



/ FEDERATION UNIVERSITY AUSTRALIA

ANNUAL REPORT 2015 /

BALLARAT
GIPPSLAND
WIMMERA
ONLINE



Up to 1200 students graduated from the Mt Helen Campus in seven ceremonies during May.

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LETTER OF TRANSMITTAL TO THE MINISTER

Chancellor, Dr Paul Hemming

On behalf of the Council of Federation University Australia, I am pleased to present the 2015 Annual Report for the University, as approved by the University Council on 16 February 2016 and which has been prepared in accordance with the provisions of the *Financial Management Act 1994*.

Throughout 2015, the University has continued to remain regional in focus, national in scope and international in reach, while responding to the needs of the communities we serve. The Council has remained stable through the year and appropriately maintained its governance and financial responsibilities.

An external review of the Council and its sub-committees was commissioned during the year, and all the recommendations of that review have been implemented. In addition, we have complied with the *Voluntary Code of Best Practice for Australian Universities*.

The Council spent considerable time on strategic planning and early in the year made some important strategic decisions to focus on Blended and On Line Learning, Student Attrition Rates, Research Excellence and the development of an international campus in Brisbane. This work was followed by the development of a comprehensive Strategic Plan for 2016–2020, which was successfully launched following university-wide consultation in November.

We also addressed the new university governance arrangements debated in the Victorian Parliament and we are ready to welcome elected staff and a student member of Council from July 2016, as well as embrace the need for gender balance on Council.

The University farewelled and thanked two long serving Council members who stepped down at the end of 2015. Deputy Chancellor Karen Douglas and Council member Peter Wilson will both be sorely missed. During the year the University also congratulated Vice-Chancellor Professor David Battersby on the award of his AM (Member of the Order of Australia in the General Division in the Queen's Birthday Honours List. Emeritus Professor Martin Westbrooke was also congratulated on his OAM (Medal of the Order of Australia in the General Division).

We have continued our important role in the Regional Universities Network. The University has also achieved national recognition in many areas and has clearly established itself as a leader in those areas and we have also hosted multiple visits from other universities, both Australian and international.

It was a joy to participate in a number of Graduation Ceremonies at Mt Helen during the year, and also attend ceremonies at several of our Asian partners.

During 2015 the Council was advised of the planned retirement of Professor David Battersby as Vice-Chancellor towards end of 2016. The Council has appointed an external recruitment organisation to work with us on a new appointment, but we recognise that it will be very hard to replace David Battersby.

Finally, I would like to thank our dedicated Council members, the Vice-Chancellor, senior leaders and all staff for their outstanding service and dedication throughout 2015.

A handwritten signature in black ink, reading "Paul Hemming". Below the signature is a horizontal line.

Dr Paul J H Hemming
Chancellor

16 February 2016

VICE-CHANCELLOR'S REPORT



Professor David Battersby

I am delighted to present the Annual Report of Federation University Australia. As a University we have grown and increased our reach into regional Victoria and beyond. Since our name change two years ago, FedUni continues to be accepted by our staff, students and the communities and regions we serve.

The University was presented with several awards in 2015, all of them highlighting the continuing high quality of our teaching and research. For the seventh successive year the University was awarded the maximum five stars rating for teaching quality by the *Good Universities Guide*.

We also enjoyed success in the Federal Government's Quality in Learning and Teaching data. The University was ranked number one in Australia for median graduate starting salary for engineering students. We also were ranked number one in Victoria for engineering graduate employment rates.

The University was successful in receiving either 'above world standard' or 'at world standard' rankings in 13 fields of research under the Excellence in Research for Australia (ERA) scheme.

During the year we recognised a number of eminent Australians with honorary doctorate awards and welcomed back to the University Dr Kiran Mazumdar-Shaw, a former student of the University and a pioneer of the biotechnology industry in India. A road named in her honour was unveiled at the Mt Helen Campus.

There were several official launches at the University in 2015. Our new P-Tech School at the SMB Campus was opened and announcements were made about funding for new initiatives such as a Jobs and Skills Centre at the University and the redevelopment of the Flecknoe Building complex at the SMB Campus.

The year saw the retirement of Professor Frank Stagnitti, Deputy Vice-Chancellor (Research and Innovation). I thank him for his years of service to the University and welcome Professor Leigh Sullivan who commenced duties in that role early in 2016.

I thank the University's senior management and staff for their hard work in ensuring that 2015 was a very successful year for Federation University Australia. Our students, partner providers and communities continue to champion their association with the University for which we are very appreciative.

As always, the University Council and our Chancellor, Dr Paul Hemming, have been vital to our success throughout 2015. I thank them for their superb governance, support and leadership.

A handwritten signature in black ink that reads "David Battersby". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Professor David Battersby AM
Vice-Chancellor and President

16 February 2016

OUR CHARTER

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



The University's Strategic Plan for 2016–2020 was launched at the Mt Helen Campus in November.

The Plan defines the goals and strategic priorities that the University considers necessary to guide development of the University to 2020. Incorporating our five guiding principles of excellence, responsibility, access, respect and engagement, the Plan was developed by the University Council.



FedUni signed on to the Australian Human Rights Commission campaign: Racism. It Stops with Me

FedUni also featured in the Commission's national campaign poster.



Our FedPride Strategy was launched at the Mt Helen and Gippsland Campuses in October.

Victorian Gender and Sexuality Commissioner, Ro Allen helped launch the FedPride Strategy, to promote access, inclusion and support for lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) students and staff.

THE YEAR IN REVIEW

The University demonstrated its research strength in tourism with PhD student Mohammad Yousuf awarded a Council for Australasian Universities Tourism and Hospitality Education (CAUTHE) PhD award.

FedReady Online was launched – a free, two-week online course designed to prepare students for success in their undergraduate studies.

The University celebrated another five star rating for teaching quality in the Good Universities Guide – its seventh in a row.

The University's new marketing campaign, Federation Generation, was launched.

The University, the City of Ballarat and Deakin University hosted Ballarat's second Symposium on UNESCO's Recommendation on the Historic Urban Landscape in February.

Several events were hosted in February to commemorate National Apology Day. To pay respect to the stolen generations of Australia, the University held events in Ballarat, Horsham and Churchill.

The Gippsland Campus signaled a renewed focus on the study of art and design in the region with the first intake of university students for a new graphic design course.

Left: Second Year Gippsland Centre for Art and Design (GCAD) student, Crystal Petschak in her site specific installation.



Campus Life helped first year students settle into University life with a range of engaging activities and events during Compass Week.



The Federation University Australia Alumni Awards saw Shane Armstrong, Executive Vice President of Scholastic Corporation, President of the International Group and graduate in Education, receive the International Alumnus of the Year Award for outstanding professional achievement.

Grant Meredith, graduate in Information Technology has successfully linked his IT skills with his passion for helping people, and was awarded Alumnus of the Year for outstanding service to the community.

The ABC Television program, Q&A broadcast live from FedUni for a special one-on-one with Opposition Leader Bill Shorten in September.

Hosted by award-winning journalist Tony Jones, Q&A is the show where the audience asks the questions of politicians, pundits and opinion-makers. Below: Chancellor, Dr Paul Hemming, Catherine King MP and Leader of the Opposition Bill Shorten tour the Science and Engineering Building at Mt Helen.



Kiran Mazumdar-Shaw, a former student of the University and a pioneer of the biotechnology industry in India, was honoured in March with the unveiling of a road named after her at the Mt Helen Campus.



The University's 2015 TAFE Division Awards for Excellence Presentation were held in the Building and Construction Training Centre at the SMB Campus.

Golden Key New Members Reception saw over 160 students inducted as new members in a ceremony at Mt Helen.

The FedUni Schools Outreach team hosted two University Experience Camps throughout the year. Prospective students experienced life as a university student, participating in faculty based activities and staying on campus.



EXCITE CAMP (Exploring Interests in Technology and Engineering) saw 30 girls from 10 schools in Ballarat embark on a range of activities and learning focusing on potential, exciting careers and pathways in these study areas. The camp is organised by FedUni partner, IBM.

THE YEAR IN REVIEW



International Student Support continued its focus on helping students make the transition to studying in regional centres.

To establish social supports and to adapt to university and Australian life, the international student welcome program includes trips along the Great Ocean Road.



The Australian Collaboration for Research into Injury in Sport and its Prevention (ACRISP) hosted the Sports Injury Prevention session at the 12th Australasian Injury Prevention and Safety Promotion Conference in Sydney.



Prospective students voted with their feet by recording a 10 per cent increase in Open Day attendances at FedUni's Ballarat and Gippsland campuses.



Dr Lachlan Grant, Historian at the Australian War Memorial, was guest speaker at the 2015 Sir Albert Coates Oration.

Federation University Australia launched its new P-Tech project at Federation College. P-Tech is an innovative, public-private partnership that provides students a clear pathway from secondary school to higher education and into a career. Created with industry partner IBM, the P-Tech program provides a relevant curriculum focused on science, technology, engineering and mathematics, and includes one-on-one mentoring, workplace visits, paid summer internships and first-in-line consideration for jobs.

Federation University Australia achieved an outstanding evaluation under the Excellence in Research for Australia (ERA) scheme, being awarded two 'above world standard' rankings and 11 'at world standard' rankings for research activity.

Vice-Chancellor, Professor David Battersby AM and Emeritus Professor Martin Westbrooke OAM were Order of Australia awardees in the Queen's Birthday Honours List.

The University announced the launch of the first Masters of Business Administration in Gippsland.

The University's new Collaborative Research Centre in Australian History (CRAH) quickly became a significant contributor to historical study throughout the region.

A major symposium on supporting vulnerable children and families was held at the Wimmera Campus in June.

The University allocated more than 20 new place names and roads at the Mt Helen Campus.

The University will soon be able to offer more languages and creative and performing arts units of study following the announcement of increased collaboration between members of the Regional Universities Network (RUN).

A number of donations to both the Art and Historical Collections occurred throughout 2015.

Of particular note was a generous donation from the estate of alumni and Archibald Prize winner Wes Walters.



Federation University Australia's David Wynen, a Senior Lecturer at our Arts Academy, was invited back to Broadway to choreograph a major tribute to Luigi, one of the leading creators of jazz dance internationally.

FedUni launched its new needs-based bursaries and grants portfolio – KickStart, to help students access assistance with living expenses and equipment, including laptop computers.

Three Indigenous students were amongst the first recipients of FedUni's KickStart computer grants.



THE YEAR IN REVIEW

The University became the first Australian regional university to open an office in China. Professor David Battersby officially launched the FedUni China Office in Beijing.

ACRISP's membership of the International Olympic Committee's Medical Research Network was renewed for a further four years. ACRISP is one of only nine Centres worldwide to be accredited.

FedUni was ranked the best university in Victoria in six important areas, with the release of Quality Indicators for Learning and Teaching data.

Federation Business School was the naming sponsor of the Commerce Ballarat Business Excellence Awards, and offered business related training to nominees and category winners.

Professor Fadi Charchar received funding from the National Health and Medical Research Council for two major research projects.

The University held its change of preference info day for students at Mt Helen and Gippsland in December. The University offered regional travel grants of up to \$100 to attendees travelling from outside specified regions.

Residential Leadership Exchange Program

Residential leaders, staff and students from FedUni, New Zealand's Victoria University Wellington (VUW) and Universidade Nacional Timor Lorosa'e (UNTL) joined forces to participate in the Springfest Dragon Boat Race on Lake Wendouree, Ballarat.



The sport and recreation spatial research team received a number of awards and funding.

These included finalist in the 2015 VicHealth Awards – Research into action, and Sports Medicine Australia 2015 ASICS Best Poster Physical Activity and Health Promotion.



The University's Technology Park celebrated its twentieth anniversary in April.

A celebratory dinner recognised the significant contribution Tech Park has made to the economic and social advancement of Ballarat and the region.



The decision was made to extend the Bachelor of Applied Management program to the Wimmera Campus from 2016.



A major new e-mental health platform was launched by Professor Britt Klein (left), Director of the Centre for Bio-psycho-social and eHealth Research & Innovation



The University raised more than \$9000 during its fourth annual Blue Tie Ball, raising both awareness and funds for beyondblue, the national depression and anxiety initiative.

Researchers from the University of the Sunshine Coast and the University were awarded a \$500,000 Australian Research Council grant for their project designed to reduce outdoor accidents.

Isabella Fry-McBean and Cameron Butcher were awarded the prestigious Outstanding Peer Educator Team Award for their commitment and excellence in the University's Peer Assisted Study Sessions (PASS) chemistry group.

A major symposium on medical care within regional Victoria was held at the Gippsland Campus in late November.

Dr Alex Donaldson and Dr Scott Talpey received an AFL grant to conduct an innovative survey into injury prevention.

The University announced it will offer a Bachelor of Arts program at its Wimmera Campus in 2016.

More than 50 students from Mallacoota, Swifts Creek and Orbost were given a taste of university life in Gippsland complete activities in nursing, forensic science, art, outdoor ed. as well as interactive sessions with student ambassadors and a mock lecture.

Professor Ian Chubb, the Chief Scientist of Australia, visited the Gippsland Campus in August to launch National Science Week activities.

Children at the FedUni Children's Centre at Mt Helen now have hundreds more books to enjoy thanks to a generous donation by Shane Armstrong, our International Alumnus for 2015, and Scholastic International publishers. The library was officially opened as part of the Centre's Christmas celebrations.

FedUni partnered with the Ballarat International Foto Biennale in 2015.

SUSTAINABILITY REPORT



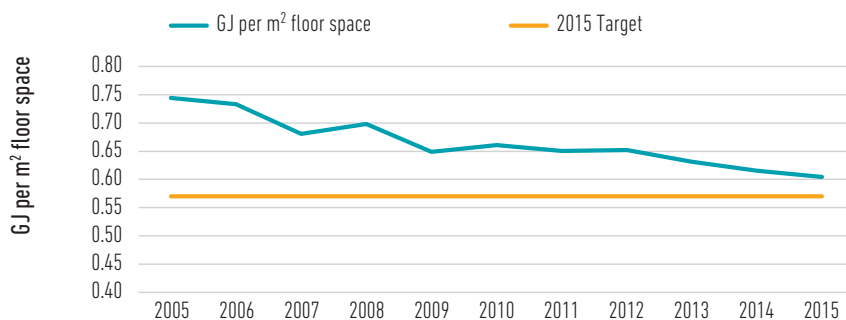
The University installed a 70 kilowatt solar panel system comprising 280 solar panels at its Wimmera Campus, as part of the Greener Government Building Program.

When connected, the system will provide about 80 – 90% of the campuses energy requirements during business hours on sunny days. The Wimmera Campus was chosen due to the high number of sunny days per annum in Horsham, as well as higher electricity charges compared to other campuses. The return on investment for this program is 5.25 years.

FedUni continued to reduce its environmental impact through the reduction of energy, landfill waste, vehicle fuel and greenhouse gas emissions. In 2015 the University has achieved the following:

- greenhouse gas emissions (GHG) reduced by 10% or 2,200 tonnes
- electricity consumption reduced by 9%
- gas consumption reduced by 1.5%
- water consumption reduced by 11% or 10 million litres
- recycled waste increased by 25 tonnes, an 11% improvement
- waste to landfill reduced by 38 tonnes, an 8% improvement
- fuel consumption for the vehicle fleet reduced by 12% or 26,700 litres
- V/Line train travel was consistent with 2014 levels at \$79K
- paper consumption decreased by 14% or 2,400 reams

Energy consumption

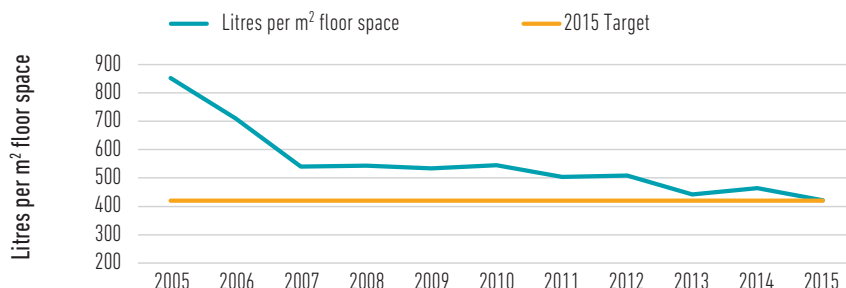


Energy consumption continued to decline with a 9% reduction in electricity and a 1.5% reduction in natural gas in the past year.

Even though energy consumption fell, the University did not achieve the 2015 target to reduce energy consumption per m² of floor space by 10%.

Energy efficient installations will continue including large scale solar systems, new gas boilers and LED lighting upgrades.

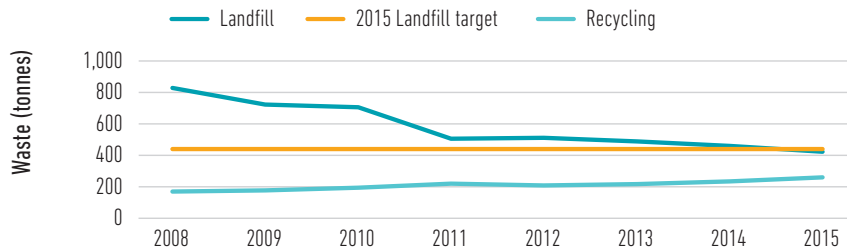
Potable water consumption



Potable water consumption decreased by 11% or 10 million litres. 2015 was also the lowest water consumption for the past 10 years with 74 million litres used.

All campuses now have 3G smart water meters and this will detect unusually high water consumption such (eg. Burst water pipes) within a 24 hour period.

Waste and Recycling



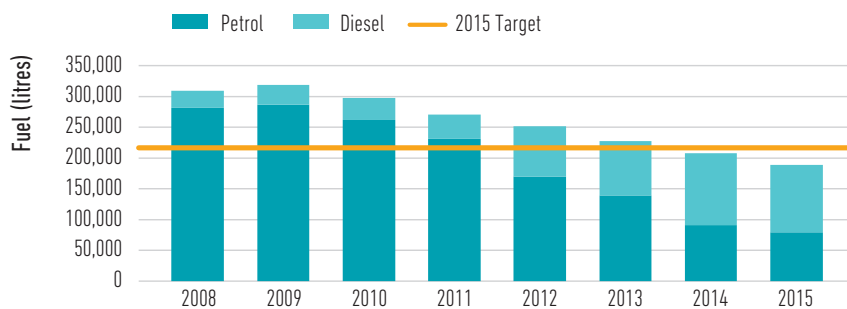
In 2015, landfill waste decreased by 38 tonnes, an 8% improvement.

Recycling increased by 25 tonnes, an 11% improvement.

The University recycled 38% of all waste, up from 34% in 2014 and 31% in 2013.

Ballarat campuses introduced a food organics recycling program that is expected to divert over 12 tonnes of food waste from landfill each year.

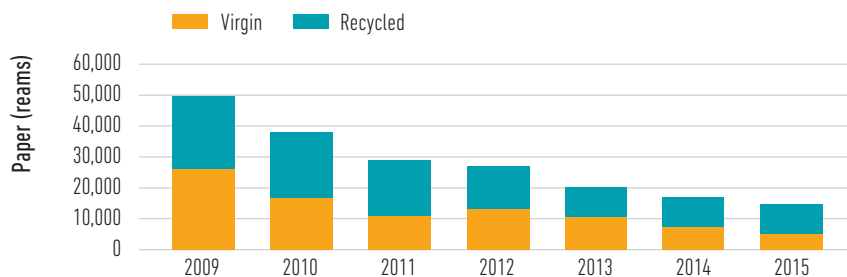
Fleet vehicle fuel



University fuel consumption continues to decline with a 12% reduction in 2015. This equates to a 26,700 litre saving.

The savings are attributed to more staff using public transport and the replacement of petrol vehicles with diesel. 75% of the passenger fleet are diesel powered. 96% of the fleet are four cylinder.

Paper

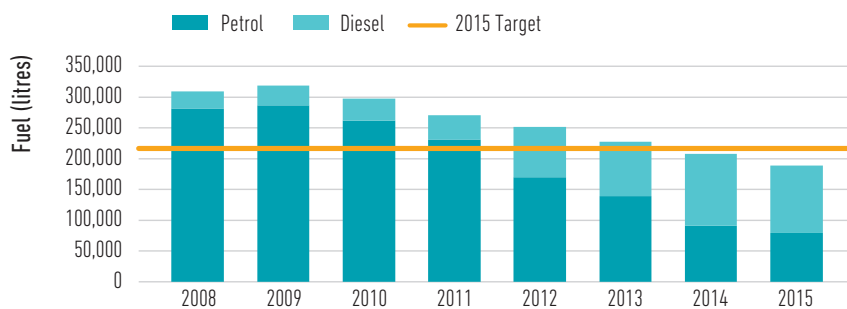


The University purchased 14,500 reams in 2015, a reduction of 14% or 2,400 less reams than the previous year.

65% of paper purchased has a recycled component.

Over the past five years paper consumption has fallen by 62%.

V/Line Travel



Staff have continued to utilise V/Line trains to and around Melbourne with a \$79K spend in 2015.

This spend was well above the \$48K target set for 2015.

Staff are finding public transport faster and more convenient with Myki's easy touch on, touch off and auto top up features.

THE FEDERATION UNIVERSITY AUSTRALIA FOUNDATION

In 2015, the Foundation increased its scholarship allocation from four \$7,000 scholarships, to eleven \$7,000 scholarships, as well as two Gippsland Education Precinct bursaries to the value of \$2,500 each.

The Federation University Australia Foundation donations continued to rise throughout 2015, with overall donations to the Foundation reaching just over \$2.8 million.

The Foundation would 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. We warmly thank all current donors and their families for their generosity in growing Foundation funds.

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 AM

2012

In memory of John Charles Barker, B. Eng, (BCAE) 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

Corporate donors

2011

Pierce Armstrong Trust

2014

Gippsland Education Precinct
Golden Key International Honours Society

2015

Bendigo Community Bank, Buninyong
Inskill Pty Ltd

Platinum Circle donor

2010

Dr. Wai-Man Woo

2015

Inskill Pty Ltd

Gold Circle donor

2014

Estate Ian Alexander Gordon

Silver Circle donor

2014

Brian Mackenzie Gippsland Bequest

Bronze Circle donors

2011

Dr John Harvey AO

2012

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

2013

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

2014

Ms Pam Sutcliffe

2015

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



Aline Baukulikira
2015 Foundation Scholarship recipient



Bianca Brant
2015 Foundation Scholarship recipient

Donor Recognition Categories

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

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 to the value of \$2,500 each.



From left: Alan Scarlett, Harry Ballis (Head of Campus Gippsland), Professor David Battersby (Vice-Chancellor), Kayla McCarthy (2015 recipient), Belinda Briggs (2015 recipient), Mike Answerth and Anthony Rodaughan (Gippsland Education Precinct representatives).

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



Fiona and David Gordon holding a photo of their father, the late Ian Gordon.

2015 Foundation Scholarship Recipients

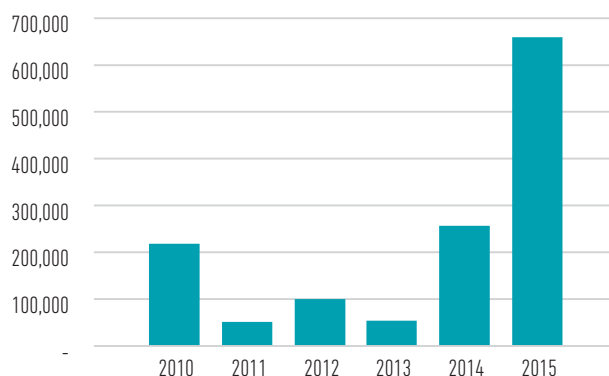
The University presented Foundation Scholarships to 11 students from across the university at the Mt Helen Campus in May. The scholarships, open to domestic Higher Education and TAFE students, are funded by donations to the Federation University Australia Foundation. The scholarships are assessed on financial circumstances and commitment to study.



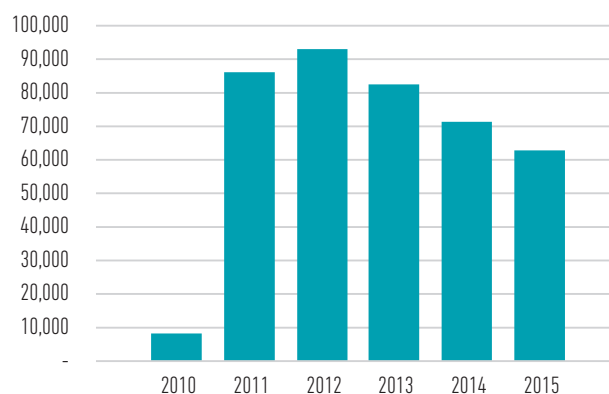
The 2015 recipients. Front row from left: Aline Bakulikira, Alicia Linnane, Dianne Robertson, Darren Thomas, Belinda Collier. Back row from left: Elizabeth Dyer, Caroline Eldridge, Bianca Brant, Shane Anstee

Financial Statement as at 31 December 2015

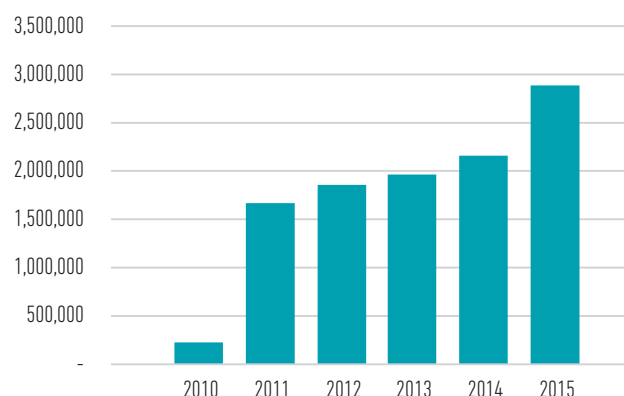
Donations received



Investment income



Net assets



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

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

Federation University Australia, or FedUni, is headquartered in Ballarat, Victoria, 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.

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



ABOUT THE UNIVERSITY

Services provided

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

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

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

ABOUT THE UNIVERSITY

Federation University Australia

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

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

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



The General powers and functions of the University

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

THE COUNCIL

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

The Council is chaired by the Chancellor and has 13 members. Set out below are the members of the Council as at 31 December 2015 including the terms of office, years on Council, qualifications and experience.



The Chancellor

Dr Paul John Harry Hemming

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

Term of Office 01 July 2015 to 30 June 2018
(as Chancellor) 01 July 2012 to 30 June 2015
Years on Council Chancellor 3.5
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 David Arthur Battersby AM

MHEd NSW, PhD Waikato.

Term of Office
01 July 2010 to 30 June 2016
01 July 2006 to 30 June 2010
Years on Council 9.5

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

Chair, Academic Board

Associate Professor Kim Dowling

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

Term of Office
01 January 2015 to 31 December 2016
31 October 2012 to 31 December 2014
Years on Council 3+

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.

Members appointed by the Governor-in-Council

Mr Ian Nethercote

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

Term of Office

01 January 2014 to 31 December 2016

Years on Council 2

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

Ms Mashelle Parrett

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

Term of Office

29 January 2013 to 31 December 2015

Years on Council 3

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-General's 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

04 March 2013 to 31 December 2015

01 July 2012 to 3 March 2013 (Council Appointee)

Years on Council 3.5

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

1 July 2012 to 31 December 2015

Years on Council 3.5

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, petrochemicals, 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, VLine Corporation, the Rail Industry Safety and Standards Board, and Mount Hotham Alpine Resort Management Board (Chair).

Ministerial Appointment

Mr Steve Davies

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

Term of Office

01 July 2013 to 31 December 2015

Years on Council 2.5

Steve Davies is 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, Federation College P-TECH Steering Committee and the Faculty of Science and Technology's IT Industry Advisory Group.



Retiring: Mrs Karen Douglas

Members appointed by Council

Mrs Karen Suzanne Douglas, Deputy Chancellor

Australian Institute of Company Directors Course

Term of Office

01 January 2013 to 31 December 2015

01 January 2010 to 31 December 2012

01 January 2007 to 31 December 2009

Years on Council 9

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

Members appointed by Council continued

Dr Meredith Anne Doig FAICD

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

Term of Office 1 January 2014 to 31 December 2016

1 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 Peter Russell Wilson

LLB, Melbourne

Term of Office 01 January 2014 to 31 December 2015

01 January 2011 to 31 December 2013

01 January 2008 to 31 December 2010

Years on Council 8

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

Mr George Joseph Fong

BA (CNA) 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 3.5

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; Immediate Past Chair of the Board for the Ballarat Health Services Foundation; Member of the advisory board for .au Community Domains; Past Chair of The Ballarat Regional Multicultural Council; Past member of the Courier Advisory board; Member of IPV6 Now.

Mr Anthony Stone

MBA (International Business)

Term of Office 01 July 2013 to 31 December 2015

Years on Council 2.5

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

Table: Council and Committee Membership and attendance at meetings

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

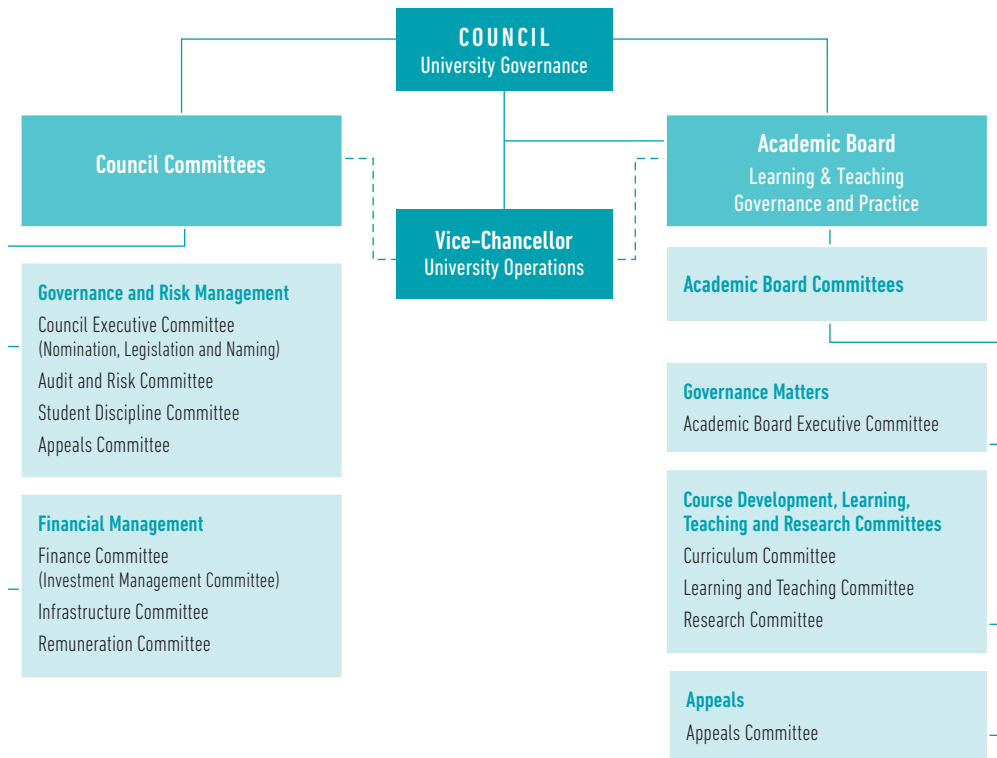
M = Member

A = No. of meetings attended

- 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.
- Special leave was granted by Council during the year for meetings not in attendance.

THE COUNCIL

Governance Structure



THE COUNCIL

Committees of Council

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

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

THE COUNCIL

Academic Board and its Committees

The principal academic body of the University is the Academic Board. In 2015, the board comprised 29 members of whom 16 were ex-officio members representing senior academic and teaching staff and members of the senior management team, nine elected members from teaching 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
- advice to the Council on the conduct and content of those programs and courses.

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

Academic Board Review

The Academic Board was externally reviewed in 2015 and has developed an action plan to guide its future development in line with recommendations provided by the review panel

Governance Committees	
The following committees assist the Academic Board on matters relating to Governance	
The Academic Board Executive Committee	To serve as the executive of the Board, make decisions on its behalf as delegated, manage the Board's agenda and schedule of business and initiate discussion and commission papers as requested by the Board on major issues of educational importance.
Curriculum Development, Learning, Teaching and Research Committees	
The following committees assist the Academic Board on matters relating to course and program development, learning and teaching	
Curriculum Committee	To advise on all new and modified coursework programs and courses and substantial changes to existing programs and courses in accordance with the University's Learning and Teaching Plan, the need for new or revised legislation/policy relating to coursework programs, amendments to award regulations and the oversight of relevant policies and procedures. Report to the Board on the accordance of programs with the Australian Qualifications Framework.
Learning and Teaching Committee	Advise on matters relating to the measurement, quality improvement and policies and procedures for teaching and learning. Develop and monitor the University's Learning and Teaching Plan to recommend and advise the Board on the development, accreditation, implementation and evaluation of Higher Education and Vocational Education and Training (VET) programs and associated teaching and learning procedures, pathway enhancement strategies.
Research Committee	To provide advice on policy and procedures related to research and research training in accordance with the University's Research Plan, develop and review the University's Research Plan and report annually to the Academic Board on the implementation of the Plan and quality assurance related to research and research training.
Appeals Committee	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 by all members.

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,

THE 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

Council set the following 2015 reporting timelines in relation to the strategic direction of the University:

- a) March Planning Day – Council received a number of comprehensive key presentations from members of the Vice-Chancellor's Senior Team, which fed into Council planning initiatives.
- b) September meeting – following extensive feedback and recommendations received from the University community, Council approved the *Strategic Plan 2016-2020*.
- c) December and July meetings – The Vice-Chancellor reported to Council on the half-yearly achievements against the major directions for the University.

For 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.

THE COUNCIL

Management of Interests or Conflicts of Interest

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

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

In addition:

- 1) Members of the University Council are required to disclose related party interests where those interests could potentially lead to a conflict of interest. “Related party interests” means interests from a relationship which arises from being a member of immediate family, or a relationship which gives rise to a real or potential conflict of interest and includes such matters as matrimonial (including defacto), sexual, financial and business relationships.
- 2) Council members, upon adoption of this procedure or upon appointment to the Council, are required to advise the Council office by completing a disclosure form of potential areas of conflict and/or related transactions with the University. If, during the course of a member’s term of office, that member subsequently becomes aware that an interest held by them or a related party may potentially cause a conflict of interest with the University’s affairs, they shall advise the Council office as soon as possible. A record of such advice received shall be kept by the Council office.
- 3) Council members will also be required under the *Financial Management Act 1994* and the Australian Accounting Standards to disclose, at the end of each financial reporting period, the transactions that they (or their related party) had with the University during that financial period. This information is reported in the University’s Annual Report.
- 4) If the chairperson perceives there to be a conflict of interest of which a member of the Council or a committee of the Council may be unaware, the chairperson shall raise the matter with that individual prior to the meeting concerned.



Risk Management

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

The Council’s Audit and Risk Committee monitors outcomes relating to the risk review and reporting process and provides advice to the Council. The University’s Budget Committee continued to monitor the overall financial risk to the University of earned-income projects during 2015.

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

THE COUNCIL

Register of Shareholdings that includes a Risk Assessment

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

Federation University Australia Associated Entities (part ownerships from shareholdings):		
Entity	Objects	Risk assessment
Inskill Pty Ltd	Holds shareholdings in start-up companies	Low
The School of Mines and Industries Ballarat Limited	Inactive	Low
UB Housing Pty Ltd	Obligations under the National Rental Affordability Scheme	Medium
Brisbane Education Services Pty Ltd	Inactive	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
Regional Universities Network	Collaboration of six universities with headquarters in regional Australia	Low

THE COUNCIL

Council Professional Development and Appraisal

Professional Development is provided to each Council member on an annual basis comprising: An induction package distributed when members commence;

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

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

Indemnity of Councillors and Senior Officers

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

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

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



Professor Todd Walker
Deputy Vice-Chancellor (Engagement)
Secretary to Council

16 February 2016



ORGANISATIONAL AND REGULATORY INFORMATION

Student Load Performance

TAFE Programs

Overall, the University delivered VET programs to over 5,800 students in 2015, equating to approximately 1.4 million Student Contact Hours (SCH) of training, with 1.1 million SCH related to funding from the State Government and 0.3 million SCH in non-government funded training. This level of training was significantly less than the previous year due to:

- 1 Continued decline in demand for vocational education across the VET sector of around 14%;
- 2 Delay in delivery of a number of programs in 2015 due to transition of those programs to new training package assessment arrangements;
- 3 Reconfiguration of delivery of a number of programs that extended beyond one academic year of delivery resulting in training hours rolling into 2016.

TAFE Training Delivery and Performance Summary	2014 Actual SCH million	2015 Actual SCH million	% difference
Government Funded	1.7	1.12	-34%
Non-Government Funded	0.5	0.33	-34%
Total (SCH)	2.2	1.45	-34 %

Higher Education Programs

Domestic Commonwealth Supported Place (CSP) funded Student Enrolments

The University had its highest level of CSP funded student load achieving 5,314 EFTSL. This is an 11.6% increase on the previous year, primarily due to the additional student load obtained through the second year of operating the Gippsland Campus. Commencing student enrolment in undergraduate programs remains relatively stable across all disciplines.

Higher Education CSP Funded Equivalent Full Time Student Load (EFTSL)	2014	2015*	% change
Undergraduate	4365	4812	10.2%
Postgraduate	321	393	22.3%
Other	73	109	49.4%
Total	4759	5314	11.6%

*Estimated Actual 2015 EFTSL is subject to reconciliation process with the final submission of data to DEEWR in April 2016.

Domestic Research and Fee-Paying Student Enrolments

The University's non-commonwealth funded load comprises a small program of activities which varies from year to year based on demand. Total research student load increased by 2.4% largely reflecting the increase in places being offered to domestic students in the Research Training Scheme. The number of Domestic fee paying students studying in Non-Award programs declined by 28.4% largely reflecting the transition of postgraduate programs from Fee Paying to Commonwealth Supported Places for programs which meet government funding criteria.

HIGHER EDUCATION NON-COMMONWEALTH FUNDED LOAD (EFTSL)

Category	Report Group	2014	2015*	% Over (Under)
Research	Research Training Scheme	145	158	8.4%
Research	Domestic Fee-Paying	0	0	(100%)
Research	International	40	32	(18.7%)
Total		185	190	2.4%
Fee Paying Domestic Students	Non-Award	16	4	(71.3%)
Fee Paying Domestic Students	Postgraduate	293	217	(26.1%)
Total		310	221	(28.4%)

*Estimated Actual EFTSL is subject to reconciliation process with the final submission of data to DoE in April 2016.

ORGANISATIONAL AND REGULATORY INFORMATION

International Student Enrolments

International student commencements in 2015 have increased at partner provider locations on-shore and off-shore compared to previous years. International student enrolments at Federation University campus locations have declined slightly overall. Consistent with prior years, students from India and China constitute the majority of international students for both on-campus and on-shore partner providers.

International Student Enrolled Load (EFTSL) at Partner Provider Locations: On-Shore

City of Provider	2014	2015*	% Over (Under)
Adelaide	225	269	19.5%
Geelong	169	122	(27.6%)
Melbourne	1,886	1,922	1.9%
Sydney	998	1,027	2.9%
Total	3,278	3,340	2.5%

*Estimated Actual EFTSL is subject to reconciliation process with the final submission of data to DoE in April 2016.

International Student Enrolled Load (EFTSL) at Partner Provider Locations: Off-Shore

Country	2014	2015*	% Over (Under)
HE – China	247	278	12.6%
HE – Malaysia	321	290	(9.9%)
HE – Hong Kong	104	149	42.7%
HE – Singapore	137	134	(2.2%)
HE – Sri Lanka	53	25	(52.1%)
Total	862	876	1.6%
TAFE – Hong Kong ⁽¹⁾	25	11	(56%)
Total	887	887	(0.1%)

*Estimated Actual EFTSL is subject to reconciliation process with the final submission of data to DoE in April 2016.

- (1) Single unit enrolments where 720 Student Contact Hours is equated to 1 EFTS. Figures are provisional, and collated prior to final 2011 data submissions to Skills Victoria, and subject to reconciliation processes to be undertaken by Skills Victoria.

International Student Enrolled Load (EFTSL) at Federation University Australia Campuses: On-Shore

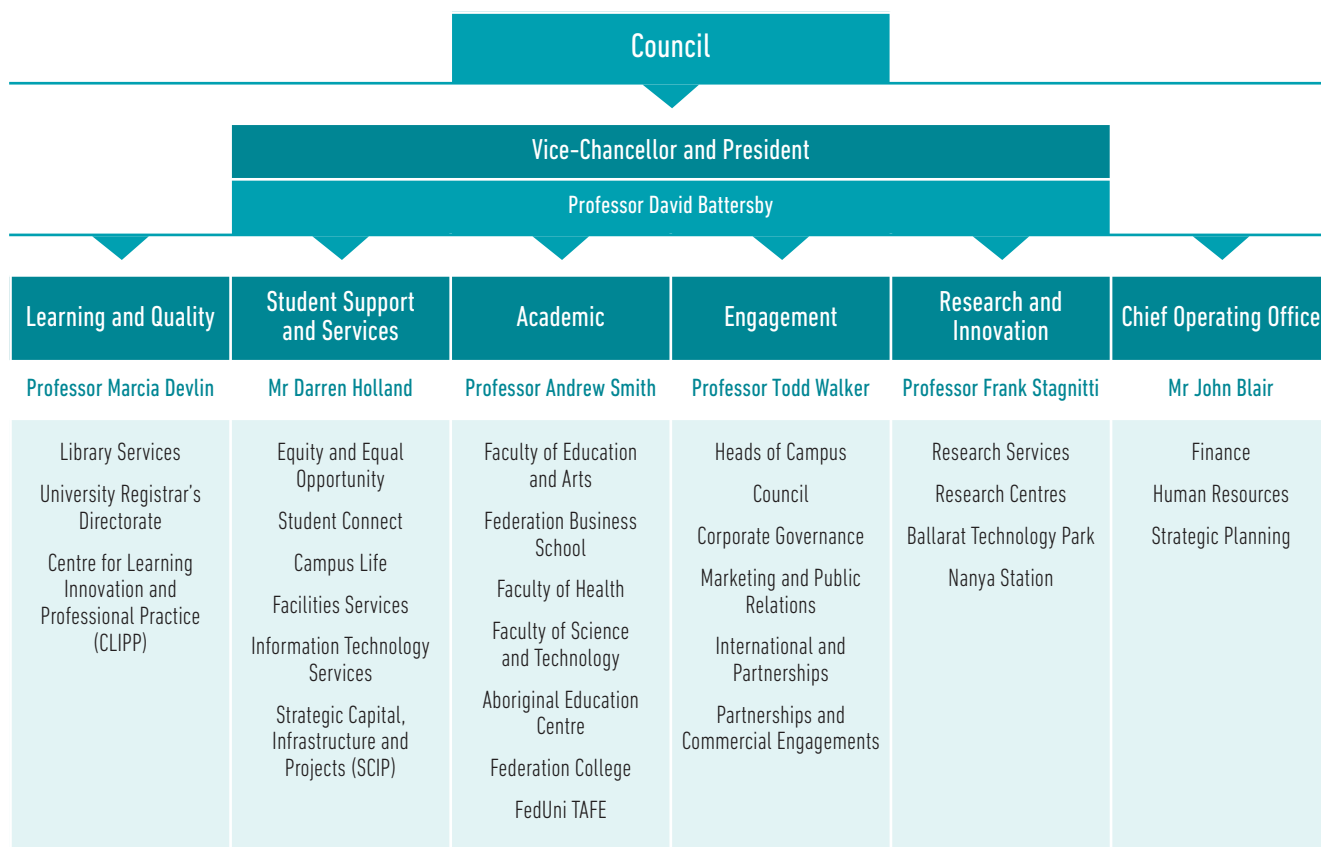
Campus Location	2014	2015*	% Over (Under)
Ballarat	420	409	(2.7%)
Gippsland ⁽¹⁾	6	21	278.2%
Online ⁽¹⁾	2	6	306.3%
Total	428	436	2.1%

*Estimated Actual EFTSL is subject to reconciliation process with the final submission of data to DoE in April 2016.

- (1) Reflects the additional student load obtained through the second year of operating the Gippsland Campus (Churchill) and online operations.

ORGANISATIONAL AND REGULATORY INFORMATION

Organisational Chart



Staff Code of Conduct

The University's principles of:

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.

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

This code of conduct confirms 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.

ORGANISATIONAL AND REGULATORY INFORMATION

Staff Workforce Data as at 31 December 2015

	2014		2015	
	No of Persons	Full-time Equivalent	No of Persons	Full-time Equivalent
Higher Education Academic Staff*				
On-going				
Male	160	157.50	148	144.3
Female	168	154.21	160	146.4
Fixed-Term				
Male	42	38.40	31	28.5
Female	48	38.20	38	29.1
TOTAL	418	388.31	377	348.3
Total Male	202	195.90	179	172.8
Total Female	216	192.41	198	175.5
*Does not include casual staff (estimated to be full-time equivalent staff 43.10 for 2014 and 39.75 for 2015), nor staff employed by third party providers. Probationary staff are included in the ongoing staff statistics.				
VET Teaching Staff*				
On-going				
Male	63	61.4	60	58.3
Female	43	35.5	31	25.6
Fixed-Term				
Male	16	15.4	14	13.7
Female	10	8	10	8
TOTAL	132	120.3	115	105.6
Total Male	79	76.8	74	72
Total Female	53	43.5	41	33.6
Does not include casual staff (estimated to be full-time equivalent staff 30.05 for 2014 and 28.10 for 2015), nor staff employed by third party providers.				
General Staff*				
On-going				
Male	169	157.15	169	156.21
Female	418	353.67	406	344.7
Fixed-Term				
Male	55	52.78	59	56.11
Female	132	116.3	132	109.63
TOTAL	774	679.9	766	666.65
Total Male	224	209.93	228	212.32
Total Female	550	469.97	538	454.33
*Does not include casual staff (estimated to be full-time equivalent staff 77.25 for 2014 and 74.40 for 2015), nor staff employed by third party providers.				

ORGANISATIONAL AND REGULATORY INFORMATION

Workplace Relations

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

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

Bargaining for replacement agreements to cover both Academic and General/Professional Staff, and TAFE Teaching Staff continued in 2015, with a new UCA becoming operative on 15 October 2015.

The new UCA covers all Academic and General/Professional employees including former Monash Gippsland employees who transferred to Federation University Australia. No industrial activity occurred during enterprise bargaining in 2015.

Bargaining for a new agreement covering Federation University Australia TAFE teaching staff is yet to be concluded, although it is anticipated this may happen in early 2016.

Together with enterprise bargaining for two new agreements, other major tasks in 2015 have included implementation of a number of new provisions associated with the new UCA, various change management initiatives and resolution of a number of industrial disputes.

2015 Achievements

Employee Assistance Program

The Employee Assistance Program is now in its twelfth year with EAP, Manager Assist, Career and Conflict Assist services continuing to be well supported by staff members and their immediate family.

There continues to be good support for both the counselling services and Manager Assist services. The Career Assist services have also shown a significant increase in usage throughout the year.

396 counselling sessions have been undertaken with a utilisation rate of 6.50% across all campuses.

Workplace Initiatives

The University has become increasingly conscious of the impact that family violence has on our workplace, and the negative effects this has on our staff and students. As an organisation, the University wants to make a stand against violence, in particular family violence, to create a respectful and safe place for its staff and students.

The University has taken steps to become a White Ribbon Australia accredited workplace.

By committing to the accreditation program, the University aims to:

- Provide a work and study environment that supports victims of family violence;
- Raise awareness of family violence and its impacts in the workplace; and
- Create a working environment that promotes gender equality and models non-violent and respectful relationships.

Actions the University is taking:

- The Vice-Chancellor, Professor David Battersby has become a White Ribbon Ambassador.
- A White Ribbon Workplace Accreditation Program Steering Group has been formed and will take a lead role in finalising the accreditation process.
- Over the coming months Steering Group members will form small working parties to undertake various accreditation activities. An expression of interest for volunteers (particularly men), to participate, will commence next year.
- The University's new Collective Agreement now includes leave provisions for staff members affected by domestic violence
- On the 25 November 2015 University staff from across all our campuses participated in various White Ribbon events across all of our campuses.

ORGANISATIONAL AND REGULATORY INFORMATION

Workcover

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

In 2015 there has been a 12% reduction in standard workers compensation claims received when compared to 2014. In total 29 claims were received, 20 minor and 9 standard claims during the year.

The 2015/2016 premium has reduced by approximately 40% from 2014/2015. This is as a result of reduced claims costs and improved RTW outcomes. Reported remuneration has increased by 5% for 2014/2015. There was a 48% decrease in claims costs for the 2015/2016 period compared to claims costs at the time of premium calculation in 2014/2015.

Sprains, strains and falls remain the highest cause of injury with a combined total of 16 out of 29 injuries claimed (55%).

Five psychological claims (17% of total claim) have been received since the start of the year, falling under the categories of Bullying/Harassment or other mental stress (communication breakdown). The claims costs for psychological claims is 77% of total claims costs for standard claims.

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

WorkCover Key Performance Indicators

Incidence of Claims:

- Number of standard claims reported:
9 claims (reduction from 21 standard claims in 2014).
- Claims frequency rate:
0.06 per \$million remuneration (reduced from 0.16 per \$million in 2014).

Claims Costs:

- Average cost of claims \$21,653 per claim (increased from \$5,066 in 2014).
- Claims cost ratio:
\$1,396 per \$million remuneration (increased from \$799 per \$million remuneration in 2014)

*Claim cost data has been impacted by 1 claim with a high claim cost for 2015.

Distinguished Service List

The University thanks the following staff who departed the organisation in the period 1 January 2015 to 31 December 2015. Their combined efforts represent 154.91 years of service to the University and its communities.

Name	Start Date	Date Left	Years of Service	Position Description	School / Section
Ms Debra Cummins	04Feb87	30Apr15	28.16	Educational Developer	CLIPP
Mr Trevor Gourley	07Jan85	18Mar15	30.16	Lecturer	School of Engineering and Information Technology
Ms Monika Heim	14Mar89	20Mar15	26.00	Business Manager	Federation College
Ms Jennifer Macgill	03Feb92	10Apr15	23.16	Lecturer	School of Nursing, Midwifery and Healthcare
Mr Garry Wood	18Oct93	08May15	21.50	Team Leader, Infrastructure	Information Technology Services
Professor John Yearwood	01Feb89	26Jan15	25.93	Executive Dean	Faculty of Science and Technology
			154.91		



ORGANISATIONAL AND REGULATORY INFORMATION

Diversity and Inclusion

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 2015 the University implemented a wide range of initiatives to fulfil this commitment, including:

- supporting the Australian Human Rights Commission's 'Racism. It Stops with Me' campaign with the development of a 'Racism. It stops with Me' website, and a video clip; (<http://bit.ly/FedUniStopRacism>) showing FedUni's stand against racism. A campaign group photo of staff and students was selected by the AHRC to feature in their campaign poster;
- under the oversight of the Social Inclusion Committee, review of progress of the University's Social Inclusion Plan 2014–2015 and development of the updated 2015–2016 Plan;
- under the oversight of the Higher Education Participation and Partnership Program (HEPPP) Committee, undertaking a wide range of programs and initiatives to improve educational access and success for people from low socio-economic status backgrounds;
- actions to improve accessibility for people with disability in both study and employment through the Disability Action Plan, including the development and publishing of access maps for all campuses;
- seeking accreditation as a White Ribbon Accredited Workplace and commencing accreditation actions, including website development. In November, the Vice-Chancellor was appointed a national White Ribbon Ambassador, and White Ribbon Day events were held at University campuses;
- development, and approval by Reconciliation Australia, of the University's Reconciliation Action Plan 2015–2017;
- holding a range of events across the University to celebrate National Reconciliation Week;
- attendance by 121 staff and 5 Council members in Aboriginal Cultural Awareness training;
- on-going support of the Indigenous Employment Strategy, with a trainee completing their traineeship and gaining ongoing employment in the University;
- development of the FedPride Strategy to create an equitable educational and work environment for Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ) students and staff. This was launched at the Mt Helen campus by the Chancellor, Dr Paul Hemming with Victoria's first Gender and Sexuality Commissioner Ro Allen as guest speaker, and at the Gippsland campus by Associate Dean Dr Barbie Panther. The Rainbow flag was flown for the first time on the University campuses for the launch;
- to celebrate International Day against Homophobia and Transphobia (IDAHOT), showing the film 'Pride' on all campuses;
- reviewing and updating the University's Equal Opportunity and Valuing Diversity Policy, and the Sexual and Discriminatory Harassment Complaint Procedure, to strengthen the University's commitment to the provision of a work and study environment which values diversity and is free of harassment and discrimination;
- submission of the University's annual compliance report under the *Workplace Gender Equality Act 2012* and being assessed as compliant;
- requiring all fixed-term and contract staff to undertake the University's equity online training. The University-wide completion rate at the end of 2015 was 87%.

Regulatory Compliance

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

General Statement

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

Description of the University and its Decision-Making Powers

The University is described, and reference to its objects, is made on pages 12 and 14 of this report. The University's website www.federation.edu.au outlines the areas of work and responsibility which each Faculty and Portfolio of the University administers. The University Council has responsibility for the direction and superintendence of the University and has power to make statutes and regulations in accordance with the *Federation University Australia Act 2010*.

Categories of Documents

The University holds an extensive range of documents, procedural statements, policies, statutes and regulations. General enquiries relating to the gaining of access to these documents and/or a copy thereof may be made to the University General Counsel. However, enquirers may go direct to the office involved in the preparation and implementation of the area of responsibility concerned as indicated hereunder as at 31 December 2015.

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;

ORGANISATIONAL AND REGULATORY INFORMATION

- 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, 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 Academic Secretariat and 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, Bar and Conference Management (direct enquiry may be made to the Manager, Conference & Catering Services), and the procedures and processes relating thereto; and
- Documents pertaining to Capital Works, Maintenance Programs, Stores and Supplies.
- 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 laid down under *Freedom of Information Act 1982* may contact the University General Counsel, Mr D White, Administration Building, Mt Helen Campus, Federation University Australia, University Drive, Mt Helen, Vic 3350, Telephone: (03) 5327 6328 or by email to Legaloffice@federation.edu.au

There were no requests for information under the *Freedom of Information Act 1982* during the year.

Protected Disclosure Act 2012

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

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

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

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

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

Competition and Consumer Act 2010

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

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

ORGANISATIONAL AND REGULATORY INFORMATION

Education Services for Overseas Students Act 2000

General Statement

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

Assurance programs

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

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 2015 at all Campuses. The University is working towards ensuring all identified issues are rectified.

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

Compliance statement

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

Annual Essential maintenance Reports (AESMR's) are in place for all University controlled buildings.

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

The University is aware of six (6) complaints involving the University being made to the Ombudsman in 2015. One (1) complaint was referred back by the Ombudsman for further action by the University.

ORGANISATIONAL AND REGULATORY INFORMATION

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

Website: www.federation.edu.au

Email: 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

Wimmera

Baillie Street, Horsham, Victoria, 3400

Gippsland

Northways Road, Churchill, Victoria, 3842

Website address for current and previous Annual Reports

Annual Reports prior to 2015 can be found at:

www.federation.edu.au/about-feduni/our-university/portfolios/learning-and-quality/academic-services/data-analysis-and-reporting/organisational-data

Information contained on the University website

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

Information includes:

- General Information 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, are available through contact with the Office of the Vice-Chancellor, Telephone: (03) 5327 9500:

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

APPENDIX 1

KEY TO ABBREVIATIONS

FRD – Financial Reporting Directions (as at November 2015): 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 May 2015) 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
STANDING DIRECTIONS/FINANCIAL MANAGEMENT ACT 1994 (FMA)			
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–f49
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 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements; • Financial Reporting Directions; and • Business Rules. 	f7–f49
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> • Balance Sheet and income statement; • Statement of Recognised Income and Expense; • Cash Flows Statement; and • Notes to the financial statements. 	f3–f49
6	SD 4.2(c) 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"> • Present fairly the financial transactions during reporting period and the financial position at end of the period; • Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and • Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	f1
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> • \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	f11
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	f1, f50
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	22
10	FRD 03A	Accounting for Dividends	N/A
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	f12
12	FRD 10	Disclosure Index	35–36
13	FRD 11	Disclosure of Ex-gratia Payments	f49
14	FRD 17B	Long Service leave and annual leave for employees	f11
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"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period AND for each consultancy more than \$10,000, a schedule is to be published on the University website listing: <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 	39

APPENDIX 1

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	4–7, 14
19	FRD 22G	Nature and range of services provided including communities served	12–14
20	FRD 22G	Organisational structure and chart, including responsibilities	27
21	FRD 22G	Names of Council members	15–17
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	4–13
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	30
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	28
25	FRD 22G	Summary of the financial results for the year including previous 4 year comparisons	38
26	FRD 22G	Significant changes in financial position during the year	37
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	N/A
28	FRD 22G	Major changes or factors affecting performance	N/A
29	FRD 22G	Discussion and analysis of operating results and financial results	37
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods	f49
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	31
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>	31, 32
34	FRD 22G	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	33
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>	32
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	8, 9
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))	34
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	f37
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, f21, 58
44	FRD 104	Foreign currency	f11
45	FRD 105A	Borrowing Costs	f11
46	FRD 106	Impairment of assets	f7
47	FRD 107A	Investment properties	f10
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49	FRD 110	Cash Flow Statements	f6, f27
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	f12
54	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	39
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"> Summary of the university commercial activities If the university has a controlled entity, include the accounts of that entity in the university's Annual Report 	f33, f34

APPENDIX 2

Financial Summary – Consolidated Results

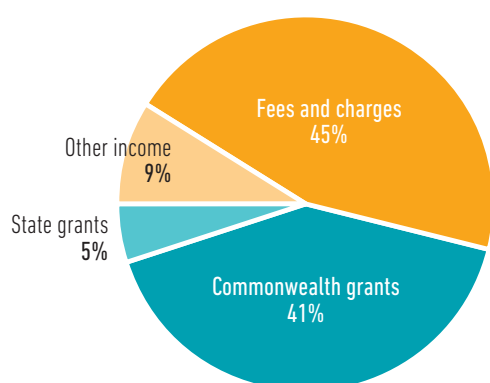
Federation University Australia and its controlled entities recorded an operating surplus of \$ 6.4 million for the year ended 2015.

This compared to an operating surplus of \$2.8 million in 2014

Income

Operating Revenue from continuing operations in 2015 saw an overall increase of 3%. Our VET Operations are still trading through difficult times whilst we have consolidated our Higher Education student numbers on the Gippsland Campus.

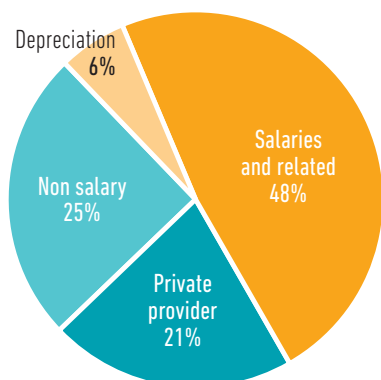
Total Income



Expenditure

2015 saw an overall decrease in expenditure as the balance of the financial adjustments for the Gippsland Campus being brought to account during the year.

Total Expenditure



Assets, Liabilities and Equity

Net Assets increased by \$38 million to \$542 million, in the main through increase cash and investments holdings and through a revaluation increment in our Land, Building and Investment Properties.

Statement of Allocation of Funds

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

Future Outlook

The University continues to adapt and develop within the changing policy environment it is operating within.

It will continue to review its operations to ensure it can invest in the right development to secure long term financial sustainability.

Victorian Industry Participation Policy (VIPPP)

The University considers the application of VIPPP as part of its procurement process for relevant tenders as defined in the policy. In 2015, the application of VIPPP was not considered applicable to tenders.

APPENDIX 2

Five Year Financial Summary

INCOME	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
Revenue from continuing operations					
Commonwealth Government Grants	70,436	61,346	60,052	97,759	71,089
HELP – Australian Government payments	41,459	38,235	33,258	27,037	23,808
Victorian State Government Grants	12,354	18,094	24,435	31,665	37,796
Other Income	148,620	161,065	87,699	128,328	106,015
Total revenue from continuing operations	272,869	278,740	205,444	284,789	238,708
Expenses from continuing operations	266,515	275,904	201,247	225,153	195,886
Net result for the year	6,354	2,836	4,197	59,636	42,822
BALANCE SHEET					
Current Assets					
Cash and cash equivalents	79,466	123,575	87,222	119,389	93,876
Receivables	15,588	29,209	17,868	12,687	18,083
Other financial assets	130,511	80,292	100,281	80,257	282
Other assets	3,645	2,698	2,714	2,398	3,149
Total Current Assets	229,210	235,774	208,085	214,731	115,390
Non-Current Assets					
Receivables	63,111	63,270	61,970	85,347	67,268
Property, plant and equipment	311,768	300,423	277,093	261,383	218,624
Investment Property	66,570	59,275	62,845	66,070	65,577
Other	9,757	1,929	3,513	5,081	24,167
Total Non-Current Assets	451,206	424,897	405,421	417,881	375,636
TOTAL ASSETS	680,416	660,671	613,506	632,612	491,026
Current Liabilities					
Payables	22,794	40,737	7,182	9,544	9,955
Borrowings	164	632	595	560	495
Provisions	36,153	34,644	24,307	23,459	19,654
Other liabilities	13,013	13,151	9,329	6,744	3,194
Total Current Liabilities	72,124	89,164	41,413	40,307	33,298
Non-Current Liabilities					
Borrowings	–	164	796	1,390	2,478
Provisions	65,876	66,532	64,525	88,340	69,448
Total Non-Current Liabilities	65,876	66,696	65,321	89,730	71,926
TOTAL LIABILITIES	138,000	155,860	106,734	130,037	105,224
NET ASSETS	542,416	504,811	506,772	502,575	385,802
TOTAL EQUITY	542,416	504,811	506,772	502,575	385,802

APPENDIX 2

Consultancies

In 2015 there were 3 consultancies in excess of \$10,000 totalling \$220,819:

CONSULTANCY	AMOUNT
Blomquist & Wark Pty Ltd – Space management	\$34,140
Shinewing Australia – Brisbane project	\$110,679
William Ross Architects – Space management	\$76,000

The above consultancies were all finalised within the reporting period.

There were no consultancies less than \$10,000.

Statement on Compulsory non-academic Fees

For the Year ending 31 December 2015

	AMOUNT	
	2015	2014
Carry Forward from prior year	455,799	648,643
Current year income	1,676,193	1,559,432
Total SSAF funds Available	2,131,992	2,208,075
Total Expenditure	1,834,140	1,752,276
Total unspent SSAF funds 31 December	297,852	455,799

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



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DECLARATION BY CHANCELLOR, VICE-CHANCELLOR AND CHIEF FINANCIAL OFFICER

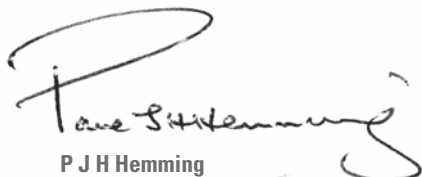
We certify that the attached financial report for Federation University Australia has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory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

We further state that, in our opinion, the information set out in the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2015 and financial position of the University as at 31 December 2015.

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

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

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



P J H Hemming
Chancellor



D A Battersby
Vice-Chancellor



J Blair

Chief Operating Officer – Chief Financial Officer

Mt Helen

Dated: 22 February 2016

ESTABLISHMENT OF FEDERATION UNIVERSITY AUSTRALIA

FEDERATION UNIVERSITY AUSTRALIA

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

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

RESPONSIBLE MINISTERS

The Hon. Steve Herbert MLC, Minister for Training & Skills.

OBJECT OF THE UNIVERSITY

The Objects of the University include:

- a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard;
- b) to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University;
- c) to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the well-being of the Victorian, Australian and international communities;
- d) to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community;
- e) to serve the Victorian, Australian and international communities and the public interest by:
 - enriching cultural and community life;
 - elevating public awareness of educational, scientific and artistic developments;
 - promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society;
- f) to use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching, learning, research and advancement of knowledge activities and thereby contribute to:—
 - realising Aboriginal and Torres Strait Islander aspirations; and
 - the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage;
- g) to provide programs and services in a way that reflects principles of equity and social justice;
- h) to confer degrees and grant diplomas, certificates, licences and other awards; and,
- i) to utilise or exploit its expertise and resources, whether commercially or otherwise.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED		UNIVERSITY	
INCOME	NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	2.1	70,436	61,346	70,436	61,346
HELP – Australian Government payments	2.1	41,459	38,235	41,459	38,235
State Government financial assistance	2.2	12,354	18,094	12,354	18,094
HECS-HELP – Student payments		2,497	2,567	2,497	2,567
Course fees and charges	2.3	104,992	102,854	104,992	102,854
Other fees and charges	2.3	13,000	15,035	13,000	15,035
Consultancy and contract research	2.4	5,018	4,947	5,018	4,947
Investment revenue	2.5	12,415	13,454	12,016	13,454
Other revenue	2.6	4,665	2,320	4,665	2,320
Total revenue from continuing operations		266,836	258,852	266,437	258,852
Profit on disposal of assets	10	172	36	172	36
Revaluation increment on investment properties	11	5,861	–	5,861	–
Recognition of Gippsland Campus	27	–	19,852	–	19,852
Total Revenue		272,869	278,740	272,470	278,740
EXPENSES FROM CONTINUING OPERATIONS					
Employee expenses	3.1	129,153	137,198	129,153	137,198
Depreciation and amortisation	3.2	16,841	16,217	16,841	16,216
Repairs and maintenance	3.3	9,660	12,068	9,660	12,068
Bad and doubtful debts	3.4	766	886	766	886
Other expenses	3.5	54,495	55,871	54,093	55,872
Finance costs		31	73	31	73
Private providers		55,569	45,296	55,569	45,296
Total expenses from continuing operations		266,515	267,609	266,113	267,609
Revaluation decrement on investment properties	11	–	8,295	–	8,295
Total Expenses		266,515	275,904	266,113	275,904
Net result before income tax for the year		6,354	2,836	6,357	2,836
Income tax expense		–	–	–	–
Net result after income tax for the year		6,354	2,836	6,357	2,836
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Gain / (Loss) on revaluation of land & buildings	10 & 17	22,063	(4,797)	22,063	(4,797)
Items that may be reclassified to profit or loss					
Remeasurements of defined benefit plans (gain) / loss	22	(28)	1,568	(28)	1,568
Remeasurements of defined benefit plans gain /(loss)	22	28	(1,568)	28	(1,568)
Gain on value of available for sale financial assets	17	9,188	–	9,188	–
Total Other Comprehensive Income		31,251	(4,797)	31,251	(4,797)
Total Comprehensive Income		37,605	(1,961)	37,608	(1,961)

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 2015

		CONSOLIDATED		UNIVERSITY	
	NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CURRENT ASSETS					
Cash and cash equivalents	4	79,466	123,575	79,436	123,559
Receivables	5	15,588	29,209	15,620	29,185
Inventories	6	235	376	235	376
Other financial assets	7	130,511	80,292	130,511	80,292
Non-current assets held for sale	8	742	—	742	—
Other assets	9	2,668	2,322	2,668	2,322
Total Current Assets		229,210	235,774	229,212	235,734
NON-CURRENT ASSETS					
Receivables	5	63,111	63,270	63,111	63,270
Other financial assets	7	9,729	519	9,707	519
Property, plant and equipment	10	311,768	300,423	311,768	300,423
Investment properties	11	66,570	59,275	66,570	59,275
Intangible Assets	12	28	1,410	28	1,410
Total Non-Current Assets		451,206	424,897	451,184	424,897
TOTAL ASSETS		680,416	660,671	680,396	660,631
CURRENT LIABILITIES					
Payables	13	22,794	40,737	22,810	40,736
Borrowings	14	164	632	164	632
Provisions	15	36,153	34,644	36,153	34,644
Other liabilities	16	13,013	13,151	13,013	13,151
Total Current Liabilities		72,124	89,164	72,140	89,163
NON-CURRENT LIABILITIES					
Borrowings	14	—	164	—	164
Provisions	15	65,876	66,532	65,876	66,532
Total Non-Current Liabilities		65,876	66,696	65,876	66,696
TOTAL LIABILITIES		138,000	155,860	138,016	155,859
NET ASSETS		542,416	504,811	542,380	504,772
EQUITY					
Accumulated Surplus	17	369,651	363,297	369,615	363,258
Reserves	17	172,765	141,514	172,765	141,514
TOTAL EQUITY		542,416	504,811	542,380	504,772

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 2015

	NOTE	RESERVES \$000	2015 RETAINED SURPLUS \$000	TOTAL \$000	RESERVES \$000	2014 RETAINED SURPLUS \$000	TOTAL \$000
CONSOLIDATED							
Total equity at the beginning of the financial year		141,514	363,297	504,811	146,311	360,461	506,772
Net operating result after income tax for the year		—	6,354	6,354	—	2,836	2,836
Gain / (Loss) on revaluation		31,251	—	31,251	(4,797)	—	(4,797)
Total equity at the end of the financial year	17	172,765	369,651	542,416	141,514	363,297	504,811
UNIVERSITY							
Total equity at the beginning of the financial year		141,514	363,258	504,772	146,311	360,422	506,733
Net operating result after income tax for the year		—	6,357	6,357	—	2,836	2,836
Gain / (Loss) on revaluation		31,251	—	31,251	(4,797)	—	(4,797)
Total equity at the end of the financial year	17	172,765	369,615	542,380	141,514	363,258	504,772

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 2015

		CONSOLIDATED		UNIVERSITY	
	NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
User fees and charges received		135,273	129,755	135,217	129,755
Investment Income received		13,892	12,831	13,,493	12,831
Other receipts		4,665	10,583	4,665	10,583
GST recovered from ATO		11,519	10,956	11,519	10,956
CASH FLOWS FROM GOVERNMENT					
State Government Grants		11,942	15,704	11,942	15,704
State Government contributions – specific projects	2.2	–	2,465	–	2,465
Commonwealth Government / Grants		70,694	61,346	70,694	61,346
Higher Education Contribution Scheme:					
Student payments		2,497	2,567	2,497	2,567
HECS-HELP – Commonwealth payments		35,198	32,477	35,198	32,477
FEE-HELP – Commonwealth payments		2,948	3,110	2,948	3,110
STUDENT AMENITIES-HELP		1,509	1,297	1,509	1,297
VET FEE-HELP		1,804	1,351	1,804	1,351
OS-HELP (Net)		67	19	67	19
Superannuation Supplementation (Net)		909	(1,025)	909	(1,025)
PAYMENTS					
Payments to employees		(128,272)	(136,229)	(128,272)	(136,229)
Payments to suppliers (Including GST)		(94,663)	(78,619)	(94,222)	(78,619)
Finance costs		(31)	(73)	(31)	(73)
Payments to private providers		(55,569)	(45,296)	(55,569)	(45,296)
Net cash provided by/(used in) operating activities	18	14,382	23,219	14,368	23,219
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(7,720)	(6,701)	(7,720)	(6,701)
Proceeds from sale of property, plant and equipment	10	723	402	723	402
(Payments for) / Proceeds from financial assets		(50,862)	20,028	(50,862)	20,028
Net cash provided by/(used in) investing activities		(57,859)	13,729	(57,859)	13,729
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(632)	(595)	(632)	(595)
Net cash provided for (used in) financing activities		(632)	(595)	(632)	(595)
Net increase/(decrease) in cash and cash equivalents		(44,109)	36,353	(44,123)	36,353
Cash and cash equivalents at the beginning of the financial year		123,575	87,222	123,559	87,206
Cash and cash equivalents at the end of the financial year	4	79,466	123,575	79,436	123,559

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 Vic 3550.

BASIS OF PREPARATION

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

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

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

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

Federation University Australia is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the 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 16 February 2016.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. They also require management to exercise its judgment in the process of applying Federation University Australia'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:

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

KEY ESTIMATES

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

Federation University Australia assess 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 2015 are amounts receivable from customers and students amounting to \$12.075m (2014 – \$25.881m). The full amount of the debt is not recoverable and as such a doubtful debts provision amounting to \$1.501m (2014 – \$1.611m) has been set aside.

HISTORICAL COST CONVENTION

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

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

FAIR VALUE MEASUREMENT

The 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 29.

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

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Federation University Australia as at 31 December 2015 and the results of all controlled entities consolidated into this financial report are outlined in Note 26.

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

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

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

Revenue is recognised for the major business activities as follows:

i) Government grants

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

(ii) Higher Education Loan Programme (HELP) payments

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

(iv) Revenue from sale of goods

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

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Group, and;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(v) Interest Revenue

Interest revenue is recognised on an accrual basis. Dividend revenue is recognised when received.

C) FINANCE COSTS

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

D) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets. (Refer to Note 19).

E) INCOME TAX

Federation University Australia is exempt from income tax pursuant to Division 50 of the *Income Tax Assessment Act 1997*. Federation University Australia subsidiaries are not exempt from income tax. Income tax expense or benefit for the period is calculated as the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of a liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the

transaction did not affect either accounting profit or taxable profit or loss.

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

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

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

F) CASH AND CASH EQUIVALENTS

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

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 invoice was issued.

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

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

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i) Financial assets at fair value through profit or loss

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

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

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

ii) Available-for-sale financial assets

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

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

iii) Loans and receivables

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

iv) Held-to-maturity investments

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

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

Subsequent Measurement

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

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

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

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

Impairment

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

K) PROPERTY, PLANT AND EQUIPMENT

Land, buildings, artworks (excluding investment properties Note: (1)(L)) 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 (2014: \$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 or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserve directly in equity to the extent of the remaining reserve attributable to the class of asset; all other decreases are charged to comprehensive income. Land is not depreciated.

Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of asset	Rates
Property lease	10%
Buildings	2.0% to 33.33%
Leasehold improvements	3.0% to 33.33%
Plant & equipment	5.0% to 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 2015.

L) INVESTMENT PROPERTIES

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the Group. 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 Group.

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

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) BORROWINGS

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

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

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

P) BORROWING COSTS

Borrowing costs are expensed as incurred.

Q) 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 Group has no right to defer payment, the provision is shown as a current liability.

Other Employee Benefits

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

R) DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION

AASB119 *'Employee Benefits'* requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2015.

As there is no net impact on the Statement of Financial Position or statement of comprehensive income from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2015) outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial statements based on estimates prepared 6 months in arrears. In accordance with the

1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, the effects of the unfunded superannuation liabilities of Federation University were recorded in the Statement of Comprehensive Income and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under provisions, with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of Federation University Australia.

Note 22 discloses specific treatment.

S) 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.

T) 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.

U) ROUNDING OF AMOUNTS

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

V) COMPARATIVE FIGURES

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

W) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

As at 31 December 2015 the following Standards and interpretations (applicable to the Group) had been issued but were not mandatory for financial year ending 31 December 2015. The University has not, and does not intend to, adopt these Standards early.

Standards Affected	Outline of Amendment	Applicable date of Standard	Impact of financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	AASB 15 will establish a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers. Application of AASB 15 may result in material changes to the Group's future financial reports however the quantitative effect of the Group adopting this standard has not yet been determined.

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	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NOTE 2.1 – AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES					
(A) COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS					
Commonwealth Grants Scheme	30.1	59,409	52,393	59,409	52,393
Indigenous Support Fund	30.1	145	122	145	122
Disability Support Programme	30.1	128	76	128	76
Promotion of Excellence in Learning and Teaching	30.1	65	30	65	30
HE Participation Program	30.1	2,459	1,282	2,459	1,282
HE Partnership Project Funding	30.1	—	1,265	—	1,265
Total Commonwealth Grants Scheme and Other Grants		62,206	55,168	62,206	55,168
(B) HIGHER EDUCATION LOAN PROGRAMMES					
HECS-HELP	30.2	35,198	32,477	35,198	32,477
FEE-HELP	30.2	2,948	3,110	2,948	3,110
SA-HELP	30.2	1,509	1,297	1,509	1,297
VET FEE-HELP	30.2	1,804	1,351	1,804	1,351
Total Higher Education Loan Programmes		41,459	38,235	41,459	38,235
(C) SCHOLARSHIPS					
Australian Postgraduate Awards	30.3	735	779	735	779
International Postgraduate Research Scholarships	30.3	67	67	67	67
Indigenous Access Scholarships	30.3	252	—	252	—
National Priority Scholarships	30.3	—	(26)	—	(26)
Total Scholarships		1,054	820	1,054	820
(D) EDUCATION – RESEARCH					
Research Training Scheme	30.4	1,697	1,777	1,697	1,777
Research Infrastructure Block Grants	30.4	141	128	141	128
Joint Research Engagement Program	30.4	890	828	890	828
Sustainable Research Excellence Base & Threshold 1	30.4	286	251	286	251
Total Education – Research		3,014	2,984	3,014	2,984
(E) AUSTRALIAN RESEARCH COUNCIL					
Discovery Projects	30.5	318	715	318	715
Linkages Projects	30.5	61	189	61	189
Total Australian Research Council		379	904	379	904
(F) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE					
Higher Education					
Capital					
Education Investment Fund		2,170	—	2,170	—
Non Capital					
National Health & Medical Research Council		291	251	291	251
Other Commonwealth Grants		1,322	1,219	1,322	1,219
Total Other Australian Government financial assistance		3,783	1,470	3,783	1,470
Total Australian Government financial assistance		111,895	99,581	111,895	99,581

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued...

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NOTE 2.1 RECONCILIATION ACCRUAL BASIS					
Commonwealth Government grants	30.1	62,206	55,168	62,206	55,168
HECS-HELP payments	30.2	35,198	32,477	35,198	32,477
FEE-HELP payments	30.2	2,948	3,110	2,948	3,110
VET FEE-HELP payments	30.2	1,804	1,351	1,804	1,351
SA-HELP payments	30.2	1,509	1,297	1,509	1,297
Learning Scholarships	30.3	1,054	820	1,054	820
Education Research	30.4	3,014	2,984	3,014	2,984
Australian Research Council	30.5	379	904	379	904
Other Commonwealth Government		3,783	1,470	3,783	1,470
Total Australian Government financial assistance		111,895	99,581	111,895	99,581

NOTE 2.1 RECONCILIATION CASH BASIS

Commonwealth Government grants	30.1	62,206	55,168	62,206	55,168
HECS-HELP payments	30.2	35,198	32,477	35,198	32,477
FEE-HELP payments	30.2	2,948	3,110	2,948	3,110
SA-HELP payments	30.2	1,509	1,297	1,509	1,297
VET FEE-HELP payments	30.2	1,804	1,351	1,804	1,351
Learning Scholarships	30.3	1,149	820	1,149	820
Education Research	30.4	3,014	2,984	3,014	2,984
ARC grants – Discovery	30.5	318	715	318	715
ARC grants – Linkage	30.5	61	189	61	189
Other Commonwealth Government		3,783	1,470	3,783	1,470
Australian Government Grants Received – Cash Basis		111,990	99,581	111,990	99,581
Superannuation Supplementation	30.6	5,229	3,997	5,229	3,997
OS-HELP – Commonwealth payments	30.6	208	87	208	87
Total Australian Government Funding Received – Cash Basis		117,427	103,665	117,427	103,665

NOTE 2.2 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

VET					
Non Capital					
VET recurrent and competitive grants		9,631	11,793	9,631	11,793
Other state grants		2,723	3,836	2,723	3,836
Capital					
State capital grants		–	2,465	–	2,465
Total State and Local Government assistance		12,354	18,094	12,354	18,094

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued...

INCOME	NOTES	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NOTE 2.3 – FEES AND CHARGES					
COURSE FEES AND CHARGES					
Continuing Education		68	111	68	111
Fee-paying overseas students		77,601	63,247	77,601	63,247
Fee-paying overseas students (Offshore)		2,969	1,880	2,969	1,880
Fee-paying domestic postgraduate students		4,391	5,147	4,391	5,147
Fee-paying domestic non-award students		92	193	92	193
Other student fees		2,440	380	2,440	380
Fee for service – Government		10	165	10	165
Fee for service – non Government		17,393	31,033	17,393	31,033
Fee for service – International operations		28	698	28	698
		104,992	102,854	104,992	102,854
OTHER FEES AND CHARGES					
Rental Residences		6,928	6,841	6,928	6,841
Rental Other		383	361	383	361
Catering and bar		1,879	2,308	1,879	2,308
Sports facilities		550	572	550	572
Parking fees		106	106	106	106
Student Services and Amenities Fees from students		179	253	179	253
Other		2,975	4,594	2,975	4,594
		13,000	15,035	13,000	15,035
		117,992	117,889	117,992	117,889

NOTE 2.4 CONSULTANCY AND CONTRACT RESEARCH

Consultancy	1,306	1,543	1,306	1,543
Contract research	3,712	3,404	3,712	3,404
	5,018	4,947	5,018	4,947

NOTE 2.5 INVESTMENT REVENUE

Dividends	1,367	64	1,367	64
Sale of Investments	399	–	–	–
Interest received	5,210	7,569	5,210	7,569
Rental from Investment Properties	6,082	5,810	6,082	5,810
Total Investment Revenue	13,058	13,443	12,659	13,443
Change in fair value of financial assets through profit or loss	(643)	11	(643)	11
Net Investment Revenue	12,415	13,454	12,016	13,454

NOTE 2 | REVENUE FROM CONTINUING ACTIVITIES continued...

		CONSOLIDATED		UNIVERSITY	
INCOME	NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NOTE 2.6 OTHER REVENUE					
Donations and bequests		540	311	540	311
Scholarships and prizes		145	154	145	154
Other		3,980	1,855	3,980	1,855
Other Income		4,665	2,320	4,665	2,320
Recognition of Gippsland Assets		—	19,852	—	19,852
Total Other Income		4,665	22,172	4,665	22,172

NOTE 2.7 GOVERNMENT CONTRIBUTIONS – SPECIFIC PROJECTS

TAFE					
State capital grants		–	2,465		2,465
Total Grants for Specific Projects		–	2,465	–	2,465

NOTE 3 | EXPENSES FROM CONTINUING ACTIVITIES

	CONSOLIDATED		UNIVERSITY	
NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NOTE 3.1 – EMPLOYEE EXPENSES				
ACADEMIC				
Salaries	58,878	59,528	58,878	59,528
Contributions to superannuation and pension schemes				
Funded	8,488	8,935	8,488	8,935
Payroll tax	3,374	3,503	3,374	3,503
Work Cover	606	709	606	709
Movement in provisions:				
Annual leave	(205)	270	(205)	270
Long service leave	250	1,334	250	1,334
Other employee entitlements	16	(10)	16	(10)
Total academic	71,407	74,269	71,407	74,269
NON-ACADEMIC				
Salaries	45,012	49,505	45,012	49,505
Contributions to superannuation and pension schemes				
Funded	8,269	7,929	8,269	7,929
Payroll tax	3,078	2,901	3,078	2,901
Work Cover	566	587	566	587
Movement in provisions:				
Annual leave	254	220	254	220
Long service leave	629	1,644	629	1,644
Other employee entitlements	(62)	143	(62)	143
Total Non-Academic	57,746	62,929	57,746	62,929
Total employee related expenses	129,153	137,198	129,153	137,198
Deferred employee expenses for superannuation	(28)	1,568	(28)	1,568
Total employee related expenses, including deferred government employee benefits for superannuation	129,125	138,766	129,125	138,766

NOTE 3.2 – DEPRECIATION AND AMORTISATION

Buildings	10	10,264	9,572	10,264	9,572
Buildings Leasehold	10	143	119	143	119
Plant & Equipment	10	3,286	3,384	3,286	3,384
Motor Vehicles	10	525	422	525	422
Library Collection	10	1,241	1,175	1,241	1,175
Depreciation Property, Plant and Equipment	10	15,459	14,672	15,459	14,672
Amortisation of Intangible Assets	12	1,382	1,545	1,382	1,545
Total depreciation & amortisation		16,841	16,217	16,841	16,217

NOTE 3.3 – REPAIRS AND MAINTENANCE

Buildings and grounds – maintenance and repairs		8,650	11,422	8,650	11,422
Plant, Equipment – maintenance and repairs		1,010	646	1,010	646
Total repairs and maintenance		9,660	12,068	9,660	12,068

NOTE 3 | EXPENSES FROM CONTINUING ACTIVITIES continued...

NOTES	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
NOTE 3.4 – IMPAIRMENT OF ASSETS				
Bad debts written off:				
Students	846	871	846	871
Other	30	15	30	15
	876	886	876	886
Provision for doubtful debts expense:				
Other	(110)	–	(110)	–
	(110)	–	(110)	–
Net movement in doubtful debt provision	766	886	766	886

NOTE 3.5 – OTHER EXPENSES

Scholarships, grants and prizes	4,525	3,788	4,525	3,788
Telecommunications	892	783	892	783
Equipment (below capitalisation threshold)	4,156	5,482	4,156	5,482
Independent Contractors	2,768	3,684	2,768	3,684
Advertising, marketing and promotional expenses	3,820	4,313	3,820	4,313
Audit fees, bank charges, legal costs, insurance and taxes	1,799	1,779	1,799	1,779
Travel, staff development and entitlements	4,030	4,309	4,030	4,309
Cost of sale of goods including ancillary trading	1,340	1,448	1,340	1,448
Subscriptions, library materials & licence fees	5,040	3,611	5,040	3,611
Operating lease & rental expenses	325	409	325	409
Contract and other services	13,591	16,196	13,190	16,196
Printing and photocopying	1,907	2,047	1,907	2,047
Utilities	4,028	3,655	4,028	3,655
Motor vehicle running costs	456	538	456	538
Recruitment costs	307	626	307	626
Work experience scheme	616	590	616	590
Other expenses	4,895	2,613	4,894	2,614
Other Expenses	54,495	55,871	54,093	55,872

NOTE 4 | CASH AND CASH EQUIVALENTS

Cash at bank and on hand	4,202	3,172	4,172	3,156
Deposits at call	9,363	50,403	9,363	50,403
Short term fixed interest bearing bills, bonds/term deposits	65,901	70,000	65,901	70,000
Total cash and cash equivalent assets	79,466	123,575	79,436	123,559

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 2.69% & 3.83% (2014, 3.4% & 3.83%).

These deposits have an average maturity of 54 days. (2014, 60 days).

NOTE 5 | RECEIVABLES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CURRENT					
Debtors		3,839	3,938	3,871	3,914
Revenue receivable		4,348	16,917	4,348	16,917
Investment receipts		1,939	2,773	1,939	2,773
GST receivable from ATO		1,716	1,734	1,716	1,734
Student loans		201	543	201	543
Provision for impaired receivables		(1,501)	(1,611)	(1,501)	(1,611)
		10,542	24,294	10,574	24,270
Deferred Government contributions for superannuation		5,046	4,915	5,046	4,915
		15,588	29,209	15,620	29,185
NON-CURRENT					
Deferred Government contributions for superannuation		63,111	63,270	63,111	63,270
		63,111	63,270	63,111	63,270
Total Receivables		78,699	92,479	78,731	92,455
Movement in Impaired Receivables					
	3.4				
Balance at 1 January		(1,611)	(1,611)	(1,611)	(1,611)
less amounts written off as bad debts during the year		876	886	876	886
plus provision for the year		(766)	(886)	(766)	(886)
Balance at 31 December		(1,501)	(1,611)	(1,501)	(1,611)

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 2015, current receivables of the Group with a nominal value of \$1501k (2014: \$1611k) were impaired. The amount of the provision was \$1501k (2014: \$1611k). 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	
		2015 \$'000	2014 \$'000
The ageing of these receivables is:	1 to 6 Months	634	819
	Over 6 Months	867	792
		1,501	1,611

		CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
IMPAIRED RECEIVABLES					
As of December 2015, trade receivables of \$0.715m (2014, \$0.331m) 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		47	103	47	103
Over 6 months		668	228	668	228
		715	331	715	331

NOTE 6 | INVENTORIES

		CONSOLIDATED		UNIVERSITY	
	NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CURRENT					
Business activities supplies		235	376	235	376
		235	376	235	376

NOTE 7 | OTHER FINANCIAL ASSETS

CURRENT					
Available for sale financial assets					
Shares – listed, at fair value		–	30	–	30
Other investments – at fair value		–	262	–	262
Financial assets held to maturity					
Bank Term Deposits		130,511	80,000	130,511	80,000
Total current other financial assets		130,511	80,292	130,511	80,292
Available for sale financial assets					
Shares – Unlisted, at fair value		9,729	519	9,707	519
Total available for sale financial assets		9,729	519	9,707	519
Total non-current financial assets		9,729	519	9,707	519
Market value of investments listed on stock exchange	29	–	292	–	292

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 2.69% & 3.83% (2014, 3.11% & 4.34%).

These deposits have an average maturity of 172 days. (2014, 119 days).

IMPAIRMENT AND RISK EXPOSURE

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

NOTE 8 | NON-CURRENT ASSETS HELD FOR SALE

Land held for resale	742	–	742	–
	742	–	742	–

NOTE 9 | OTHER ASSETS

CURRENT				
Prepayments	2,668	2,322	2,668	2,322
	2,668	2,322	2,668	2,322

NOTE 10 | PROPERTY, PLANT AND EQUIPMENT

	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
UNIVERSITY AND CONSOLIDATED										
AS AT JANUARY 2014										
At Cost	—	—	—	—	—	41,288	3,271	12,950	—	57,509
Fair Value	—	45,085	25,536	—	2,165	—	—	—	—	72,786
Valuation	41,915	146,653	—	545	—	—	—	—	1,277	190,390
Accumulated Depreciation	—	(7,109)	—	—	(119)	(26,151)	(1,213)	(9,000)	—	(43,592)
Net Book Amount January 1 2014	41,915	184,629	25,536	545	2,046	15,137	2,058	3,950	1,277	277,093
MOVEMENT DURING THE YEAR ENDED DECEMBER 2014										
Opening Net Book Value as at January 1 2014	41,915	184,629	25,536	545	2,046	15,137	2,058	3,950	1,277	277,093
Additions	—	117	1,560	—	—	2,930	867	1,227	—	6,701
Disposals	—	—	—	—	—	—	(366)	—	—	(366)
Transfers	(1,245)	24,122	(27,096)	—	—	—	—	—	—	(4,219)
Revaluation	354	(5,151)	—	—	—	—	—	—	—	(4,797)
Depreciation Expense	—	(9,572)	—	—	(118)	(3,384)	(422)	(1,175)	—	(14,671)
Assets associated with the Gippsland Campus taken on for nil consideration	1,655	36,831	—	—	—	631	98	1,225	242	40,682
Closing Net Book Value as at 31 December 2014	42,679	230,976	—	545	1,928	15,314	2,235	5,227	1,519	300,423
SUMMARY DECEMBER 2014										
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)
Net Book Value 31 December 2014	42,679	230,976	—	545	1,928	15,314	2,235	5,227	1,519	300,423
DETAILS FOR THE YEAR ENDED 31 DECEMBER 2015										
Opening Net Book Value	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)
Closing Net Book Value as at 31 December 2015	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768
SUMMARY DECEMBER 2015										
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)
Net Book Value 31 December 2015	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768

VALUATION

Refer to Note 29 for detailed disclosures regarding the fair value measurement of the University's property, plant and equipment.

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 2015, the value of land and buildings at written down value in the University's books attributed to the Crown amounts to \$41.96 m.

UNIVERSITY & CONSOLIDATED	2015 \$'000	2014 \$'000
Profit and/or loss on Sale of Non Current Assets		
Proceeds on sale of property, plant & equipment	723	402
Less written down value	551	366
Net profit/(loss) on disposal	172	36

NOTE 11 | INVESTMENT PROPERTIES AT FAIR VALUE

	NOTES	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At Fair value opening balance at 1 January		59,275	62,845	59,275	62,845
Additions		1,434	—	1,434	—
Transfer between asset categories		—	4,725	—	4,725
Revaluation increment / (decrement)		5,861	(8,295)	5,861	(8,295)
Closing Balance at 31 December		66,570	59,275	66,570	59,275
Amounts recognised in Statement of Comprehensive Income for investment properties					
Rental Income		6,204	5,810	6,204	5,810
Movement in fair value of investment properties		5,861	(8,295)	5,861	(8,295)
Total Income		12,065	(2,485)	12,065	(2,485)
Direct Operating Expenses		(2,007)	(2,240)	(2,007)	(2,240)
Total Recognised in profit or loss		10,058	(4,725)	10,058	(4,725)
As at the reporting date the following properties were recognised as investment properties					
1995 Geelong Road		14,800	14,890	14,800	14,890
21 University Drive		9,470	8,675	9,470	8,675
28 University Drive		4,650	2,915	4,650	2,915
11 University Drive		7,750	6,755	7,750	6,755
2 Enterprise Grove		3,840	2,655	3,840	2,655
23 Wetlands Drive		6,530	5,460	6,530	5,460
17 Enterprise Grove		1,850	1,690	1,850	1,690
15 Enterprise Grove		7,890	6,600	7,890	6,600
Brewery Building Ballarat City		4,320	4,725	4,320	4,725
Vacant Land held for future development		5,470	4,910	5,470	4,910
Carrying amount of investment properties		66,570	59,275	66,570	59,275
Operating Lease Receivables					
Amounts due					
one year or less		5,570	5,790	5,570	5,790
two to five years		17,750	18,183	17,750	18,183
over five years		1,719	3,085	1,719	3,085
		25,039	27,058	25,039	27,058

Refer to Note 29 for detailed disclosures regarding the fair value measurement of the University's investment properties

NOTE 12 | INTANGIBLE ASSETS

CONSOLIDATED AND UNIVERSITY	SOFTWARE DEVELOPMENT \$'000	TOTAL NET VALUE \$'000
YEAR ENDED 31 DECEMBER 2014		
Opening net book amount 1 January 2014	2,955	2,955
Additions	—	—
Amortisation charge	(1,545)	(1,545)
Closing net book amount 31 December 2014	1,410	1,410
YEAR ENDED DECEMBER 2015		
Opening net book amount 1 January 2014	1,410	1,410
Written off		
Amortisation charge	(1,382)	(1,382)
Closing net book amount December 2015	28	28

NOTE 13 | PAYABLES

	CONSOLIDATED		UNIVERSITY	
NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CURRENT				
Creditors and non salary accruals	20,380	38,714	20,396	38,713
Accrued salaries, wages and costs	2,321	1,997	2,321	1,997
OS-Help Liability to Australian Government	93	26	93	26
	22,794	40,737	22,810	40,736

FOREIGN CURRENCY RISK

The carrying amounts of the University and the Groups 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 28.2 – Financial Instruments – Summarised Sensitivity Analysis.

NOTE 14 | BORROWINGS

CURRENT				
Unsecured				
Bills payable – National Australia Bank	164	632	164	632
	164	632	164	632
NON CURRENT				
Unsecured				
Bills payable – National Australia Bank	—	164	—	164
	—	164	—	164
FINANCING ARRANGEMENTS				
Credit standby arrangements				
Total facilities				
Bank overdrafts	150	150	150	150
Other – credit card facilities	3,000	3,000	3,000	3,000
Bank Guarantee	10	10	10	10
Used at reporting date				
Other – credit card facilities	400	381	400	381
Unused at reporting date				
Bank overdrafts	150	150	150	150
Other – credit card facilities	2,600	2,619	2,600	2,619
Bank Guarantee	10	10	10	10

Notes to and forming part of the Financial Statements for the year ending 31 December 2015

NOTE 15 | PROVISIONS – EMPLOYEE ENTITLEMENTS

NOTES	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CURRENT PROVISIONS EXPECTED TO BE SETTLED WHOLLY WITHIN 12 MONTHS				
Annual leave	5,987	5,891	5,987	5,891
Long service leave	20,754	19,378	20,754	19,378
Deferred benefits for superannuation	5,046	4,915	5,046	4,915
Other employee benefits	379	426	379	426
	32,166	30,610	32,166	30,610
CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER MORE THAN 12 MONTHS				
Annual Leave	3,987	4,034	3,987	4,034
	3,987	4,034	3,987	4,034
Total Current Provisions	36,153	34,644	36,153	34,644
NON-CURRENT				
Long service leave	2,765	3,262	2,765	3,262
Deferred benefits for superannuation	63,111	63,270	63,111	63,270
	65,876	66,532	65,876	66,532
	102,029	101,176	102,029	101,176

ANNUAL LEAVE AND LONG SERVICE LEAVE

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

- (i) disclosed in accordance with AASB101 as a current liability even where it is not expected to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;
- (ii) measured at:
 - nominal value under AASB119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and
 - present value under AASB119 where a component of this current liability is not expected to fall due within 12 months after the end of period.

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

- (i) disclosed in accordance with AASB101 as a non-current liability; and
- (ii) measured at present value under AASB119 as the entity does not expect to settle this non-current liability within 12 months.

NOTE 15 | PROVISIONS – EMPLOYEE ENTITLEMENTS Continued

NOTES	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CLASSIFICATION OF EMPLOYEE BENEFITS AS CURRENT OR NON-CURRENT				
CURRENT				
All annual leave and long service leave entitlements, representing a minimum of 7 years continuous service :				
Short term employee benefits that fall within 12 months after the end of the period, measured at nominal value.	26,741	25,269	26,741	25,269
Current annual leave provision expected to be settled after more than 12 months, measured at present value.	3,987	4,034	3,987	4,034
	30,728	29,303	30,728	29,303
NON-CURRENT				
Long service leave representing less than 7 years of continuous service measured at present value.	2,765	3,262	2,765	3,262
MOVEMENT IN ENTITLEMENTS: CONSOLIDATED AND UNIVERSITY				
Annual leave:				
Carrying amount at start of year	9,925	7,021	9,925	7,021
Additional provisions recognised/ (amounts used)	49	2,904	49	2,904
Carrying amount at end of year	9,974	9,925	9,974	9,925
Long service leave:				
Carrying amount at start of year	22,640	14,646	22,640	14,646
Additional provisions recognised/ (amounts used)	879	7,994	879	7,994
Carrying amount at end of year	23,519	22,640	23,519	22,640
Other employee benefits:				
Carrying amount at start of year	426	292	426	292
Additional provisions recognised/ (amounts used)	(47)	134	(47)	134
Carrying amount at end of year	379	426	379	426
Deferred benefits for superannuation				
Carrying amount at start of year	68,185	66,617	68,185	66,617
Movement in actuarial valuation	(28)	1,568	(28)	1,568
Carrying amount at end of year	68,157	68,185	68,157	68,185
Total Entitlements	102,029	101,176	102,029	101,176

NOTE 16 | OTHER LIABILITIES

Funds received in advance	13,013	13,151	13,013	13,151
	13,013	13,151	13,013	13,151

NOTE 17 | RESERVES AND RETAINED EARNINGS

	CONSOLIDATED		UNIVERSITY	
NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
COMPOSITION OF RESERVES				
Asset Revaluation Reserve	163,575	141,513	163,577	141,513
Investments – available for sale financial assets (valuation date 31 December 2015)	9,188	–	9,188	–
Total Reserves	172,763	141,513	172,765	141,513
ASSET REVALUATION RESERVE				
Land	37,282	38,416	37,282	38,416
Buildings	125,482	102,124	125,482	102,124
Works of art	813	974	813	974
	163,577	141,514	163,577	141,514

	BALANCE AT BEGINNING OF YEAR \$'000	REVALUATION INCREMENT \$'000	CARRYING AMOUNT AT END OF YEAR \$'000
MOVEMENT IN CARRYING AMOUNTS			
CONSOLIDATED			
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
	141,514	31,251	172,765
UNIVERSITY			
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
	141,514	31,251	172,765

	NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
MOVEMENT IN ACCUMULATED SURPLUS					
Balance 1 January		363,297	360,461	363,258	360,422
Net operating surplus for the reporting period		6,354	2,836	6,357	2,836
Balance 31 December		369,651	363,297	369,615	363,258

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

NOTE 18 | CASH FLOW INFORMATION

	NOTES	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
A) RECONCILIATION OF NET RESULT TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES					
Net result for the year		6,354	2,836	6,357	2,836
NON-CASH FLOWS IN OPERATING RESULT					
Depreciation and amortisation of non-current assets		16,841	16,216	16,841	16,216
Movement in doubtful debts provision		—	886	—	886
Other non cash items		257	—	257	—
Recognition of Gippsland campus		—	(19,852)	—	(19,852)
(Gain)/ loss on revaluation of investment properties		(5,861)	8,295	(5,861)	8,295
Net (profit)/loss on sale of non-current assets		(172)	(36)	(172)	(36)
Net gain/(loss) on investments		643	11	643	11
DECREASE/(INCREASE) IN:					
CURRENT ASSETS					
Decrease / (Increase) in trade receivables		13,621	14,490	13,565	14,490
Decrease / (Increase) in inventories		141	(75)	141	(75)
Decrease / (Increase) in biological assets		—	3	—	3
Decrease / (increase) in other assets		(346)	285	(346)	285
NON-CURRENT ASSETS					
Decrease / (Increase) in receivables		—	—	—	—
CURRENT LIABILITIES					
Increase/ (Decrease) in payables		(17,943)	19,377	(17,926)	19,378
Increase/ (Decrease) in employee entitlements		1,012	(23,040)	1,012	(23,040)
Increase / (Decrease) in other liabilities		(165)	3,822	(143)	3,822
Increase / (Decrease) in provision for income tax		—	1	—	—
Net cash provided by operating activities		14,382	23,219	14,368	23,219
B) NON-CASH FINANCING AND INVESTING ACTIVITIES					
There is no acquisition of plant and equipment by means of finance leases					
C) CREDIT STANDBY ARRANGEMENTS WITH BANKS					
		150	150	150	150

NOTE 19 | LEASES

NOTES	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
LEASE COMMITMENTS				
Operating Lease Commitment				
Payments due				
one year or less	1,303	742	1,303	742
one to five years	1,922	669	1,922	669
over five years	591	148	591	148
	3,816	1,559	3,816	1,559
LEASED ASSETS				
As at the reporting date the University leased out the following assets:				
Albert Coates Building (part)	290	128	290	128
Camp Street	1,548	1,590	1,548	1,590
Horsham Cafeteria	145	158	145	158
ESTA Building	7,890	6,600	7,890	6,600
Global Innovation Centre	3,840	2,655	3,840	2,655
Greenhill Enterprise Centre	4,650	2,915	4,650	2,915
Advanced Display Technology Building	1,850	1,690	1,850	1,690
IBM Centre	14,800	14,890	14,800	14,890
IBM Internet Laboratory Building	9,470	8,675	9,470	8,675
Brewery Building, Lydiard Street South	4,320	4,725	4,320	4,725
Rural Ambulance Victoria Building	6,530	5,460	6,530	5,460
State Library of Victoria (Land only)	130	126	130	126
State Revenue Office Building	7,750	6,755	7,750	6,755
Carrying amount of leased assets	63,213	56,367	63,213	56,367
OPERATING LEASE RECEIVABLES				
Amounts due				
one year or less	6,073	6,250	6,073	6,250
one to five years	18,725	18,902	18,725	18,902
over five years	2,656	3,990	2,656	3,990
	27,454	29,142	27,454	29,142

NOTE 20 | COMMITMENTS FOR EXPENDITURE

CAPITAL COMMITMENTS				
As at the reporting date the University had the following outstanding Capital Commitments				
Building projects	1,150	—	1,150	—
	1,150	—	1,150	—
Outstanding Capital Commitments are payable as follows				
Payments Due:				
not later than one year	1,150	—	1,150	—
	1,150	—	1,150	—

NOTE 21 | CONTINGENT ASSETS AND LIABILITIES

Contingent Assets: There are no contingent assets or liabilities.

Notes to and forming part of the Financial Statements for the year ending 31 December 2015

NOTE 22 | SUPERANNUATION

CONTRIBUTION DETAILS

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

	2015	2014
Government Superannuation Office		
Revised Scheme (TAFE)	17.30%	17.30%
New Scheme	7.30% to 10.20%	7.30% to 10.20%
State Employees Retirement Benefits Fund	Nil contributors	Nil contributors
Victorian Superannuation Fund		
Vic Super Scheme – Academic Staff	9.25% to 9.50%	9.25% to 9.50%
Vic Super Scheme – Non Academic Staff	11.00%	11.00%
Other Superannuation Schemes		
Unisuper – Superannuation Scheme for Australian Universities	14.00%	14.00%
Unisuper – Award Plus Plan	3.00%	3.00%
Superannuation guarantee levy	9.25% to 9.50%	9.25% to 9.50%

GOVERNMENT SUPERANNUATION OFFICE (GSO)

For the year ended December 2015 Emergency Services Superannuation Board, which includes the GSO, provided the following information in relation to Federation University Australia's AASB 119 liability as at 30 June 2015

	30 JUNE 2015 \$'000	30 JUNE 2014 \$'000
Assets – Amounts receivable from the Australian Government		
Receivable within 12 Months	5,046	4,915
Receivable later than 12 months	63,111	63,270
Total	68,157	68,185
Movement in deferred government contributions for superannuation	(28)	1,568
Unfunded superannuation liability		
Payable within 12 months	5,046	4,915
Payable later than 12 months	63,111	63,270
Total	68,157	68,185
Movements in deferred employee benefits for superannuation	(28)	1,568

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 2015, the assets of the DBD in aggregate were estimated to be \$1,479 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 2015 the assets of the DBD in aggregate were estimated to be \$3,377 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 22 | 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 2015. The financial assumptions used were:

	VESTED BENEFITS PER ANNUM	ACCRUED BENEFITS PER ANNUM
Gross of tax investment return – DBD pensions	6.10%	7.80%
Gross of tax investment return – commercial rate indexed pensions	3.70%	3.70%
Net of tax investment return – non pensioner members	5.50%	7.00%
Consumer Price Index	2.75%	2.75%
Inflationary salary increases long term	3.75%	3.75%

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

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

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

Following the end of the monitoring period commenced in relation to the 30 June 2011 actuarial investigation, the Fund's actuary advised that the Trustee is not required to take any further action under Clause 34 in relation to that monitoring period, and that monitoring period is now ceased.

VICTORIAN STATE SUPERANNUATION FUND (REFER NOTE 1(R))

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 30 June 2015. The methodology for measurement of the net liabilities uses the discount rate of 3.51% 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.

Federation 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 30 June 2015, the Victorian State Superannuation Fund was carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the fund. The notional share of this public sector employee superannuation fund's unfunded liabilities attributable to Federation University, as assessed by the fund as at 30 June 2015, amounted to \$68,157,000 (2014: \$68,185,000). Unfunded liabilities are met by the Australian Government.

NOTE 23 | AUDITORS' REMUNERATION

	CONSOLIDATED		UNIVERSITY	
NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
AUDIT OF THE FINANCIAL STATEMENTS				
Victorian Auditor General's Office	85	85	85	85
Total Audit of the Financial Statements	85	85	85	85
Other audit and assurance services				
Shinewing / Moore Stephens	166	7	166	7
Barker and Jennings	11	12	11	12
DEECD	–	112	–	112
Learning Australia Pty Ltd	–	6	–	6
CDA Consulting	–	3	–	3
Oakton	3	–	3	–
Australian Skills Quality Authority	30	–	30	–
Fees paid to Other	–	16	–	16
Total Other audit and assurance services	210	156	210	156

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

NOTE 24 | 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. Steve Herbert 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 – 31/12/2015

Council members during 2015 were:

Dr Paul John Harry Hemming (Chancellor)	1/1 – 31/12/2015
Professor David Arthur Battersby (Vice Chancellor)	1/1 – 31/12/2015
Ms Karen Suzanne Douglas	1/1 – 31/12/2015
Dr Meredith Doig	1/1 – 31/12/2015
Mr George Fong	1/1 – 31/12/2015
Dr Kim Dowling	1/1 – 31/12/2015
Mr Ian Nethercote	1/1 – 31/12/2015
Ms Mashelle Parrett	1/1 – 31/12/2015
Mr Michael Ryan	1/1 – 31/12/2015
Ms Deborah Spring	1/1 – 31/12/2015
Mr Anthony Stone	1/1 – 31/12/2015
Mr Peter Russell Wilson	1/1 – 31/12/2015
Mr Steve Davies (Ministerial Appointee)	1/1 – 31/12/2015

(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 Frank Stagnitti	(Deputy Vice Chancellor, Research and Innovation)
Professor Todd Walker	(Deputy Vice Chancellor, Engagement)
Mr Darren Holland	(Deputy Vice Chancellor, Student Support and Services)
Professor Marcia Devlin	(Deputy Vice Chancellor, Learning and Quality)
Mr John Blair	(Chief Operating Officer / CFO)

All of the above persons were also key management persons during the year ended 31 December 2015

	CONSOLIDATED		UNIVERSITY	
NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
REMUNERATION OF COUNCIL MEMBERS				
Less than \$10,000	—	4	—	4
\$10,000 to \$19,999	3	6	3	6
\$20,000 to \$29,999	7	1	7	1
\$70,000 to \$79,999	1	1	1	1
\$140,000 to \$149,999	—	1	—	1
\$150,000 to \$159,999	1	—	1	—
\$690,000 to \$699,999	1	1	1	1
	13	14	13	14

NOTE 24 | KEY MANAGEMENT PERSONNEL DISCLOSURES Continued...

NOTES	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
COUNCIL MEMBER COMPENSATION				
Short-term employee benefits	989	948	989	948
Post-employment benefits	146	138	146	138
	1,135	1,086	1,135	1,086
REMUNERATION OF EXECUTIVE OFFICERS				
\$20,000 to \$29,999	1	—	1	—
\$50,000 to \$59,999	1	—	1	—
\$90,000 to \$99,999	—	1	—	1
\$100,000 to \$109,999	—	1	—	1
\$130,000 to \$139,999	—	1	—	1
\$140,000 to \$149,999	1	2	1	2
\$150,000 to \$159,999	2	1	2	1
\$160,000 to \$169,999	3	3	3	3
\$180,000 to \$189,999	1	1	1	1
\$190,000 to \$199,999	3	3	3	3
\$200,000 to \$209,999	2	3	2	3
\$210,000 to \$219,999	2	—	2	—
\$220,000 to \$229,999	1	—	1	—
\$230,000 to \$239,999	—	1	—	1
\$240,000 to \$249,999	4	3	4	3
\$250,000 to \$259,999	1	2	1	2
\$260,000 to \$269,999	2	1	2	1
\$270,000 to \$279,999	1	1	1	1
\$280,000 to \$289,999	—	1	—	1
\$290,000 to \$299,999	—	2	—	2
\$300,000 to \$309,999	1	—	1	—
\$320,000 to \$329,999	1	1	1	1
\$330,000 to \$339,999	1	1	1	1
\$340,000 to \$349,999	1	1	1	1
	29	30	29	30
KEY MANAGEMENT PERSONNEL COMPENSATION				
Short-term employee benefits	5,200	5,344	5,200	5,344
Post-employment benefits	840	861	840	861
Termination benefits	184	335	184	335
	6,224	6,540	6,224	6,540

OTHER TRANSACTIONS

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

RELATED PARTIES

Transactions with related parties

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

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

Mr George Fong's company, Lateral Plains Pty Ltd rents office space at the University's Global Innovation Centre Mt Helen. 2015 \$52k (2014 \$42k) and the University paid under contract \$10k.

Dr Meredith Doig is a Council member of Federation Training who has various teaching and course development arrangements with Federation University Australia.

Mr Ian Nethercote is a Council member of Federation Training who has various teaching and course development arrangements with Federation University Australia.

Mr Tony Stone is a Council member of Federation Training who has various teaching and course development arrangements with Federation University Australia.

Notes to and forming part of the Financial Statements for the year ending 31 December 2015

NOTE 25 | GEOGRAPHIC INFORMATION

GEOGRAPHIC	REVENUE		RESULTS		ASSETS	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Australia	270,466	277,369	5,631	2,710	680,396	660,631
Africa	22	—	—	—	—	—
Americas	152	18	74	5	—	—
Asia	1,616	1,226	303	—	—	—
Pacific	—	5	—	—	—	—
Europe	214	122	349	121	—	—
	272,470	278,740	6,357	2,836	680,396	660,631

NOTE 26 | 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	OWNERSHIP INTEREST
		2015	2014
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%	—

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

NOTE 26 | SUBSIDIARIES continued

INCOME STATEMENT

ENTITY	TOTAL REVENUE		TOTAL EXPENDITURE		NET PROFIT/(LOSS) AFTER TAX EXPENSE	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'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	—	—	—	—	—	—
	400	—	400	—	—	—

BALANCE SHEET

(a) Assets

ENTITY	CURRENT ASSETS		NON-CURRENT ASSETS		TOTAL ASSETS	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Inskill Pty Ltd	32	17	21	37	53	54
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	—	—	—	—	—	—
	33	18	21	37	54	55

(b) Liabilities

ENTITY	CURRENT LIABILITIES		NON-CURRENT LIABILITIES		TOTAL LIABILITIES	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Inskill Pty Ltd	—	1	—	—	—	1
The School of Mines and Industries Ballarat Ltd	—	—	—	—	—	—
Datascreen Pty Ltd (a subsidiary of Inskill)	—	—	—	—	—	—
UB Housing Pty Ltd	—	—	—	—	—	—
Brisbane Educational Services Pty Ltd	—	—	—	—	—	—
	—	1	—	—	—	1

(c) Equity and Borrowings

ENTITY	EXTERNAL BORROWINGS		INTERNAL BORROWINGS		EQUITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Inskill Pty Ltd	—	—	—	—	53	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	—	—	—	—	—	—
	—	—	—	—	54	54

NOTE 27 | BUSINESS COMBINATIONS

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

The acquisition of Gippsland Campus by Federation University was effected by contract and no consideration was paid by Federation University to acquire the Campus.

Notes to and forming part of the Financial Statements for the year ending 31 December 2015

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 2015 have had an impact on the University's year end result. It is estimated that the decrease in interest rates have decreased earnings by \$1.1m for 2015.

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

Funding Risk

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

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

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

Concentrations of Credit Risk

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

There are no material amounts of collateral held as security at 31 December 2015.

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 2015 and 31 December 2014 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 28 | FINANCIAL RISK MANAGEMENT continued

NOTE 28.1 – 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 – 2015	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
FINANCIAL ASSETS							
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
Unlisted Shares	–	9,729	–	–	–	–	9,729
Term Deposits	4.10%	–	130,511	–	–	–	130,511
Total Financial Assets		23,294	196,412	–	–	78,699	298,405

FINANCIAL LIABILITIES

Payables:							
Creditors & Accruals	–	–	–	–	–	22,794	22,794
Unfunded superannuation	–	–	–	–	–	68,157	68,157
Interest Bearing Liabilities:							
Bills Payable	6.40%	–	164	–	–	–	164
Total Financial Liabilities		–	164	–	–	90,951	91,115

FINANCIAL INSTRUMENTS

CONSOLIDATED – 2014	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
FINANCIAL ASSETS							
Cash and cash equivalents – Cash at Bank	0.42%	3,172	–	–	–	–	3,172
Cash and cash equivalents – Deposits at Call	2.55%	50,403	–	–	–	–	50,403
Receivables – Debtors	–	–	–	–	–	2,327	2,327
Receivables – Other Debtors	–	–	–	–	–	90,152	90,152
Other Financial Assets:							
Short Term Deposits	4.10%	–	70,000	–	–	–	70,000
Unlisted Shares	–	–	–	–	–	519	519
Listed Shares	–	–	–	–	–	30	30
Term Deposits	4.10%	–	80,000	–	–	–	80,000
Income Securities	–	262	–	–	–	–	262
Total Financial Assets		53,837	150,000	–	–	93,028	296,865

FINANCIAL LIABILITIES

Payables:							
Creditors & Accruals	–	–	–	–	–	40,737	40,737
Unfunded superannuation	–	–	–	–	–	68,185	68,185
Interest Bearing Liabilities:							
Bills Payable	6.40%	–	632	164	–	–	796
Total Financial Liabilities		–	632	164	–	108,922	109,718

Notes to and forming part of the Financial Statements for the year ending 31 December 2015

NOTE 28 | FINANCIAL RISK MANAGEMENT continued

NOTE 28.2 – 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 2015

	CARRYING AMOUNT	INTEREST RATE RISK			
		0.5%		1.0%	
		RESULT	EQUITY	RESULT	EQUITY
	\$'000	\$'000	\$'000	\$'000	
FINANCIAL ASSETS					
Cash and cash equivalents – Cash at Bank	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
Total increase/(decrease)		(398)	(398)	795	795

31 DECEMBER 2014

	CARRYING AMOUNT	INTEREST RATE RISK			
		0.5%		1.0%	
		RESULT	EQUITY	RESULT	EQUITY
	\$'000	\$'000	\$'000	\$'000	
FINANCIAL ASSETS					
Cash and cash equivalents – Cash at Bank	3,172	(16)	(16)	32	32
Cash and cash equivalents – Deposits at Call	50,403	(252)	(252)	504	504
Other Financial Assets:					
Short Term Deposits	70,000	(350)	(350)	700	700
Other Financial Assets:					
Income Securities	262	(1)	(1)	3	3
FINANCIAL LIABILITIES					
Interest Bearing Liabilities:					
Bills Payable	164	(1)	(1)	2	2
Total Increase/(decrease)		(620)	(620)	1,241	1,241

NOTE 29 | FAIR VALUE MEASUREMENTS

(A) FAIR VALUE MEASUREMENTS

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

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

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

	CARRYING AMOUNT		FAIR VALUE	
NOTES	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
FINANCIAL ASSETS				
Cash and cash equivalents	79,466	123,575	79,466	123,575
Receivables	10,574	24,270	10,574	24,270
Deferred government contributions for superannuation	68,157	68,185	68,157	68,185
Fixed interest bearing bills, bonds/term deposits	130,511	80,000	130,511	80,000
Other financial assets				
Available for sale financial assets				
Shares – listed at cost	–	30	–	30
Other investments – at cost	–	262	–	262
Other Investments – at fair value	9,729	–	9,729	–
Total financial assets	298,437	296,322	298,437	296,322
FINANCIAL LIABILITIES				
Payables	22,794	40,737	22,794	40,737
Deferred Benefits for superannuation	68,157	68,185	68,157	68,185
Borrowings				
Bank bills secured	164	796	164	796
Total financial liabilities	91,115	109,718	91,115	109,718

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

- investment property;
- buildings;
- leasehold improvements;
- motor vehicles;
- art collection.
- land;
- leased land;
- equipment and furniture;
- library holdings; and

The University also measured land held for resale (Note 8) at fair value on a non-recurring basis as a result of the assets being classified as non-current assets held for sale in accordance with AASB 5: *'Non-current Assets Held for Sale and Discontinued Operations'*.

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.

(B) FAIR VALUE HIERARCHY

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 29 | FAIR VALUE MEASUREMENTS Continued...

(i) Recognised fair value measurements

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

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

		31 DECEMBER 2015							
		CONSOLIDATED				UNIVERSITY			
RECURRING FAIR VALUE MEASUREMENTS	NOTES	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
FINANCIAL ASSETS									
Available-for-sale financial assets									
• Shares in listed entities – at fair value	7	–	–	–	–	–	–	–	–
• Other investments – at valuation	7	–	–	9,729	9,729	–	–	9,707	9,707
Total financial assets recognised at fair value		–	–	9,729	9,729	–	–	9,707	9,707
NON-FINANCIAL ASSETS									
Land	10	–	–	40,559	40,559	–	–	40,559	40,559
Buildings	10	–	–	245,048	245,048	–	–	245,048	245,048
Leased land	10	–	–	630	630	–	–	630	630
Leasehold improvements	10	–	–	4,063	4,063	–	–	4,063	4,063
Equipment and furniture	10	–	–	12,110	12,110	–	–	12,110	12,110
Motor vehicles	10	–	–	2,099	2,099	–	–	2,099	2,099
Library Holdings	10	–	–	5,725	5,725	–	–	5,725	5,725
Art collection	10	–	–	1,357	1,357	–	–	1,357	1,357
Investment properties	11	–	–	66,570	66,570	–	–	66,570	66,570
Total non-financial assets recognised at fair value		–	–	378,161	378,161	–	–	378,161	378,161
TOTAL RECURRING FAIR VALUE MEASUREMENTS									
Non-recurring fair value measurements									
Land held for resale	8	–	742	–	742	–	742	–	742
Total non-recurring fair value measurements		–	742	–	742	–	742	–	742
Total fair value measurement		–	742	387,890	388,632	–	742	387,868	388,610

NOTE 29 | FAIR VALUE MEASUREMENTS Continued...

		31 DECEMBER 2014							
		CONSOLIDATED				UNIVERSITY			
RECURRING FAIR VALUE MEASUREMENTS	NOTES	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
FINANCIAL ASSETS									
Available-for-sale financial assets									
• Shares in listed entities – at fair value	7	–	30	–	30	–	30	–	30
• Other investments – at cost	7	–	–	262	262	–	–	262	262
Total financial assets recognised at fair value		–	30	262	292	–	30	262	292
NON-FINANCIAL ASSETS									
Land	10	–	–	42,679	42,679	–	–	42,679	42,679
Buildings	10	–	–	230,976	230,976	–	–	230,976	230,976
Leased land	10	–	–	545	545	–	–	545	545
Leasehold improvements	10	–	–	1,928	1,928	–	–	1,928	1,928
Equipment and furniture	10	–	–	15,314	15,314	–	–	15,314	15,314
Motor vehicles	10	–	–	2,235	2,235	–	–	2,235	2,235
Library Holdings	10	–	–	5,227	5,227	–	–	5,227	5,227
Art collection	10	–	–	1,519	1,519	–	–	1,519	1,519
Investment properties	11	–	–	59,275	59,275	–	–	59,275	59,275
Total non-financial assets recognised at fair value		–	–	359,698	359,698	–	–	359,698	359,698
TOTAL RECURRING FAIR VALUE MEASUREMENTS									
Non-recurring fair value measurements									
Land held for resale	8	–	–	–	–	–	–	–	–
Total non-recurring fair value measurements		–	–	–	–	–	–	–	–
Total fair value measurement		–	30	359,960	359,990	–	30	359,960	359,990

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

There were no transfers between Levels 1 and 2 for assets measured at fair value during the reporting period (2014: no transfers.)

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 2015, the borrowing rates were determined to be 6.40% 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 (2014: 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 (specify 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 2014 and 2015

LEVEL 3 FAIR VALUE MEASUREMENTS 2015	OTHER INVESTMENTS \$'000	NON FINANCIAL ASSETS \$'000
Opening balance	262	359,698
Acquisitions	—	7720
Sales	(262)	(551)
Recognised in profit or loss	—	(10,769)
Gains/(losses) recognised in other comprehensive income	9,729	22,063
Closing balance	9,729	378,161

LEVEL 3 FAIR VALUE MEASUREMENTS 2014	OTHER INVESTMENTS	NON FINANCIAL ASSETS
Opening balance	255	314,402
Recognised in profit or loss	7	45,296
Closing balance	262	359,698

There were no transfers between Levels 2 and 3 for liabilities measured at fair value on a recurring basis during the reporting period (2014: no transfers).

NOTE 29 | 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 31/12/2015 \$'000	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUTS USED	RANGE OF INPUTS	ESTIMATED SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN UNOBSERVABLE INPUTS
FINANCIAL ASSETS					
Available-for-sale financial assets					
Other investments – at valuation	9,707	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
NON FINANCIAL ASSETS					
Land	40,559	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	245,048	Depreciated replacement cost	Useful life of Specialised buildings	2 – 40 years	A significant increase or decrease in the useful life of the buildings would result in a significantly higher or lower fair value
Leased land	630	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	4,063	Depreciated replacement cost	Useful life of Specialised Leasehold	3.0% to 33.33%	A change in the useful life would result in a lower (higher) fair value
Equipment and furniture	12,110	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	2,099	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	5,725	Depreciated replacement cost	Useful Life	12.50% to 20.0%	A change in the useful life would result in a lower (higher) fair value
Art collection	1,357	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	66,570	Market Approach	Length and terms of leases	6 months to 8 years	Any renegotiation of leases may have an impact on the fair value of the properties (higher/lower)
TOTAL LEVEL 3	387,868				

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

NOTE 30 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

NOTE 30.1 – EDUCATION – CGS AND OTHER EDUCATION GRANTS

	COMMONWEALTH GRANTS SCHEME		INDIGENOUS SUPPORT FUND		PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	59,565	52,393	145	122	65	30
Cash received in respect of previous years	1,189	–	–	–	–	–
Net accrual adjustments	(1,345)	–	–	–	–	–
Revenue for the reporting period	59,409	52,393	145	122	65	30
Surplus/(deficit) from the previous year	–	–	–	70	–	–
Total revenue including accrued revenue	59,409	52,393	145	192	65	30
Less expenses including accrued expenses	(59,409)	(52,393)	(145)	(192)	(65)	(30)
Surplus / (deficit) for reporting period	–	–	–	–	–	–

	HE PARTNERSHIP PROJECT FUNDING		HE STRUCTURAL ADJUSTMENT FUND PROGRAM		HE PARTICIPATION PROGRAM	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	–	1,265	–	–	2,459	1,282
Net accrual adjustments	–	–	–	–	–	–
Revenue for the reporting period	–	1,265	–	–	2,459	1,282
Surplus/(deficit) from the previous year	–	250	9,084	16,321	–	–
Total revenue including accrued revenue	–	1,515	9,084	16,321	2,459	1,282
Less expenses including accrued expenses	–	(1,515)	(5,704)	(7,237)	(2,459)	(1,282)
Surplus / (deficit) for reporting period	–	–	3,380	9,084	–	–

	DISABILITY SUPPORT PROGRAM		DIVERSITY & STRUCTURAL ADJUSTMENT FUND		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	128	76	–	–	62,362	55,168
Cash received in respect of previous years	–	–	–	–	1,189	–
Net accrual adjustments	–	–	–	–	(1,345)	–
Revenue for the reporting period	128	76	–	–	62,206	55,168
Surplus/(deficit) from the previous year	–	–	–	42	9,084	16,683
Total revenue including accrued revenue	128	76	–	42	71,290	71,851
Less expenses including accrued expenses	(128)	(76)	–	(42)	(67,910)	(62,767)
Surplus / (deficit) for reporting period	–	–	–	–	3,380	9,084

	EDUCATION INVESTMENT FUND		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	2,170	–	2,170	–
Net accrual adjustments	–	–	–	–
Revenue for the reporting period	2,170	–	2,170	–
Surplus/(deficit) from the previous year	–	–	–	–
Total revenue including accrued revenue	2,170	–	2,170	–
Less expenses including accrued expenses	(2,170)	–	(2,170)	–
Surplus / (deficit) for reporting period	–	–	–	–

NOTE 30 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE continued...

NOTE 30.2 – HIGHER EDUCATION LOAN PROGRAMMES

	HECS – HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE – HELP		VET FEE – HELP		STUD AMEN – HELP		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash received in respect of current year	35,198	32,477	2,948	3,110	1,804	1,351	1,509	1,297	41,459	35,947
Cash Available for period	35,198	32,477	2,948	3,110	1,804	1,351	1,509	1,297	41,459	38,235
Revenue earned	(35,298)	(32,973)	(3,031)	(3,182)	(1,638)	(1,351)	(1,507)	(1,297)	(41,474)	(38,803)
Cash Payable/ (Receivable) at end of year	(100)	(496)	(83)	(72)	166	–	2	–	(15)	(568)

NOTE 30.3 – LEARNING SCHOLARSHIPS

	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS		COMMONWEALTH EDUCATION COST SCHOLARSHIPS		COMMONWEALTH ACCOMMODATION SCHOLARSHIPS	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	735	779	67	67	95	–	–	–
Net accrual adjustments	–	–	–	–	(95)	–	–	–
Revenue for the reporting period	735	779	67	67	–	–	–	–
Surplus/(deficit) from the previous year	241	337	–	(63)	(1)	3	–	7
Total revenue including accrued revenue	976	1,116	67	4	(1)	3	–	7
Less expenses including accrued expenses	(895)	(875)	(67)	(4)	1	(4)	–	(7)
Surplus / (deficit) for reporting period	81	241	–	–	–	(1)	–	–

	NATIONAL PRIORITY SCHOLARSHIPS		INDIGENOUS ACCESS SCHOLARSHIPS		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	–	(26)	252	–	1,149	820
Net accrual adjustments	–	–	–	–	(95)	–
Revenue for the reporting period	–	(26)	252	–	1,054	820
Surplus/(deficit) from the previous year	–	–	–	–	240	284
Total revenue including accrued revenue	–	(26)	252	–	1,294	1,104
Less expenses including accrued expenses	–	26	(232)	–	(1,193)	(864)
Surplus / (deficit) for reporting period	–	–	20	–	101	240

NOTE 30 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE continued...

NOTE 30.4 – EDUCATION RESEARCH

	RESEARCH TRAINING SCHEME		RESEARCH INFRASTRUCTURE BLOCK GRANTS		JOINT RESEARCH ENGAGEMENT PROGRAM	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,697	1,777	141	128	890	828
Net accrual adjustments	–	–	–	–	–	–
Revenue for the reporting period	1,697	1,777	141	128	890	828
Surplus/(deficit) from the previous year	–	–	6	82	–	34
Total revenue including accrued revenue	1,697	1,777	147	210	890	862
Less expenses including accrued expenses	(1,697)	(1,777)	(147)	(204)	(890)	(862)
Surplus / (deficit) for reporting period	–	–	–	6	–	–

	SRE BASE & THRESHOLD 1 & 2		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	286	251	3,014	2,984
Net accrual adjustments	–	–	–	–
Revenue for the reporting period	286	251	3,014	2,984
Surplus/(deficit) from the previous year	–	–	6	116
Total revenue including brought forward from prior year	286	251	3,020	3,100
Less expenses including accrued expenses	(286)	(251)	(3,020)	(3,094)
Surplus / (deficit) for reporting period	–	–	–	6

NOTE 30.5 – AUSTRALIAN RESEARCH COUNCIL GRANTS

	DISCOVERY PROJECTS		LINKAGES PROJECTS		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	318	715	61	189	379	904
Net accrual adjustments	–	–	–	–	–	–
Revenue for the reporting period	318	715	61	189	379	904
Surplus/(deficit) from the previous year	443	155	82	(69)	525	86
Total revenue including accrued revenue	761	870	143	120	904	990
Less expenses including accrued expenses	(419)	(427)	(67)	(38)	(486)	(465)
Surplus / (deficit) for reporting period	342	443	76	82	418	525

	HIGHER EDUCATION SUPERANNUATION		OS – HELP		TOTAL	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	5,229	3,997	234	87	5,463	4,084
Cash received in respect of previous years	–	–	(26)	–	(26)	–
Net accrual adjustments	(321)	643	–	–	(321)	643
Revenue for the reporting period	4,908	4,640	208	87	5,116	4,727
Surplus/(deficit) from the previous year	(382)	–	26	34	(356)	34
Total revenue including accrued revenue	4,526	4,640	234	121	4,760	4,761
Less expenses including accrued expenses	(4,320)	(5,022)	(141)	(95)	(4,461)	(5,117)
Surplus / (deficit) for reporting period	206	(382)	93	26	299	(356)

NOTE 31 | HIGHER EDUCATION & VET RESULTS

NOTE 31.1 – 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
REVENUE FROM CONTINUING OPERATIONS				
Australian Government financial assistance				
Australian Government grants	70,436	61,346	–	–
HELP – Australian Government payments	39,655	36,884	–	–
VET FEE HELP	–	–	1,804	1,351
State Government financial assistance	1,866	393	10,488	17,701
HECS-HELP – Student payments	2,497	2,567	–	–
Course fees and charges	98,693	95,393	6,299	7,461
Other fees and charges	10,838	12,825	2,162	2,210
Consultancy and contract research	5,018	4,947	–	–
Investment revenue	11,625	13,289	391	165
Other revenue	4,491	22,071	174	101
Profit on disposal of assets	144	30	28	6
Total revenue from continuing operations	245,263	249,745	21,346	28,995
Revaluation increment on investment properties	6,321	–	(460)	–
Total Revenue	251,584	249,745	20,886	28,995
EXPENSES FROM CONTINUING OPERATIONS				
Employee benefits	111,011	112,918	18,142	24,280
Depreciation and amortisation	12,193	12,229	4,648	3,987
Repairs and maintenance	8,186	10,274	1,474	1,794
Bad and doubtful debts	346	708	420	178
Other expenses	44,555	48,164	9,538	7,708
Finance costs	31	73	–	–
Private providers	55,569	45,296	–	–
Total expenses from continuing operations	231,891	229,662	34,222	37,947
Revaluation decrement on investment properties	–	8,295	–	–
Total Expenses	231,891	237,957	34,222	37,947
Operating result before income tax for the year	19,693	11,788	(13,336)	(8,952)

NOTE 31 | HIGHER EDUCATION & VET RESULTS continued...

NOTE 31.2 – BALANCE SHEET: HIGHER EDUCATION & VET

	HIGHER EDUCATION		TAFE	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash and cash equivalents	87,223	124,520	(7,787)	(961)
Receivables	14,538	28,539	1,082	646
Inventories	230	367	5	9
Other financial assets	130,511	80,292	—	—
Assets held for resale	571	—	171	—
Other assets	2,661	2,319	7	3
Total Current Assets	235,734	236,037	(6,522)	(303)
NON-CURRENT ASSETS				
Receivables	63,111	63,270	—	—
Other financial assets	9,707	519	—	—
Property, plant and equipment	205,985	196,052	105,783	104,371
Investment Properties	62,250	54,550	4,320	4,725
Intangible Assets	(143)	1,086	171	324
Total Non-Current Assets	340,910	315,477	110,274	109,420
TOTAL ASSETS	576,644	551,514	103,752	109,117
CURRENT LIABILITIES				
Payables	21,093	38,696	1,717	2,040
Borrowings	164	632	—	—
Provisions	32,660	30,221	3,493	4,423
Other liabilities	9,611	13,151	3,402	—
Total Current Liabilities	63,528	82,700	8,612	6,463
NON-CURRENT LIABILITIES				
Borrowings	—	164	—	—
Provisions	65,528	66,080	348	452
Total Non-Current Liabilities	65,528	66,244	348	452
TOTAL LIABILITIES	129,056	148,944	8,960	6,915
NET ASSETS	447,588	402,570	94,792	102,202
EQUITY				
Accumulated Surplus	304,941	285,419	64,674	77,839
Reserves	142,647	117,151	30,118	24,363
TOTAL EQUITY	447,588	402,570	94,792	102,202

NOTE 31 | HIGHER EDUCATION & VET RESULTS continued...

NOTE 31.3 – STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	HIGHER EDUCATION		TAFE	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS				
User fees and charges received	123,946	113,561	11,271	16,194
Investment Income received	13,102	12,637	391	194
Other receipts	4,491	10,482	174	101
GST recovered from ATO	10,422	9,093	1,097	1,863
CASH FLOWS FROM GOVERNMENT				
State Government Grants	1,866	393	10,076	15,311
State Government contributions – specific projects	–	–	–	2,465
Commonwealth Government / Grants	70,694	61,346		
Higher Education Contribution Scheme:				
Student payments	2,497	2,567	–	–
HELP SCHEMES	35,198	32,477	–	–
STUDENT AMENITIES – HELP	1,509	1,297	–	–
FEE-HELP – Commonwealth payments	2,948	3,110	–	–
VET FEE – HELP	–	–	1,804	1,351
OS – HELP (Net)	67	19	–	–
Superannuation Supplementation	909	(1,025)	–	–
PAYMENTS				
Payments to employees	(109,096)	(111,725)	(19,176)	(24,504)
Payments to suppliers (Including GST)	(81,981)	(68,807)	(12,241)	(9,812)
Finance costs	(31)	(73)	–	–
Payments to private providers	(55,569)	(45,296)	–	–
Net cash provided by/(used in) operating activities	20,972	20,056	(6,604)	3,163
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant & equipment	(7,498)	(3,099)	(222)	(3,602)
Proceeds from sale of property, plant and equipment	723	396	–	6
Proceeds/(purchase) of investments	(50,862)	20,028	–	–
Net cash provided by (used in) investing activities	(57,637)	17,325	(222)	(3,596)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of interest bearing liabilities	(632)	(595)	–	–
Net cash provided for (used in) financing activities	(632)	(595)	–	–
Net increase / (decrease) in cash and cash equivalents	(37,297)	36,786	(6,826)	(433)
Cash and cash equivalents at the beginning of the financial year	124,520	87,734	(961)	(528)
Cash and cash equivalents at the end of the financial year	87,223	124,520	(7,787)	(961)

Notes to and forming part of the Financial Statements for the year ending 31 December 2015

NOTE 31 | HIGHER EDUCATION & VET RESULTS continued...

NOTE 31.4 – STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHER EDUCATION

	2015			2014		
	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000
Total equity at the beginning of the financial year	117,151	285,419	402,570	117,151	273,631	390,782
Net operating result after income tax for the year	–	19,522	19,522	–	11,788	11,788
Movement in Revaluation Reserve	25,496	–	25,496	–	–	–
Transfer of reserves	–	–	–	–	–	–
Total equity at the end of the financial year	142,647	304,941	447,588	117,151	285,419	402,570

VET

	2015			2014		
	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000
Total equity at the beginning of the financial year	24,363	77,839	102,202	29,160	86,791	115,951
Net operating result after income tax for the year	–	(13,165)	(13,165)	–	(8,952)	(8,952)
Movement in Revaluation Reserve	5,755	–	5,755	(4,797)	–	(4,797)
Total equity at the end of the financial year	30,118	64,674	94,792	24,363	77,839	102,202

NOTE 32 | EX GRATIA PAYMENTS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
The University has made no ex-gratia payments	–	–	–	–

NOTE 33 | 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 2015 which has or may significantly affect:

- (a) The operation of the economic entity;
- (b) The results of those operations; or
- (c) The state of affairs of the economic entity in the financial years subsequent to 31 December 2015

INDEPENDENT AUDITOR'S REPORT

To the Council members, Federation University Australia

The Financial Report

I have audited the accompanying financial report for the year ended 31 December 2015 of Federation University Australia which comprises statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration by the Chancellor, Vice Chancellor and Chief Financial Officer of the group, comprising Federation University Australia and the entities it controlled at the year's end or from time to time during the financial year.

The Councillors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Federation University Australia and the consolidated entity as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
26 February 2016



Dr Peter Frost
Acting Auditor-General

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