER 2016</b>		
Opening net book amount 1 January 2016	28	28
Amortisation charge	( 28)	( 28)
<b>Closing net book amount 31 December 2016</b>	<b>–</b>	<b>–</b>

## NOTE 12 | PAYABLES

NOTES	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CURRENT</b>				
Creditors and non salary accruals	6,703	20,380	6,704	20,396
Accrued salaries, wages and costs	3,411	2,321	3,411	2,321
OS-Help Liability to Australian Government	105	93	105	93
<b>Total current trade and other payables</b>	<b>10,219</b>	<b>22,794</b>	<b>10,220</b>	<b>22,810</b>

### FOREIGN CURRENCY RISK

The carrying amounts of the University and the Group'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 26.2 – Financial Instruments – Summarised Sensitivity Analysis.

## NOTE 13 | BORROWINGS

NOTES	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CURRENT</b>				
Unsecured				
Bills payable – National Australia Bank	–	164	–	164
<b>Total current borrowings</b>	<b>–</b>	<b>164</b>	<b>–</b>	<b>164</b>
<b>NON CURRENT</b>				
Unsecured				
Bills payable – National Australia Bank	–	–	–	–
	–	–	–	–
<b>FINANCING ARRANGEMENTS</b>				
<b>Credit standby arrangements</b>				
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				
Other – credit card facilities	384	400	384	400
Unused at reporting date				
Bank overdrafts	150	150	150	150
Other – credit card facilities	2,616	2,600	2,616	2,600
Bank Guarantee	10	10	10	10

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

NOTE 14 | PROVISIONS – EMPLOYEE ENTITLEMENTS

NOTES	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CURRENT PROVISIONS EXPECTED TO BE SETTLED WHOLLY WITHIN 12 MONTHS</b>				
Annual leave	6,476	5,987	6,476	5,987
Long service leave	22,424	20,754	22,424	20,754
Deferred benefits for superannuation	5,513	5,046	5,513	5,046
Other employee benefits	354	379	354	379
	34,767	32,166	34,767	32,166
<b>CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER MORE THAN 12 MONTHS</b>				
Annual Leave	4,415	3,987	4,415	3,987
	4,415	3,987	4,415	3,987
<b>Total Current Provisions</b>	<b>39,182</b>	<b>36,153</b>	<b>39,182</b>	<b>36,153</b>
<b>NON-CURRENT</b>				
Long service leave	2,933	2,765	2,933	2,765
Deferred benefits for superannuation	59,785	63,111	59,785	63,111
	62,718	65,876	62,718	65,876
	101,900	102,029	101,900	102,029

**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 *AASB 101* 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 *AASB 119* 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 *AASB 119* 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 *AASB 101* as a non-current liability; and
- (ii) measured at present value under *AASB 119* as the entity does not expect to settle this non-current liability within 12 months.

## NOTE 14 | PROVISIONS – EMPLOYEE ENTITLEMENTS Continued

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>MOVEMENT IN ENTITLEMENTS: CONSOLIDATED AND UNIVERSITY</b>					
<b>ANNUAL LEAVE:</b>					
Carrying amount at start of year		9,974	9,925	9,974	9,925
Additional provisions recognised/ (amounts used)		917	49	917	49
<b>Carrying amount at end of year</b>		<b>10,891</b>	<b>9,974</b>	<b>10,891</b>	<b>9,974</b>
<b>LONG SERVICE LEAVE:</b>					
Carrying amount at start of year		23,519	22,640	23,519	22,640
Additional provisions recognised/ (amounts used)		1,838	879	1,838	879
<b>Carrying amount at end of year</b>		<b>25,357</b>	<b>23,519</b>	<b>25,357</b>	<b>23,519</b>
<b>OTHER EMPLOYEE BENEFITS:</b>					
Carrying amount at start of year		379	426	379	426
Additional provisions recognised/ (amounts used)		( 25)	( 47)	( 25)	( 47)
<b>Carrying amount at end of year</b>		<b>354</b>	<b>379</b>	<b>354</b>	<b>379</b>
<b>DEFERRED BENEFITS FOR SUPERANNUATION</b>					
Carrying amount at start of year		68,157	68,185	68,157	68,185
Movement in actuarial valuation		( 2,859)	( 28)	( 2,859)	( 28)
<b>Carrying amount at end of year</b>		<b>65,298</b>	<b>68,157</b>	<b>65,298</b>	<b>68,157</b>
<b>Total Entitlements</b>		<b>101,900</b>	<b>102,029</b>	<b>101,900</b>	<b>102,029</b>

## NOTE 15 | OTHER LIABILITIES

Funds received in advance		8,668	13,013	8,668	13,013
<b>Total other liabilities</b>		<b>8,668</b>	<b>13,013</b>	<b>8,668</b>	<b>13,013</b>

## NOTE 16 | RESERVES AND RETAINED EARNINGS

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>COMPOSITION OF RESERVES</b>					
Asset Revaluation Reserve		163,577	163,577	163,577	163,577
Investments – available for sale financial assets (valuation date 31 December 2016)		11,017	9,188	11,017	9,188
<b>Total Reserves</b>		<b>174,594</b>	<b>172,765</b>	<b>174,594</b>	<b>172,765</b>
<b>ASSET REVALUATION RESERVE</b>					
Land		37,282	37,282	37,282	37,282
Buildings		125,482	125,482	125,482	125,482
Works of art		813	813	813	813
		<b>163,577</b>	<b>163,577</b>	<b>163,577</b>	<b>163,577</b>

NOTE 16 | RESERVES AND RETAINED EARNINGS continued

YEAR ENDED 31 DECEMBER 2015	BALANCE AT BEGINNING OF YEAR \$'000	REVALUATION INCREMENT \$'000	CARRYING AMOUNT AT END OF YEAR \$'000
<b>MOVEMENT IN CARRYING AMOUNTS CONSOLIDATED</b>			
Asset Revaluation Reserve			
Land	38,416	( 1,134)	37,282
Buildings	102,124	23,358	125,482
Works of art	974	( 161)	813
Investments – available for sale financial assets	–	9,188	9,188
	<b>141,514</b>	<b>31,251</b>	<b>172,765</b>
<b>UNIVERSITY</b>			
Asset Revaluation Reserve			
Land	38,416	( 1,134)	37,282
Buildings	102,124	23,358	125,482
Works of art	974	( 161)	813
Investments – available for sale financial assets	–	9,188	9,188
	<b>141,514</b>	<b>31,251</b>	<b>172,765</b>

YEAR ENDED 31 DECEMBER 2015

<b>MOVEMENT IN CARRYING AMOUNTS CONSOLIDATED</b>			
Asset Revaluation Reserve			
Land	37,282	–	37,282
Buildings	125,482	–	125,482
Works of art	813	–	813
Investments – available for sale financial assets	9,188	1,829	11,017
	<b>172,765</b>	<b>1,829</b>	<b>174,594</b>
<b>UNIVERSITY</b>			
Asset Revaluation Reserve			
Land	37,282	–	37,282
Buildings	125,482	–	125,482
Works of art	813	–	813
Investments – available for sale financial assets	9,188	1,829	11,017
	<b>172,765</b>	<b>1,829</b>	<b>174,594</b>

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>MOVEMENT IN ACCUMULATED SURPLUS</b>					
Balance 1 January		369,651	363,297	369,615	363,258
Net operating surplus for the reporting period		514	6,354	597	6,357
<b>Balance 31 December</b>		<b>370,165</b>	<b>369,651</b>	<b>370,212</b>	<b>369,615</b>

**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(K) and impairments booked to previously revalued increments.

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

## NOTE 17 | CASH FLOW INFORMATION

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>A) RECONCILIATION OF NET RESULT TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>					
Net result for the year		514	6,354	597	6,357
<b>Non-cash flows in operating result</b>					
Depreciation and amortisation of non-current assets		15,514	16,841	15,514	16,841
Other non cash items		–	257	–	257
(Gain)/ loss on revaluation of investment properties		405	( 5,861)	405	( 5,861)
Net (profit)/loss on sale of non-current assets		( 89)	( 172)	( 89)	( 172)
Net gain/(loss) on investments		( 2,233)	643	( 2,233)	643
<b>Decrease/(increase) in:</b>					
<b>Current assets</b>					
Decrease / ( Increase) in trade receivables		4,539	13,621	4,470	13,565
Decrease / ( Increase) in inventories		( 103)	141	( 103)	141
Decrease / (increase) in other assets		( 627)	( 346)	( 627)	( 346)
<b>Current Liabilities</b>					
Increase/ (Decrease) in payables		( 12,575)	( 17,943)	( 12,590)	( 17,926)
Increase/ (Decrease) in employee entitlements		( 129)	1,012	( 129)	1,012
Increase / ( Decrease) in other liabilities		( 4,345)	( 165)	( 4,345)	( 143)
<b>Net cash provided by operating activities</b>		<b>871</b>	<b>14,382</b>	<b>870</b>	<b>14,368</b>
<b>B) NON-CASH FINANCING AND INVESTING ACTIVITIES</b>					
There is no acquisition of plant and equipment by means of finance leases					
<b>C) CREDIT STANDBY ARRANGEMENTS WITH BANKS</b>		150	150	150	150



NOTE 18 | LEASES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>LEASE COMMITMENTS</b>					
<b>Operating Lease Commitment</b>					
Payments due	- one year or less	1,458	1,303	1,458	1,303
	- one to five years	1,674	1,922	1,674	1,922
	- over five years	156	591	156	591
		<b>3,288</b>	<b>3,816</b>	<b>3,288</b>	<b>3,816</b>
<b>LEASED ASSETS</b>					
As at the reporting date the University leased out the following assets:					
	Albert Coates Building ( part)	278	290	278	290
	Camp Street	1,491	1,548	1,491	1,548
	Horsham Cafeteria	–	145	–	145
	ESTA Building	8,240	7,890	8,240	7,890
	Global Innovation Centre	3,490	3,840	3,490	3,840
	Greenhill Enterprise Centre	4,160	4,650	4,160	4,650
	Advanced Display Technology Building	1,820	1,850	1,820	1,850
	IBM Centre	14,470	14,800	14,470	14,800
	IBM Internet Laboratory Building	9,770	9,470	9,770	9,470
	Brewery Building, Lydiard Street South	5,430	4,320	5,430	4,320
	Rural Ambulance Victoria Building	5,680	6,530	5,680	6,530
	State Library of Victoria (Land only)	130	130	130	130
	Building A (part), Mt. Helen	150	–	150	–
	Gippsland Enterprise Centre	1,794	–	1,794	–
	Gribble Building, Lydiard Street South	63	–	63	–
	Yuille Street	1,801	–	1,801	–
	State Revenue Office Building	8,000	7,750	8,000	7,750
	<b>Carrying amount of leased assets</b>	<b>66,767</b>	<b>63,213</b>	<b>66,767</b>	<b>63,213</b>
<b>OPERATING LEASE RECEIVABLES</b>					
Amounts due	- one year or less	5,838	6,073	5,838	6,073
	- one to five years	14,299	18,725	14,299	18,725
	- over five years	1,998	2,656	1,998	2,656
		<b>22,135</b>	<b>27,454</b>	<b>22,135</b>	<b>27,454</b>

## NOTE 19 | COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED						UNIVERSITY					
	2016			2015			2016			2015		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	EX GST	GST	TOTAL GST INC	EX GST	GST	TOTAL GST INC	EX GST	GST	TOTAL GST INC	EX GST	GST	TOTAL GST INC
<b>CAPITAL COMMITMENTS</b>												
As at the reporting date the University had the following outstanding Capital Commitments												
Building projects	1,106	111	1,217	1,150	115	1,265	1,106	111	1,217	1,150	115	1,265
Equipment	50	5	55	–	–	–	50	5	55	–	–	–
	<b>1,156</b>	<b>116</b>	<b>1,272</b>	<b>1,150</b>	<b>115</b>	<b>1,265</b>	<b>1,156</b>	<b>116</b>	<b>2,372</b>	<b>1,150</b>	<b>115</b>	<b>1,265</b>
Outstanding Capital Commitments are payable as follows												
Payments Due:												
- not later than one year	1,156	116	1,272	1,150	115	1,265	1,156	116	1,272	1,150	115	1,265
	<b>1,156</b>	<b>116</b>	<b>1,272</b>	<b>1,150</b>	<b>115</b>	<b>1,265</b>	<b>1,156</b>	<b>116</b>	<b>1,272</b>	<b>1,150</b>	<b>115</b>	<b>1,265</b>

## NOTE 20 | CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities.

## NOTE 21 | SUPERANNUATION

### CONTRIBUTION DETAILS

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

	2016	2015
<b>Government Superannuation Office</b>		
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
<b>Victorian Superannuation Fund</b>		
Vic Super Scheme – Academic Staff	9.25% to 9.50%	9.25% to 9.50%
Vic Super Scheme – Non Academic Staff	11.00%	11.00%
<b>Other Superannuation Schemes</b>		
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%	9.25% to 9.50%

### GOVERNMENT SUPERANNUATION OFFICE (GSO)

For the year ended December 2016 Emergency Services Superannuation Board, which includes the GSO, provided the following information in relation to the University's AASB 119 liability as at 30 June 2016.

	30 JUNE 2016 \$'000	30 JUNE 2015 \$'000
<b>Assets – Amounts receivable from the Australian Government</b>		
Receivable within 12 Months	5,513	5,046
Receivable later than 12 months	59,785	63,111
<b>Total</b>	<b>65,298</b>	<b>68,157</b>
<b>Movement in deferred government contributions for superannuation</b>	<b>( 2,859)</b>	<b>( 28)</b>
<b>Unfunded superannuation liability</b>		
Payable within 12 months	5,513	5,046
Payable later than 12 months	59,785	63,111
<b>Total</b>	<b>65,298</b>	<b>68,157</b>
<b>Movements in deferred employee benefits for superannuation</b>	<b>( 2,859)</b>	<b>( 28)</b>

### 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 2016, the assets of the DBD in aggregate were estimated to be \$2,252 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 2016 the assets of the DBD in aggregate were estimated to be \$3,757 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.

## NOTE 21 | SUPERANNUATION Continued...

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 2016. The financial assumptions used were:

	VESTED BENEFITS PER ANNUM	ACCRUED BENEFITS PER ANNUM
Gross of tax investment return – DBD pensions	5.30%	6.90%
Gross of tax investment return – commercial rate indexed pensions	3.70%	3.70%
Net of tax investment return – non pensioner members	4.60%	6.10%
Consumer Price Index	2.50%	2.50%
Inflationary salary increases long term	3.50%	3.50%

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

Clause 34 was initiated following the 30 June 2012 and 30 June 2013 actuarial investigations.

Following the end of the monitoring period commencing on 30 June 2012, the Fund's actuary advised that the Trustee is not required to take any further action, and that monitoring period is now ceased.

The monitoring period commencing on 30 June 2013 is still in place.

### VICTORIAN STATE SUPERANNUATION FUND (REFER NOTE 1(P))

The unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by Catherine Nance, FIAA and relate to the estimates of net liabilities at 31 December 2016. The methodology for measurement of the net liabilities uses the discount rate of 3.25% based on the government bond rate and assumed salary increases of 4% and pension indexation of 2.5%.

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

The University 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 31 December 2016, 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 the University, as assessed by the fund as at 31 December 2016, amounted to \$65,298,000 (2015: \$68,157,000). Unfunded liabilities are met by the Australian Government.

## NOTE 22 | AUDITORS' REMUNERATION

NOTES	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>AUDIT OF THE FINANCIAL STATEMENTS</b>				
Victorian Auditor General's Office	90	85	90	85
<b>Total audit of the financial statements</b>	<b>90</b>	<b>85</b>	<b>90</b>	<b>85</b>
<b>OTHER AUDIT AND ASSURANCE SERVICES</b>				
Shinewing	17	166	17	166
Barker and Jennings	8	11	8	11
Oakton	–	3	–	3
Australian Skills Quality Authority	–	30	–	30
RSM Bird Cameron	18	–	18	–
Fees paid to Other	2	–	2	–
<b>Total other audit and assurance services</b>	<b>45</b>	<b>210</b>	<b>45</b>	<b>210</b>

Other audit fees relate to fees paid to other firms for the audit or review of miscellaneous financial reports and administrative processes.

## NOTE 23 | KEY MANAGEMENT PERSONNEL DISCLOSURES

### RESPONSIBLE PERSONS

#### Responsible persons related disclosures

In accordance with the directions of the Minister for Finance under the *Victorian 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. Gayle Tierney MLC, Minister for Training & Skills. 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.

#### (II) NAMES OF RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

The following persons were responsible persons and executive officers of Federation University Australia during the year.

The Hon. Steve Herbert MLC Minister for Training & Skills	1/1 – 9/11/2016
The Hon. Gayle Tierney MLC Minister for Training & Skills	9/11 – 31/12/2016

#### Council members during 2016 were:

Dr Paul John Harry Hemming (Chancellor)	1/1 – 31/12/2016
Professor David Arthur Battersby (Vice Chancellor)	1/1 – 28/11/2016
Professor Andy Smith (Acting Vice-Chancellor)	28/11 – 31/12/2016
Mr Cameron Beyer	1/9 – 31/12/2016
Ms Pauline Buckland (Ministerial Appointee)	1/1 – 31/12/2016
Dr Meredith Doig	1/1 – 3/05/2016
Dr Kim Dowling	1/1 – 31/12/2016
Mr George Fong	1/1 – 31/12/2016
Ms Stacey Grose	13/7 – 31/12/2016
Ms Alice Langley	1/9 – 31/12/2016
Mr Ian Nethercote	1/1 – 31/12/2016
Ms Mashelle Parrett	1/1 – 31/12/2016
Mr Michael Walter Ryan	1/1 – 31/12/2016
Ms Jane Smith	1/1 – 31/12/2016
Ms Deborah Ann Spring	1/1 – 31/12/2016
Mr Anthony Stone	1/1 – 31/12/2016
Mr Steve Davies	1/1 – 31/12/2016

#### (III) 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.

Professor Andy Smith	(Deputy Vice Chancellor, Academic)
Professor Leigh Sullivan	(Deputy Vice Chancellor, Research and Innovation)
Professor Todd Walker	(Deputy Vice Chancellor, Engagement)
Professor Marcia Devlin	(Deputy Vice Chancellor, Learning and Quality)
Mr Darren Holland	(Deputy Vice Chancellor, Student Support and Services)
Mr John Blair	Operating Officer / CFO)

All of the above persons were also key management persons during the year ended 31 December 2016. Details of responsible persons and executives of controlled entities are disclosed in the respective financial statements of those entities.

NOTE 23 | KEY MANAGEMENT PERSONNEL DISCLOSURES Continued...

	CONSOLIDATED		UNIVERSITY		
	NOTES	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>REMUNERATION OF COUNCIL MEMBERS</b>					
Less than \$10,000		1	–	1	–
\$10,000 to \$19,999		1	3	1	3
\$20,000 to \$29,999		9	7	9	7
\$60,000 to \$69,999		–	–	–	–
\$70,000 to \$79,999		1	1	1	1
\$100,000 to \$109,999		–	–	–	–
\$120,000 to \$129,999		1	–	1	–
\$150,000 to \$159,999		–	1	–	1
\$160,000 to \$169,999		1	–	1	–
\$260,000 to \$269,999		–	–	–	–
\$310,000 to \$319,999		–	–	–	–
\$340,000 to \$349,999		–	–	–	–
\$690,000 to \$699,999		–	1	–	1
\$720,000 to \$729,999		1	–	1	–
		<b>15</b>	<b>13</b>	<b>15</b>	<b>13</b>
<b>COUNCIL MEMBER COMPENSATION</b>					
Short-term employee benefits		1,170	989	1,170	989
Post-employment benefits		173	146	173	146
Termination benefits		–	–	–	–
		<b>1,343</b>	<b>1,135</b>	<b>1,343</b>	<b>1,135</b>
<b>REMUNERATION OF EXECUTIVE OFFICERS</b>					
Less than \$10,000		1	–	1	–
\$20,000 to \$29,999		–	1	–	1
\$50,000 to \$59,999		–	1	–	1
\$80,000 to \$89,999		1	–	1	–
\$140,000 to \$149,999		–	1	–	1
\$150,000 to \$159,999		1	2	1	2
\$160,000 to \$169,999		2	3	2	3
\$170,000 to \$179,999		2	–	2	–
\$180,000 to \$189,999		2	1	2	1
\$190,000 to \$199,999		3	3	3	3
\$200,000 to \$209,999		4	2	4	2
\$210,000 to \$219,999		1	2	1	2
\$220,000 to \$229,999		1	1	1	1
\$240,000 to \$249,999		1	4	1	4
\$250,000 to \$259,999		4	1	4	1
\$260,000 to \$269,999		1	2	1	2
\$270,000 to \$279,999		2	1	2	1
\$280,000 to \$289,999		1	–	1	–
\$300,000 to \$309,999		–	1	–	1
\$310,000 to \$319,999		1	–	1	–
\$320,000 to \$329,999		–	1	–	1
\$330,000 to \$339,999		1	1	1	1
\$340,000 to \$349,999		1	1	1	1
\$370,000 to \$379,999		1	–	1	–
		<b>31</b>	<b>29</b>	<b>31</b>	<b>29</b>
<b>KEY MANAGEMENT PERSONNEL COMPENSATION</b>					
Short-term employee benefits		5,836	5,200	5,836	5,200
Post-employment benefits		951	840	951	840
Termination benefits		189	184	189	184
		<b>6,976</b>	<b>6,224</b>	<b>6,976</b>	<b>6,224</b>

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

## NOTE 23 | KEY MANAGEMENT PERSONNEL DISCLOSURES Continued...

### 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

The University 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 David Battersby is the Chairman of Education Australia Ltd and a board member of IDP Education Ltd, Melbourne Institute of Technology and Times Education.

These organisations have relationships with the University: Mr George Fong's company, Lateral Plains rents office space at the University's Global Innovation Centre, Mt Helen. Mr Fong provides consultancy services to the University.

	NOTES	CONSOLIDATED		UNIVERSITY	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Rental income		( 43)	( 52)	( 43)	( 52)
Professional services		8	10	8	10
Agent commission		96	32	96	32
Private provider payments		11,935	16,038	11,935	16,038
Honorarium received		( 5)	—	( 5)	—
Administration and secretarial services income		( 38)	( 26)	( 38)	( 26)

## NOTE 24 | GEOGRAPHIC INFORMATION

GEOGRAPHIC	REVENUE		RESULTS		ASSETS	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Australia	260,133	270,466	463	5,631	665,594	680,396
Africa	41	22	8	—	—	—
Americas	206	152	( 35)	74	—	—
Asia 2,531	1,616	137	303	—	—	—
Europe	180	—	24	—	—	—
Oceania	—	214	—	349	—	—
	<b>263,091</b>	<b>272,470</b>	<b>597</b>	<b>6,357</b>	<b>665,594</b>	<b>680,396</b>

## NOTE 25 | 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.

ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2016	2015
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%	55.8%
UB Housing Pty Ltd	Australia	100%	100%
Brisbane Educational Services Pty Ltd	Australia	100%	100%

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

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

NOTE 25 | SUBSIDIARIES continued

INCOME STATEMENT

ENTITY	TOTAL REVENUE		TOTAL EXPENDITURE		NET PROFIT/(LOSS) AFTER TAX EXPENSE	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	–	400	–	400	–	–
The School of Mines and Industries Ballarat Ltd	–	–	–	–	–	–
Datascreen Pty Ltd ( a subsidiary of Inskill )	–	–	–	–	–	–
UB Housing Pty Ltd	–	–	–	–	–	–
Brisbane Educational Services Pty Ltd	24	–	81	–	( 57 )	–
	<b>24</b>	<b>400</b>	<b>81</b>	<b>400</b>	<b>( 57 )</b>	<b>–</b>

BALANCE SHEET

A) ASSETS

ENTITY	CURRENT ASSETS		NON-CURRENT ASSETS		TOTAL ASSETS	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	–	32	–	21	–	53
The School of Mines and Industries Ballarat Ltd	–	–	–	–	–	–
Datascreen Pty Ltd ( a subsidiary of Inskill )	1	1	–	–	1	1
UB Housing Pty Ltd	–	–	–	–	–	–
Brisbane Educational Services Pty Ltd	324	–	–	–	324	–
	<b>325</b>	<b>33</b>	<b>–</b>	<b>21</b>	<b>325</b>	<b>54</b>

B) LIABILITIES

ENTITY	CURRENT LIABILITIES		NON-CURRENT LIABILITIES		TOTAL LIABILITIES	
	2016	2015	2016	2015	2016	2015
	\$'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	–	–	–	–	–	–
Brisbane Educational Services Pty Ltd	81	–	–	–	81	–
	<b>81</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>81</b>	<b>–</b>

C) EQUITY AND BORROWINGS

ENTITY	EXTERNAL BORROWINGS		INTERNAL BORROWINGS		EQUITY	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	–	–	–	–	–	53
The School of Mines and Industries Ballarat Ltd	–	–	–	–	–	–
Datascreen Pty Ltd ( a subsidiary of Inskill )	–	–	–	–	1	1
UB Housing Pty Ltd	–	–	–	–	–	–
Brisbane Educational Services Pty Ltd	–	–	300	–	( 57 )	–
	<b>–</b>	<b>–</b>	<b>300</b>	<b>–</b>	<b>( 56 )</b>	<b>54</b>

Notes to and forming part of the Financial Statements for the year ending 31 December 2016



**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 2016 have had an impact on the University's year end result. It is estimated that the decrease in interest rates have decreased earnings by \$0.3m for 2016.

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.

**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 2016.

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 a rating of BBB+ 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 2016 and 31 December 2015 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.

## NOTE 26 | FINANCIAL RISK MANAGEMENT continued

### NOTE 26.1 – FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

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

CONSOLIDATED – 2016	WEIGHTED AVERAGE EFFECTIVE RATE	FLOATING INTEREST RATE \$'000	LESS THAN 1 YEAR \$'000	1-5 YEARS \$'000	5+ YEARS \$'000	NON INTEREST BEARING \$'000	TOTAL CARRYING AMOUNT PER BALANCE SHEET \$'000
<b>FINANCIAL ASSETS</b>							
Cash and cash equivalents – Cash at Bank	0.27%	64	–	–	–	–	64
Cash and cash equivalents – Deposits at Call	0.236%	22,039	–	–	–	–	22,039
Receivables – Debtors	–	–	–	–	–	4,179	4,179
Receivables – Other Debtors	–	–	–	–	–	69,981	69,981
Other Financial Assets:							
Short Term Deposits	3.06%	–	40,000	–	–	–	40,000
Other Financial Assets:							
Unlisted Shares	–	–	–	–	–	11,558	11,558
Other Financial Assets:							
Term Deposits	3.06%	–	81,498	61,829	–	–	143,327
<b>Total Financial Assets</b>		<b>22,103</b>	<b>121,498</b>	<b>61,829</b>	<b>–</b>	<b>85,718</b>	<b>291,148</b>
<b>FINANCIAL LIABILITIES</b>							
Payables:							
Creditors & Accruals	–	–	–	–	–	10,219	10,219
Payables:							
Unfunded superannuation	–	–	–	–	–	65,298	65,298
Interest Bearing Liabilities:							
Bills Payable	–	–	–	–	–	–	–
<b>Total Financial Liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>75,517</b>	<b>75,517</b>

## FINANCIAL INSTRUMENTS

	WEIGHTED AVERAGE EFFECTIVE RATE	FLOATING INTEREST RATE \$'000	LESS THAN 1 YEAR \$'000	1-5 YEARS \$'000	5+ YEARS \$'000	NON INTEREST BEARING \$'000	TOTAL CARRYING AMOUNT PER BALANCE SHEET \$'000
<b>CONSOLIDATED – 2015</b>							
<b>FINANCIAL ASSETS</b>							
Cash and cash equivalents – Cash at Bank	0.42%	4,202	–	–	–	–	4,202
Cash and cash equivalents – Deposits at Call	2.55%	9,363	–	–	–	–	9,363
Receivables – Debtors	–	–	–	–	–	2,338	2,338
Receivables – Other Debtors	–	–	–	–	–	76,361	76,361
Other Financial Assets:							
Short Term Deposits	4.10%	–	65,901	–	–	–	65,901
Other Financial Assets:							
Unlisted Shares	–	–	–	–	–	9,729	9,729
Other Financial Assets:							
Term Deposits	4.10%	–	130,511	–	–	–	130,511
<b>Total Financial Assets</b>		<b>13,565</b>	<b>196,412</b>	<b>–</b>	<b>–</b>	<b>88,428</b>	<b>298,405</b>
<b>FINANCIAL LIABILITIES</b>							
Payables:							
Creditors & Accruals	–	–	–	–	–	22,794	22,794
Payables:							
Unfunded superannuation	–	–	–	–	–	68,157	68,157
Interest Bearing Liabilities:							
Bills Payable	6.40%	–	164	–	–	–	164
<b>Total Financial Liabilities</b>		<b>–</b>	<b>164</b>	<b>–</b>	<b>–</b>	<b>90,951</b>	<b>91,115</b>

## NOTE 26 | FINANCIAL RISK MANAGEMENT continued

### NOTE 26.2 – 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 2016

	CARRYING AMOUNT	INTEREST RATE RISK			
		0.5%		1.0%	
		RESULT	EQUITY	RESULT	EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents – Cash at Bank	64	–	–	1	1
Cash and cash equivalents – Deposits at Call	22,039	( 110)	( 110)	220	220
Other Financial Assets:					
Short Term Deposits	40,000	( 200)	( 200)	400	400
Other Financial Assets:					
Income Securities	81,498	–	–	–	–
Long term fixed interest bearing bills, bonds/term deposits	61,829	( 309)	( 309)	618	618
<b>Total increase/(decrease)</b>		<b>( 619)</b>	<b>( 619)</b>	<b>1,239</b>	<b>1,239</b>

#### 31 DECEMBER 2015

	CARRYING AMOUNT	INTEREST RATE RISK			
		0.5%		1.0%	
		RESULT	EQUITY	RESULT	EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents – Cash at Bank	4,202	( 21)	( 21)	42	42
Cash and cash equivalents – Deposits at Call	9,363	( 47)	( 47)	94	94
Other Financial Assets:					
Short Term Deposits	65,901	( 330)	( 330)	659	659
<b>Total Increase/(decrease)</b>		<b>( 398)</b>	<b>( 398)</b>	<b>795</b>	<b>795</b>

## NOTE 27 | 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 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).

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

	NOTES	CARRYING AMOUNT		FAIR VALUE	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents		62,103	79,466	62,103	79,466
Receivables		8,963	10,574	8,963	10,574
Deferred government contributions for superannuation		65,298	68,157	65,298	68,157
Fixed interest bearing bills, bonds/term deposits		143,327	130,511	143,327	130,511
Other financial assets available for sale					
Other Investments – at fair value		11,558	9,729	11,558	9,729
<b>Total financial assets</b>		<b>291,249</b>	<b>298,437</b>	<b>291,249</b>	<b>298,437</b>
<b>FINANCIAL LIABILITIES</b>					
Payables		10,219	22,794	10,219	22,794
Deferred Benefits for superannuation		65,298	68,157	65,298	68,157
Borrowings					
Bank bills secured		–	164	–	164
<b>Total financial liabilities</b>		<b>75,517</b>	<b>91,115</b>	<b>75,517</b>	<b>91,115</b>

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

- 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 7) 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*:

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes. Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due. The following methods and assumptions are used to determine the fair value of financial assets and liabilities.

**Cash and cash equivalents:** The carrying amount approximates fair value because of their short term to maturity. Trade receivables and payables: The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair value due to their short-term nature.

**Other Investments:** -Where there is no quoted market price, a reasonable estimate of the fair value has been determined by ShineWing with reference to the current market value of the net balance sheet at balance date of the investment discounted for market factors.

## NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

### (B) FAIR VALUE HIERARCHY

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 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).

#### (i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2016

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.

RECURRING FAIR VALUE MEASUREMENTS	NOTES	31 DECEMBER 2016							
		CONSOLIDATED				UNIVERSITY			
		LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<b>FINANCIAL ASSETS</b>									
Available-for-sale financial assets									
Other investments – at valuation	6	–	–	11,558	11,558	–	–	11,536	11,536
<b>Total financial assets recognised at fair value</b>		–	–	<b>11,558</b>	<b>11,558</b>	–	–	<b>11,536</b>	<b>11,536</b>
<b>NON-FINANCIAL ASSETS</b>									
Land	9	–	–	40,735	40,735	–	–	40,735	40,735
Buildings	9	–	–	234,849	234,849	–	–	234,849	234,849
Leased land	9	–	–	630	630	–	–	630	630
Leashold improvements	9	–	–	3,892	3,892	–	–	3,892	3,892
Equipment and furniture	9	–	–	11,283	11,283	–	–	11,283	11,283
Motor vehicles	9	–	–	1,885	1,885	–	–	1,885	1,885
Library holdings	9	–	–	6,294	6,294	–	–	6,294	6,294
Art collection	9	–	–	1,363	1,363	–	–	1,363	1,363
Investment properties	10	–	–	66,165	66,165	–	–	66,165	66,165
<b>Total non-financial assets recognised at fair value</b>		–	–	<b>367,096</b>	<b>367,096</b>	–	–	<b>367,096</b>	<b>367,096</b>
<b>Total fair value measurement</b>		–	–	<b>378,654</b>	<b>378,654</b>	–	–	<b>378,632</b>	<b>378,632</b>

NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

RECURRING FAIR VALUE MEASUREMENTS	NOTES	31 DECEMBER 2015							
		CONSOLIDATED				UNIVERSITY			
		LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<b>FINANCIAL ASSETS</b>									
<b>Available-for-sale financial assets</b>									
Shares in listed entities – at fair value	7	–	–	–	–	–	–	–	–
Other investments – at cost	7	–	–	9,729	9,729	–	–	9,707	9,707
<b>Total financial assets</b>		–	–	<b>9,729</b>	<b>9,729</b>	–	–	<b>9,707</b>	<b>9,707</b>
<b>NON-FINANCIAL ASSETS</b>									
Land	9	–	–	40,559	40,559	–	–	40,559	40,559
Buildings	9	–	–	245,048	245,048	–	–	245,048	245,048
Leased land	9	–	–	630	630	–	–	630	630
Leasehold improvements	9	–	–	4,063	4,063	–	–	4,063	4,063
Equipment and furniture	9	–	–	12,110	12,110	–	–	12,110	12,110
Motor vehicles	9	–	–	2,099	2,099	–	–	2,099	2,099
Library holdings	9	–	–	5,725	5,725	–	–	5,725	5,725
Art collection	9	–	–	1,357	1,357	–	–	1,357	1,357
Investment properties	10	–	–	66,570	66,570	–	–	66,570	66,570
<b>Total non-financial assets recognised at fair value</b>		–	–	<b>378,161</b>	<b>378,161</b>	–	–	<b>378,161</b>	<b>378,161</b>
<b>TOTAL RECURRING FAIR VALUE MEASUREMENTS</b>									
Non-recurring fair value measurements									
Land held for resale	7	–	742	–	742	–	742	–	742
<b>Total non-recurring fair value measurements</b>		–	<b>742</b>	–	<b>742</b>	–	<b>742</b>	–	<b>742</b>
<b>Total fair value measurement</b>		–	<b>742</b>	<b>387,890</b>	<b>388,632</b>	–	<b>742</b>	<b>387,868</b>	<b>388,610</b>

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 29(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 29(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 2016, the borrowing rates were determined to be n/a 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 (2015: no changes).

**(C) VALUATION TECHNIQUES USED TO DERIVE LEVEL 2 AND LEVEL 3 FAIR VALUES****(i) Recurring fair value measurements**

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

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

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

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

Investment properties are valued independently in the actual period and freehold land and building (classified as property, plant and equipment) at least every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates.

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

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

All resulting fair value estimates for properties are included in level 3. The level 2 fair value of land held for sale has been derived using advice from the Land Monitor of Victoria

**(ii) Non-recurring fair value measurements**

Land classified as non-current assets held for sale during 2015 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 has advertised the properties for sale. The fair value of the land was based on the Land Monitor of Victoria estimated price at reporting date.

**(D) FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)****(i) Reconciliation of recurring Level 3 fair value measurements**

The following table provides a reconciliation of Level 3 items for the period ending 31 December 2015 and 2016

LEVEL 3 FAIR VALUE MEASUREMENTS 2016	OTHER INVESTMENTS \$'000	NON FINANCIAL ASSETS \$'000
Opening balance	9,729	378,161
Acquisitions	–	5,010
Sales	–	( 183)
Recognised in profit or loss	–	( 15,892)
Gains/(losses) recognised in other comprehensive income	1,829	–
	<b>11,558</b>	<b>367,096</b>

LEVEL 3 FAIR VALUE MEASUREMENTS 2015	OTHER INVESTMENTS \$'000	NON FINANCIAL ASSETS \$'000
Opening balance	262	359,698
Acquisitions	–	7,720
Sales	( 262)	( 551)
Recognised in profit or loss	–	( 10,769)
Gains/(losses) recognised in other comprehensive income	9,729	22,063
<b>Closing balance</b>	<b>9,729</b>	<b>378,161</b>

There were no transfers between Levels 2 and 3 for liabilities measured at fair value on a recurring basis during the reporting period (2015: no transfers).



NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the valuation processes and significant unobservable inputs used in Level 3 fair value measurements.

DESCRIPTION	FAIR VALUE AT 31/12/2016 \$'000	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUTS USED	RANGE OF INPUTS	ESTIMATED SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN UNOBSERVABLE INPUTS
<b>FINANCIAL ASSETS</b>					
Available-for-sale financial assets					
Other investments – at valuation	11,536	Net Assets base	A reasonable estimate of the fair value is determined by reference to the underlying net asset base of the investment	Asset base of investment discounted for market forces	A significant increase or decrease in the net asset of the investment / security would result in a significantly higher or lower fair value
<b>NON FINANCIAL ASSETS</b>					
Land	40,735	Market Approach	Community Service Obligation (CSO) adjustment	10 – 35%	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Buildings	234,849	Depreciated replacement cost	Useful life of Specialised buildings	2.17% to 50.00%	A significant increase or decrease in the useful life of the buildings would result in a significantly higher or lower fair value
Leased land	545	Depreciated replacement cost	Useful life of Specialised Leasehold	10 years	A change in the useful life would result in a lower ( higher) fair value
Leasehold improvements	1,928	Depreciated replacement cost	Useful life of Specialised Leasehold	2.9% to 20.00%	A change in the useful life would result in a lower ( higher) fair value
Equipment and furniture	15,314	Depreciated replacement cost	Useful Life	5.0% to 100%	A change in the useful life would result in a lower ( higher) fair value
Motor vehicles	2,235	Depreciated replacement cost	Useful Life	6.66% to 33.33%	A change in the useful life would result in a lower ( higher) fair value
Library Holdings	5,227	Depreciated replacement cost	Useful Life	12.50% to 20.00%	A change in the useful life would result in a lower ( higher) fair value
Art collection	1,519	Market Approach	External market perception of the works	5%-10%	A change in the market perception of the artwork would result in a lower (higher) fair value
Investment Properties	66,165	Market Approach	Length and terms of leases	2 months to 9 years	Any renegotiation of leases may have an impact on the fair value of the properties (higher/ lower)
<b>Total Level 3</b>	<b>380,053</b>				

There has been no change in the valuation techniques used to calculate the fair values disclosed in the financial statements.

## NOTE 28 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

### NOTE 28.1 – EDUCATION – CGS AND OTHER EDUCATION GRANTS

	COMMONWEALTH GRANTS SCHEME		INDIGENOUS SUPPORT FUND		PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	65,296	59,565	–	145	55	65
Cash received in respect of previous years	573	1,189	–	–	–	–
Net accrual adjustments	–	(1,345)	–	–	–	–
Revenue for the reporting period	65,869	59,409	–	145	55	65
Total revenue including accrued revenue	65,869	59,409	–	145	55	65
Less expenses including accrued expenses	(65,869)	(59,409)	–	(145)	(55)	(65)
<b>Surplus / (deficit) for reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	HE STRUCTURAL ADJUSTMENT FUND		HE PARTICIPATION PROGRAM	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	–	–	2,396	2,459
Net accrual adjustments	–	–	–	–
Revenue for the reporting period	–	–	2,396	2,459
Surplus/(deficit) from the previous year	3,380	9,084	–	–
Total revenue including accrued revenue	3,380	9,084	2,396	2,459
Less expenses including accrued expenses	(3,380)	(5,704)	(2,351)	(2,459)
<b>Surplus / (deficit) for reporting period</b>	<b>–</b>	<b>3,380</b>	<b>45</b>	<b>–</b>

	DISABILITY SUPPORT PROGRAM		TOTAL	TOTAL
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	69	128	67,816	62,362
Cash received in respect of previous years	–	–	573	1,189
Net accrual adjustments	–	–	–	(1,345)
<b>Revenue for the reporting period</b>	<b>69</b>	<b>128</b>	<b>68,389</b>	<b>62,206</b>
Surplus/(deficit) from the previous year	–	–	3,380	9,084
<b>Total revenue including accrued revenue</b>	<b>69</b>	<b>128</b>	<b>71,769</b>	<b>71,290</b>
Less expenses including accrued expenses	(114)	(128)	(71,769)	(67,910)
<b>Surplus / (deficit) for reporting period</b>	<b>(45)</b>	<b>–</b>	<b>–</b>	<b>3,380</b>

	EDUCATION INVESTMENT FUND		TOTAL	TOTAL
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	–	2,170	–	2,170
<b>Revenue for the reporting period</b>	<b>–</b>	<b>2,170</b>	<b>–</b>	<b>2,170</b>
<b>Total revenue including accrued revenue</b>	<b>–</b>	<b>2,170</b>	<b>–</b>	<b>2,170</b>
Less expenses including accrued expenses	–	(2,170)	–	(2,170)
<b>Surplus / (deficit) for reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

NOTE 28 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE continued...

NOTE 28.2 – HIGHER EDUCATION LOAN PROGRAMMES

	HECS – HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE – HELP		VET FEE – HELP		STUD AMEN – HELP		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/ (Receivable) at beginning of year	37,468	34,798	3,388	2,884	2,339	1,804	1,602	1,500	44,797	40,986
Financial Assistance received in Cash during the reporting period	9	400	139	64	–	–	(2)	9	146	473
Cash Available for period	37,477	35,198	3,527	2,948	2,339	1,804	1,600	1,509	44,943	41,459
Revenue earned	(37,477)	(35,298)	(3,422)	(3,031)	(1,638)	(1,638)	(1,496)	(1,507)	(44,033)	(41,474)
Cash Payable/ (Receivable) at end of year	–	(100)	105	(83)	701	166	104	2	910	(15)

NOTE 28.3 – LEARNING SCHOLARSHIPS

	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS		COMMONWEALTH EDUCATION COST SCHOLARSHIPS	
	2016	2015	2016	2015	2016	2015
	\$'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)	666	735	69	67	–	95
Net accrual adjustments	–	–	–	–	–	(95)
Revenue for the reporting period	666	735	69	67	–	–
Surplus/(deficit) from the previous year	141	241	–	–	–	(1)
Total revenue including accrued revenue	807	976	69	67	–	(1)
Less expenses including accrued expenses	(722)	(835)	(61)	(67)	–	1
Surplus / (deficit) for reporting period	85	141	8	–	–	–

	NATIONAL PRIORITY SCHOLARSHIPS		INDIGENOUS ACCESS SCHOLARSHIPS		TOTAL	
	2016	2015	2016	2015	2016	2015
	\$'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)	–	–	271	252	1,006	1,149
Cash received in respect of previous years	150	–	–	–	–	–
Net accrual adjustments	–	–	–	–	–	(95)
Revenue for the reporting period	150	–	271	252	1,156	1,054
Surplus/(deficit) from the previous year	–	–	20	–	161	240
Total revenue including accrued revenue	150	–	291	252	1,317	1,294
Less expenses including accrued expenses	(150)	–	(249)	(232)	(1,182)	(1,133)
Surplus / (deficit) for reporting period	–	–	42	20	135	161

NOTE 28 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE continued...

NOTE 28.4 – EDUCATION RESEARCH

	RESEARCH TRAINING SCHEME		RESEARCH INFRASTRUCTURE BLOCK GRANTS		JOINT RESEARCH ENGAGEMENT PROGRAM	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,640	1,697	188	141	987	890
Revenue for the reporting period	1,640	1,697	188	141	987	890
Surplus/(deficit) from the previous year	–	–	–	6	–	–
Total revenue including accrued revenue	1,640	1,697	188	147	987	890
Less expenses including accrued expenses	(1,640)	(1,697)	(188)	(147)	(987)	(890)
<b>Surplus / (deficit) for reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	SRE BASE & THRESHOLD 1 & 2		TOTAL	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	425	286	3,240	3,014
Revenue for the reporting period	425	286	3,240	3,014
Surplus/(deficit) from the previous year	–	–	–	6
Total revenue including brought forward from prior year	425	286	3,240	3,020
Less expenses including accrued expenses	(425)	(286)	(3,240)	(3,020)
<b>Surplus / (deficit) for reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

NOTE 28.5 – AUSTRALIAN RESEARCH COUNCIL GRANTS

	DISCOVERY PROJECTS		LINKAGES PROJECTS		TOTAL	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	148	318	28	61	176	379
Net accrual adjustments	–	–	–	–	–	–
Revenue for the reporting period	148	318	28	61	176	379
Surplus/(deficit) from the previous year	342	443	76	82	418	525
Total revenue including accrued revenue	490	761	104	143	594	904
Less expenses including accrued expenses	–	(419)	–	(67)	–	(486)
<b>Surplus / (deficit) for reporting period</b>	<b>490</b>	<b>342</b>	<b>104</b>	<b>76</b>	<b>594</b>	<b>418</b>

NOTE 28.6 – OTHER AUSTRALIAN GOVERNMENT GRANTS RECEIVED

	HIGHER EDUCATION SUPERANNUATION		OS – HELP		TOTAL	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	4,399	5,229	440	234	4,839	5,463
Cash received in respect of previous years	–	–	(93)	(26)	(93)	–
Net accrual adjustments	428	(321)	–	–	428	(321)
Revenue for the reporting period	4,827	4,908	347	208	5,174	5,116
Surplus/(deficit) from the previous year	206	(382)	93	26	299	(356)
Total revenue including accrued revenue	5,033	4,526	440	234	5,473	4,760
Less expenses including accrued expenses	(4,267)	(4,320)	(243)	(141)	(4,510)	(4,461)
<b>Surplus / (deficit) for reporting period</b>	<b>766</b>	<b>206</b>	<b>197</b>	<b>93</b>	<b>963</b>	<b>299</b>

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

## NOTE 29 | HIGHER EDUCATION & VET RESULTS

### NOTE 29.1 – 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		TAFE	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>REVENUE FROM CONTINUING OPERATIONS</b>				
Australian Government financial assistance				
Australian Government grants	74,460	70,436	–	–
HELP – Australian Government payments	42,604	39,655	2,339	1,804
State Government financial assistance	1,229	1,866	14,381	10,488
HECS-HELP – Student payments	2,190	2,497	–	–
Course fees and charges	81,749	98,693	6,961	6,299
Other fees and charges	10,569	10,838	2,228	2,162
Consultancy and contract research	5,477	5,018	99	–
Investment revenue	14,480	11,625	197	391
Other revenue	2,651	4,491	1,388	174
<b>Total revenue from continuing operations</b>	<b>235,409</b>	<b>245,119</b>	<b>27,593</b>	<b>21,318</b>
Profit on disposal of assets	89	144	–	28
Revaluation increment on investment properties	( 1,110)	6,321	1,110	( 460)
<b>Total Revenue</b>	<b>234,388</b>	<b>251,584</b>	<b>28,703</b>	<b>20,886</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>				
Employee benefits	129,267	111,011	20,806	18,142
Depreciation and amortisation	11,301	12,193	4,213	4,648
Repairs and maintenance	3,322	8,186	2,194	1,474
Bad and doubtful debts	485	346	109	420
Other expenses	38,046	44,555	7,455	9,538
Finance costs	20	31	–	–
Private providers	44,871	55,569	–	–
<b>Total expenses from continuing operations</b>	<b>227,312</b>	<b>231,891</b>	<b>34,777</b>	<b>34,222</b>
Revaluation decrement on investment properties	–	–	–	–
<b>Total Expenses</b>	<b>227,312</b>	<b>231,891</b>	<b>34,777</b>	<b>34,222</b>
<b>Operating result before income tax for the year</b>	<b>7,076</b>	<b>19,693</b>	<b>( 6,074)</b>	<b>( 13,336)</b>

NOTE 29 | HIGHER EDUCATION & VET RESULTS continued...

NOTE 29.2 – BALANCE SHEET: HIGHER EDUCATION & VET

	HIGHER EDUCATION		TAFE	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016</b>				
Cash and cash equivalents	73,662	87,223	( 11,590)	( 7,787)
Receivables	13,054	14,538	1,422	1,082
Inventories	335	230	3	5
Other financial assets	81,498	130,511	–	–
Assets held for resale	–	571	–	171
Other assets	3,293	2,661	2	7
<b>Total Current Assets</b>	<b>171,842</b>	<b>235,734</b>	<b>( 10,163)</b>	<b>( 6,522)</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	59,785	63,111	–	–
Other financial assets	73,365	9,707	–	–
Property, plant and equipment	203,574	205,985	101,026	105,783
Investment Properties	60,735	62,250	5,430	4,320
Intangible Assets	–	( 143)	–	–
<b>Total Non-Current Assets</b>	<b>397,459</b>	<b>340,910</b>	<b>106,456</b>	<b>110,103</b>
<b>TOTAL ASSETS</b>	<b>569,301</b>	<b>576,644</b>	<b>96,293</b>	<b>103,581</b>
<b>CURRENT LIABILITIES</b>				
Payables	8,622	21,093	1,598	1,717
Borrowings	–	164	–	–
Provisions	35,800	32,660	3,382	3,493
Other liabilities	6,469	9,611	2,199	3,402
<b>Total Current Liabilities</b>	<b>50,891</b>	<b>63,528</b>	<b>7,179</b>	<b>8,612</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	62,322	65,528	396	348
<b>Total Non-Current Liabilities</b>	<b>62,322</b>	<b>65,528</b>	<b>396</b>	<b>348</b>
<b>TOTAL LIABILITIES</b>	<b>113,213</b>	<b>129,056</b>	<b>7,575</b>	<b>8,960</b>
<b>NET ASSETS</b>	<b>456,088</b>	<b>447,588</b>	<b>88,718</b>	<b>94,621</b>
<b>EQUITY</b>				
Accumulated Surplus	311,612	305,112	58,600	64,503
Reserves	144,476	142,647	30,118	30,118
<b>TOTAL EQUITY</b>	<b>456,088</b>	<b>447,759</b>	<b>88,718</b>	<b>94,621</b>

NOTE 29 | HIGHER EDUCATION & VET RESULTS continued...

NOTE 29.3 – STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	HIGHER EDUCATION		TAFE	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>RECEIPTS</b>				
User fees and charges received	101,331	123,946	10,645	11,271
Investment Income received	11,968	13,102	197	391
Other receipts	2,651	4,491	1,388	174
GST recovered from ATO	9,729	10,422	1,095	1,097
<b>CASH FLOWS FROM GOVERNMENT</b>				
State Government Grants	( 282)	1,866	14,198	10,076
State Government contributions – specific projects	1,511	–	–	–
Commonwealth Government / Grants	74,499	70,694		
Higher Education Contribution Scheme:				
Student payments	2,190	2,497	–	–
HECS -HELP	37,477	35,198	–	–
FEE-HELP – Commonwealth payments	3,527	2,948	–	–
STUDENT AMENTTIES – HELP	1,600	1,509	–	–
VET FEE – HELP	–	–	2,339	1,804
OS – HELP ( Net)	104	67	–	–
Superannuation Supplementation	132	909	–	–
<b>PAYMENTS</b>				
Payments to employees	( 128,243)	( 109,096)	( 20,869)	( 19,176)
Payments to suppliers ( Including GST)	( 69,396)	( 81,981)	( 12,030)	( 12,241)
Finance costs	( 20)	( 31)	–	–
Payments to private providers	( 44,871)	( 55,569)	–	–
<b>Net cash provided by/(used in) operating activities</b>	<b>3,907</b>	<b>20,972</b>	<b>( 3,037)</b>	<b>( 6,604)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant & equipment	( 6,721)	( 7,498)	( 766)	( 222)
Proceeds from sale of property, plant and equipment	–	723	–	–
Proceeds/(purchase) of investments	( 10,583)	( 50,862)	–	–
<b>Net cash provided by/(used in) investing activities</b>	<b>( 17,304)</b>	<b>( 57,637)</b>	<b>( 766)</b>	<b>( 222)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of interest bearing liabilities	( 164)	( 632)	–	–
<b>Net cash provided for (used in) financing activities</b>	<b>( 164)</b>	<b>( 632)</b>	<b>–</b>	<b>–</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>( 13,561)</b>	<b>( 37,297)</b>	<b>( 3,803)</b>	<b>( 6,826)</b>
Cash and cash equivalents at the beginning of the financial year	87,223	124,520	( 7,787)	( 961)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>73,662</b>	<b>87,223</b>	<b>( 11,590)</b>	<b>( 7,787)</b>

Notes to and forming part of the Financial Statements for the year ending 31 December 2016

## NOTE 29 | HIGHER EDUCATION & VET RESULTS continued...

### NOTE 29.4 – STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

##### HIGHER EDUCATION

	2016			2015		
	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000
Total equity at the beginning of the financial year	142,647	304,941	447,588	117,151	285,419	402,570
Net operating result after income tax for the year	–	6,671	6,671	–	19,522	19,522
Movement in Revaluation Reserve	1,829	–	1,829	25,496	–	25,496
<b>Total equity at the end of the financial year</b>	<b>144,476</b>	<b>311,612</b>	<b>456,088</b>	<b>142,647</b>	<b>304,941</b>	<b>447,588</b>

##### VET

	2016			2015		
	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000
Total equity at the beginning of the financial year	30,118	64,674	94,792	24,363	77,839	102,202
Net operating result after income tax for the year	–	(6,074)	(6,074)	–	(13,165)	(13,165)
Movement in Revaluation Reserve	–	–	–	5,755	–	5,755
<b>Total equity at the end of the financial year</b>	<b>30,118</b>	<b>58,600</b>	<b>88,718</b>	<b>30,118</b>	<b>64,674</b>	<b>94,792</b>

## NOTE 30 | EX GRATIA PAYMENTS

	CONSOLIDATED		UNIVERSITY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gifts or voluntary payments	5	–	5	–

## NOTE 31 | 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 2016 which has or may significantly affect:

- The operation of the economic entity;
- The results of those operations; or
- The state of affairs of the economic entity in the financial years subsequent to 31 December 2016.



## INDEPENDENT AUDITOR'S REPORT

### To the Council of Federation University Australia

#### Opinion

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

- consolidated entity and university statements of financial position as at 31 December 2016
- consolidated entity and university statements of comprehensive income for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes comprising a summary of significant accounting policies
- Declaration by Chancellor, Vice Chancellor and Chief Finance Officer.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the university as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

#### Basis for opinion

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

The Auditor-General's independence is established by the *Constitution Act 1975*. My staff and I are independent of the university and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Council of the university is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

## Independent Auditor's Report (continued)

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

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

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

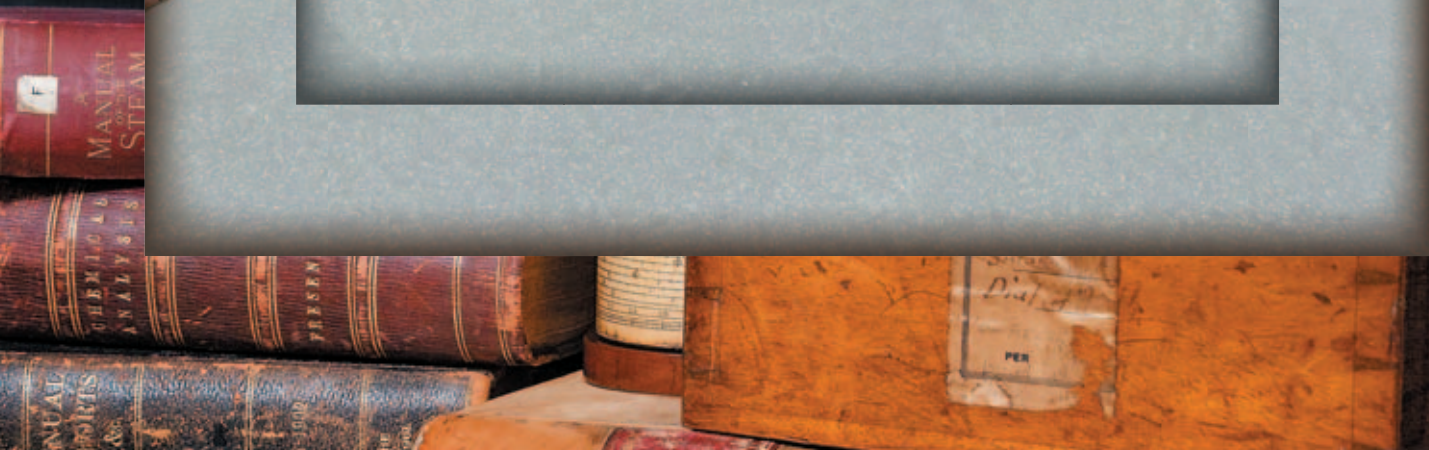
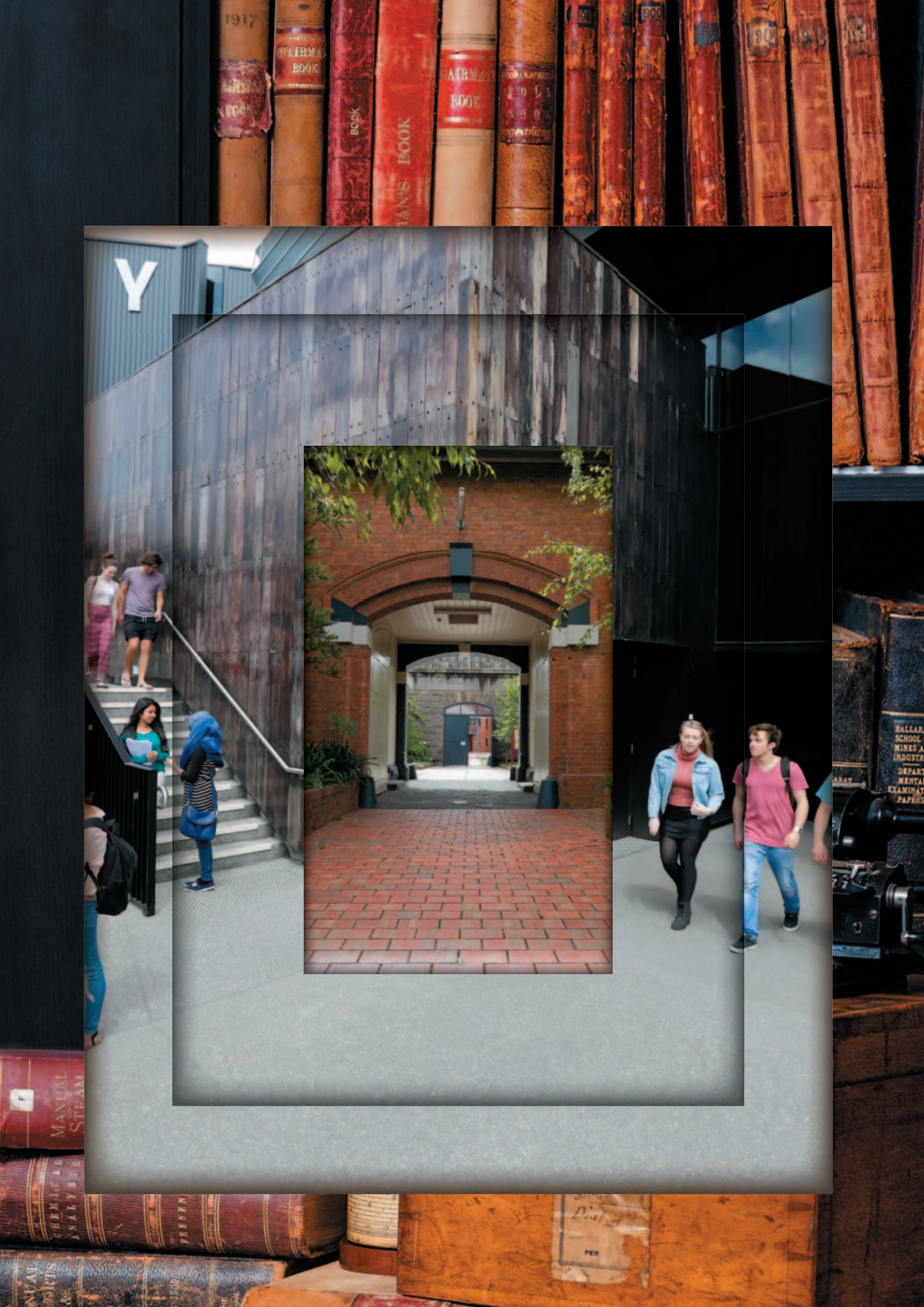
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

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

MELBOURNE  
23 February 2017



Simone Bohan  
*as delegate for the Auditor-General of Victoria*



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CRICOS Provider Number 00103D ABN 51 818 692 256  
ISSN 2206-2335 (PRINT) / 2206-3153 (DIGITAL)

