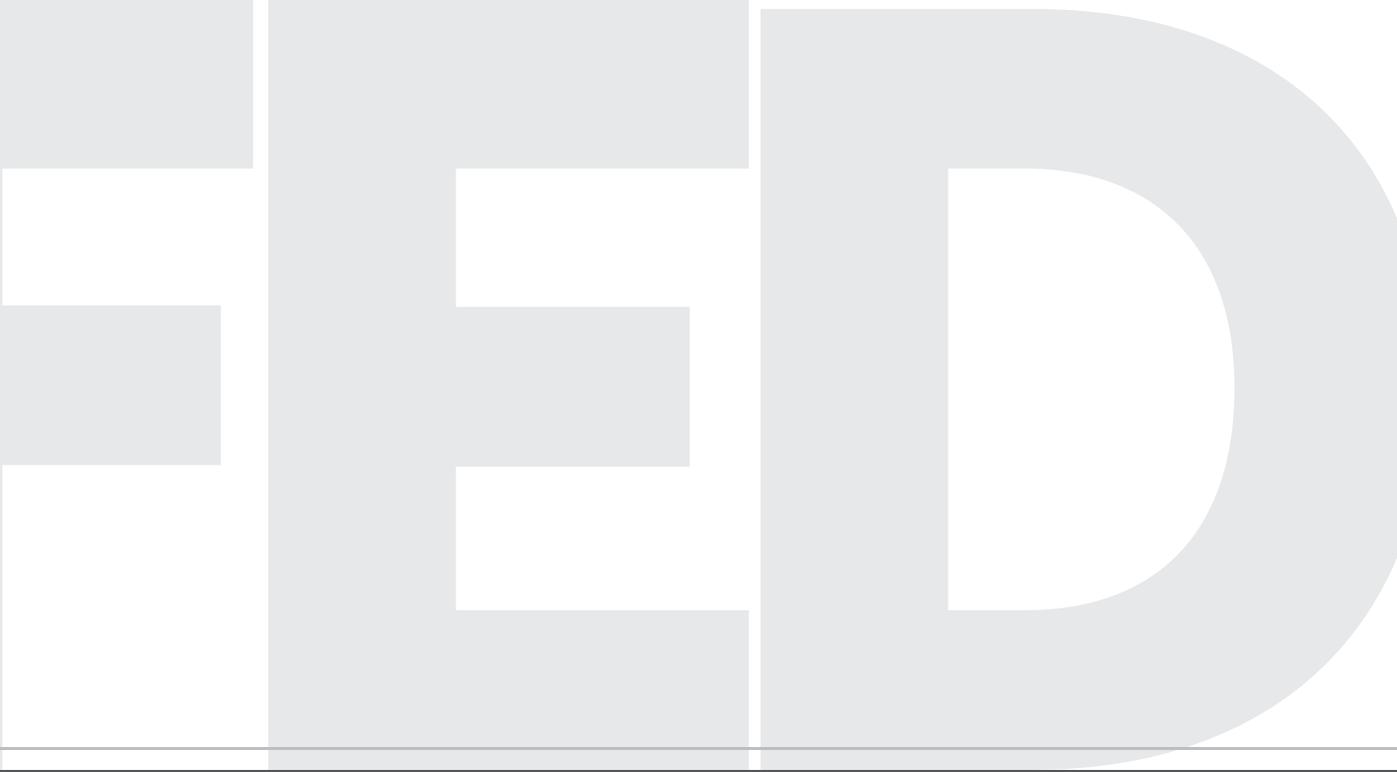


FED 2017 UN

ANNUAL REPORT



STRATEGIC PLAN (AS AT 31 DECEMBER 2017)

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

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Letter to the Minister for Training and Skills

The Hon. Gayle Tierney MLC
Minister for Training and Skills
Level 1, 2 Treasury Place
East Melbourne Victoria, 3002

On behalf of the Council of Federation University Australia (FedUni), I am pleased to present our Report on the University's activities for the year ending 2017.

The Report was approved by the University Council on 20 February 2018.

I wish to acknowledge the exemplary leadership and stewardship of Professor Andy Smith as Acting Vice-Chancellor of the University throughout early 2017.

Professor Helen Bartlett joined us from Monash University in May 2017, becoming the first female Vice-Chancellor in the University's long history.

Professor Bartlett has proven herself an outstanding leader who will guide the University through an exciting and impressive period ahead.

Council highlights in 2017 included the successful first year of operation for FedUni's new Campus at Berwick; development of a revised Strategic Plan and a visit by the Governor-General His Excellency General the Honourable Sir Peter Cosgrove.

In December, we farewelled Council member Deborah Spring and student member Alice Langley.

My sincere thanks go to George Fong for his services to the University and his support as Deputy Chancellor in 2017.

Like all regional Universities, FedUni is facing the challenges of a changing tertiary landscape, having to re-set and re-focus its operations to ensure we are investing wisely.

In this regard, we have a lot of work to do to deliver a financial and operational formula that protects the history of our institution, while focusing firmly on our future.

I am confident our dedicated Council members and leadership team can prepare Federation University Australia for these challenges that lie ahead.



Dr Paul Hemming AO
Chancellor

26 February 2018

Vice-Chancellor's Summary



I commenced at Federation University Australia (FedUni) in May 2017 and am delighted to lead our University at such an exciting stage of its evolution.

Federation University Australia continues to serve its regional communities across Victoria and deliver quality higher and vocational education. Our programs are extended to international students through established higher education partner providers in Melbourne, Sydney and Adelaide, and university partnerships in Malaysia and China.

Our Victorian footprint was further expanded by the addition of the Berwick Campus, which performed well in its first year of operation in 2017. We also laid the foundations for the 2018 opening of our new Brisbane Campus, an exciting addition to the University's footprint. This campus offers international students a range of undergraduate and masters programs.

Federation University Australia's reputation for teaching quality was reaffirmed with the Good Universities Guide again rating us five-stars for teaching quality in Student Support, Social Equity and Skills Development.

The findings of the Federal Department of Education and Training 2017 Employer Satisfaction Survey revealed that our graduates are among the nation's best and job-ready when entering the workforce. Employers rated our graduates highly for their ability to work under pressure, meet deadlines, demonstrate initiative, develop innovative ideas and demonstrate leadership and management skills. Our longstanding partnership with IBM is a successful model of work-integrated learning, supported again in 2017 by generous scholarships.

FedUni TAFE also produced some outstanding achievements in 2017 and has been recognised as producing some of the best tradespeople in the world, with third place at the WorldSkills 44th Competition in Abu Dhabi.

It is pleasing to see the University's research activity and impact grow in areas of relevance to the communities we serve. Researchers were awarded several Australian Research Council (ARC) project and infrastructure grants for research in mathematical optimisation, carbon sequestration, earth systems monitoring and silicate minerals. Our hospitality, leisure, sport and tourism disciplines have been placed in the top hundred globally by the Shanghai Ranking's Global Ranking of Academic Subjects for Universities in 2017. Sports science programs were also listed in the top 150 internationally by the Academic Ranking of World Universities.

The University community played a leading role in supporting the National Respect. Now. Always. campaign, which responded to the Human Rights Commission findings about sexual harassment and assault at university campuses. The University has agreed to all of the Commission's recommendations and has many measures in place to address this issue.

During 2017 Federation University Australia also became an accredited White Ribbon Workplace, reinforcing our message that we do not tolerate violence against women and confirming our commitment to a safer and more respectful workplace.

FedUni Next, a project to take stock of the University's progress and chart its future, was launched shortly after my arrival. It assembled the necessary evidence to inform future directions and helped frame a five-year Strategy (2018-2022), underpinned by the mission of *Transforming Lives and Enhancing Communities*. This Strategy will drive the University's next phase of development as we respond to a dynamic higher education landscape.

We remain committed to providing high-quality lifelong learning via our network of campuses and partnerships, preparing effective global citizens, undertaking relevant and impactful research, and ensuring the financial sustainability of our University.

I look forward to working with Council, the senior management team, staff and students as we continue the transformation of Federation University Australia.

A handwritten signature in black ink that reads "Helen Bartlett". The signature is fluid and cursive, with a large initial 'H'.

Professor Helen Bartlett
Vice-Chancellor and President

Federation University Australia Act 2010 (the Act)

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

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

On 1 January 2014, the University of Ballarat amalgamated with the Monash University Gippsland Campus to form Federation University Australia. The Gippsland Campus also had a long lineage dating back to 1928 with the establishment of the Yallourn Technical School which became a predecessor institution to the Gippsland College of Advanced Education

formed in 1968. In 1990, it was renamed the Monash University College and in 1993 became the Gippsland Campus of Monash University.

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

The University's commitment to educational and social equity, teaching excellence, research distinction, environmental sustainability and regional capacity building has enabled it to develop in a way that draws on its proud heritage to inform its future. Its regional character sets a framework for the University's priorities but does not constrain it from serving wider community interests, nationally and internationally.

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

Services provided

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

FIELDS OF STUDY Schools and Programs Portfolio		OTHER SERVICES
<p>Vocational Education and Training (VET) Certificate, Diploma and Advanced Diploma programs</p> <ul style="list-style-type: none"> • Food Sciences • Commercial Cookery • Primary Industries • Nursing • Occupational, Health and Safety • Children's Services • Language, Literacy and Numeracy • Foundation Studies • Further Education • Prisons Education • General Manufacturing • Automotive • Metals and Engineering • Building and Construction • Building Design • Primary Industry and Forestry • Horticulture and Conservation and Land Management • Business and Management • Information Technology • Hair and Beauty • Community Services and Health • Cultural and Recreational • Live Production • Transport and Storage • Electro Technology and Communications • Wholesale, Retail and Personal Services • Victorian Certificate of Applied Learning (VCAL) • Training and Education 	<p>Higher Education Undergraduate, postgraduate and other programs at Higher Education level</p> <ul style="list-style-type: none"> • Biomedical Science • Food and Nutritional Sciences • Exercise and Sport Science • Health and Physical Education • Visual and Performing Arts • Education • Arts and Humanities • Social Science • Human and Community Services • Business Management • Accounting • Marketing • Psychology • Information Technology • Mathematics • General Science • Geoscience • Environmental and Conservation Sciences • Veterinary and Wildlife Science • Nursing and Midwifery • Paramedicine • Engineering – civil, mechanical and mining • Mechatronics 	<p>Research and Consultancy</p> <p>Federation University Australia undertakes world-class research, and engages in knowledge transfer in strategic areas that have direct and considerable relevance to, and impact on, communities, industries and regions served by the University, and beyond.</p> <p>It emphasises partnerships, collaborations and integration in the interests of enhancing its engagement and impact. Creating strong targeted knowledge partnerships with industry, other institutions and government is also a key strategy by which the University contributes to regional, national and international innovation.</p> <p>The university's major innovation platforms are its Technology Parks: including the largest regional technology park in Australia adjacent our Ballarat campus. Proven benefits of technology parks for technology based tenants include the synergies and innovative business opportunities that arise from a close proximity with other technology providers in related fields including other park tenants and university-based researchers and research facilities.</p> <p>The University aspires to enhance further its delivery of research and innovation by increasing the collaborative opportunities available in our technology parks including the main Technology Park at Ballarat and also in the innovation hub recently opened at Morwell in the Latrobe Valley, Gippsland.</p> <p>Other services</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 • Finance

The Council



Second row, left to right: Jane Smith, Deborah Spring, Pauline Buckland, Helen Bartlett (Vice-Chancellor), Alice Langley, Stacey Grose, Mashelle Parrett and Kim Dowling.
Front row, left to right: Adrian Tinetti (Secretary to Council), Michael Ryan, Anthony Stone, George Fong (Deputy Chancellor), Paul Hemming (Chancellor), Ian Nethercote, Steven Davies and Cameron Beyer.

Under the provisions of the Act, the Council of the University is the governing authority of the University and has the direction and superintendence of the University. The Council is chaired by the Chancellor and has 15 members. Set out below are the members of the Council as at 31 December 2017 including the terms of office, Years on Council, qualifications and experience.

THE CHANCELLOR

Dr Paul John Harry Hemming AO

MB; ChB; FAMA; FRACGP; FRCGP(UK).

Term of Office 01 July 2015 to 30 June 2019
(as Chancellor) 01 July 2012 to 30 June 2015

Years on Council	Chancellor	5+
	Council Member	6

Dr Paul Hemming commenced as Chancellor of Federation University Australia in June 2012, having been a Governor-in-Council appointee to the University Council since 2007.

Paul has been an experienced General Practitioner in Ballarat for more than 40 years, and has previously served as President of AMA (Victoria), President of the Royal Australian College of General Practitioners and GP Consultant to the Health Insurance Commission. He was the inaugural Chairman of GP Divisions Victoria and was also a founding Director of "beyondblue" from 2000 to 2007. Paul has also held a number of advisory positions on federal and state government bodies, as well as key roles in medical education and training, and in accreditation and quality improvement. He has extensive experience in governance and leadership.

In 2001 Dr Hemming was awarded a Centenary Medal for services to the medical profession and the community, and in January 2018 he was appointed Officer of the Order of Australia for distinguished service to higher education administration, to medicine and to the community of central Victoria as a general practitioner.

THE VICE-CHANCELLOR AND PRESIDENT

Professor Helen Bartlett

Bachelor of Arts, Masters of Science (Public Policy); PhD.

Term of Office 01 May 2017 to 30 April 2022
Years on Council -1

Professor Helen Bartlett has had an international career in higher education spanning multiple countries, holding senior university leadership roles in UK, Hong Kong, Malaysia and Australia. Previously Professor Bartlett was Pro Vice-Chancellor, President and Chief Executive of Monash University Malaysia, the largest private international branch campus in Malaysia with a diverse staff and student population. Prior to this, Professor Bartlett was Pro Vice-Chancellor and President of Monash's Gippsland Campus, which amalgamated with the University of Ballarat to form Federation University Australia in 2014.

Professor Bartlett has extensive experience in university strategic leadership, business management and partnership development, including a transnational joint venture. Over her nine years at Monash University, Professor Bartlett made a significant impact on research capability and impact, teaching quality, community engagement and industry partnerships. She has led key international, research and education portfolios and has previously also established and directed three research centres in ageing, health care and dementia at the University of Queensland and Oxford Brookes University, UK. She has an international research record in gerontology, with a focus on population ageing, healthy ageing, aged and community care. She has been awarded numerous ARC and NHMRC project and program grants and state and federal government consultancies. She has published widely — including several books — and supervised over 35 higher research degree students.

Professor Andy Smith (Acting)

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

Term of Office 28 November 2016 to 30 April 2017
Years on Council -1

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

He was appointed Acting Vice-Chancellor from 28 November 2016 until 30 April 2017.

CHAIR, ACADEMIC BOARD

Associate Professor Kim Dowling

BSc (Hons) Geology, UNSW; PhD, James Cook University; Grad Dip in Environmental Management, Deakin University; Grad Cert Edu(Tertiary Teaching), FedUni

Term of Office 01 January 2017 to 31 December 2018
01 January 2015 to 31 December 2016
31 October 2012 to 31 December 2014

Years on Council 5+

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.

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

MINISTERIAL APPOINTMENT

Ms Pauline Buckland

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

Term of Office 01 January 2016 to 31 December 2018
Years on Council 2

Currently employed as the Commercial Contracts and Procurement Manager at Downer Australia having recently moved from the role as Chief Financial Officer and Company Secretary at another company.

Pauline has extensive experience in various roles over the past 20 years across a range of sectors including utilities, postal and manufacturing in Australia, Canada, United Kingdom and New Zealand and is also a board member at Brisbane Education Services.

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

MEMBERS APPOINTED BY THE GOVERNOR-IN-COUNCIL

Mr Ian Nethercote

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

Term of Office 01 January 2017 to 31 December 2019
01 January 2014 to 31 December 2016

Years on Council 4

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

Mr Michael Walter Ryan

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

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

Years on Council 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.

MEMBERS APPOINTED BY COUNCIL

Mr George Joseph Fong, Deputy Chancellor

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 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; Past Chair of Internet Australia; Chair, Central Highlands Regional Partnership Committee; Member of the Regional Development Advisory Committee; Immediate Past Chair of the Board for the Ballarat Health Services Foundation; Member of the advisory board for .au Community Domains; Past Chair of The Ballarat Regional Multicultural Council; Past member of the Courier Advisory board; Member of IPV6 Now.

Ms Mashelle Parrett

Bachelor of Financial Administration, UNE; Member of the Institute of Chartered Accountants in Australia and a Registered Company Auditor.

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

Years on Council 5

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.

Ms Deborah Ann Spring

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

Term of Office 01 January 2016 to 31 December 2017
01 July 2012 to 31 December 2015

Years on Council 5+

Deborah has over 27 years of experience working in both Australia and internationally in the energy, petrochemicals, rail and general transport and logistics sectors, including over 15 years' experience as a company director. A mechanical engineer with an MBA from the Harvard Business School, Deborah has worked with leading companies including Australia Post, Australian Rail Track Corporation, Exxon-Mobile and General Electric. Deborah has also co-founded several e-commerce businesses.

As a professional director, Deborah has held a number of Chair and Director positions on private companies, Victorian government entities and not-for-profit organisations in logistics, environment, education and community services including V/Line Corporation, Ambulance Victoria, Mount Hotham Resort Management Board (Chair), Rail Industry Safety and Standards Board (Chair), and the Donnic Group (Chair). In addition, Deborah has significant experience as an independent Chair or member of numerous Board Sub-Committees responsible for audit and risk, finance, infrastructure, HR and remuneration, safety, operations and organisation effectiveness.

MEMBERS APPOINTED BY COUNCIL (CONTINUED)

Mr Steven Davies

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

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

Years on Council 4+

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, Finance Committee, Nominations Committee and Federation College P-TECH Steering Committee.

Ms Stacey Grose

Bachelor of Laws, Bachelor of Arts (Linguistics)

Term of Office 13 July 2016 to 31 December 2018

Years on Council 1+

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

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

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

Ms Jane Smith

Term of Office 01 January 2016 to 31 December 2018

Years on Council 2

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

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

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

Jane has held a number of board positions including the Australian Children's Television Foundation, Chair of the Mobile Premium Services Review and a Member of the national Classification Review Board. She is currently on the board of the Melbourne Writer's Festival and JOY 94.9.

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

Mr Anthony Stone

MBA (International Business)

Term of Office 01 January 2016 to 31 December 2018

01 July 2013 to 31 December 2015

Years on Council 4+

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

Currently serves as the Community Representative with Victorian Police Western Region Leadership Team and as Chair of AICD Regional Committee.

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

ELECTED MEMBERS OF COUNCIL

Mr Cameron Beyer (staff)

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

Term of Office 01 September 2016 to 31 December 2018

Years on Council 1+

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

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

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

Ms Alice Langley (student)

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

Term of Office 01 September 2016 to 31 December 2017

Years on Council 1+

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

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

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

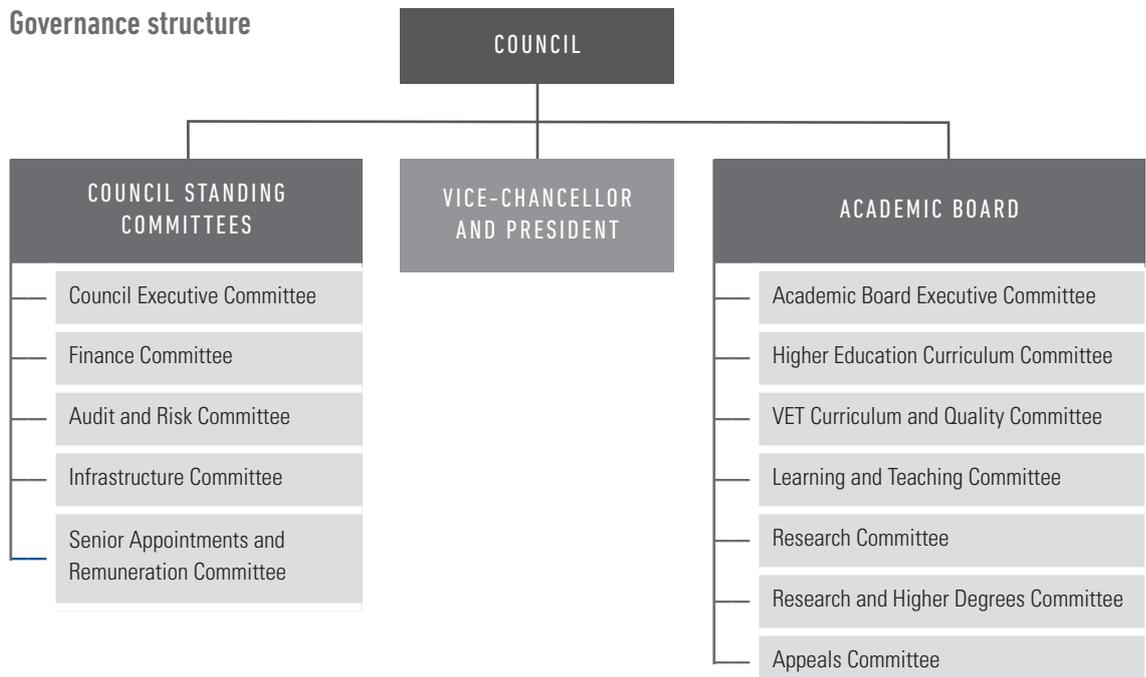
Council and Committee Membership and attendance at meetings

COUNCIL MEMBER	COMMITTEE MEMBER AND MEETING ATTENDANCE											
	Council		Executive		Audit & Risk		Infrastructure		Finance		Senior Appointments & Remuneration	
	No. of meetings held during the year											
	M	A	M	A	M	A	M	A	M	A	M	A
Dr Paul J H Hemming AO	•	7	•	5							•	3
Professor Helen Bartlett ^(1&4)	•	5	•	3					•	5		
Professor Andrew Smith ^(1&3)	•	2	•	2					•	3		
Associate Professor Kim Dowling	•	7	•	5								
Mr Cameron Beyer ⁽²⁾	•	1							•	1		
Ms Pauline Buckland	•	7			•	5			•	8	•	3
Mr Steve Davies	•	7					•	7	•	8		
Mr George Fong	•	7	•	5			•	7			•	3
Ms Stacey Grose	•	7			•	5						
Ms Alice Langley	•	7					•	6				
Mr Ian Nethercote ⁽²⁾	•	6			•	4	•	6				
Ms Mashelle Parrett ⁽²⁾	•	6	•	4	•	5						
Mr Michael Ryan	•	7	•	5	•	5			•	8	•	3
Ms Jane Smith ⁽²⁾	•	6			•	4						
Ms Deborah Spring	•	7					•	7	•	8		
Mr Tony Stone ⁽²⁾	•	7					•	6	•	6		

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

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

Governance structure



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 nominations 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 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 codes of financial practice.

Legislation Committee

To review University 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 a risk assessment; and an examination of the fit of the proposed project with issues of cultural and community awareness.

Finance Committee

The Committee is responsible to Council for advising on matters concerning finance, investments, asset management, insurance, compliance with laws and regulations and its own Code of Finance Practice. The Committee monitors continuing financial viability of the University using key financial indicators and exercises oversight of University companies, trusts, profile and performance agreements, and other major commercial activities.

Senior Appointments & Remuneration Committee

The Committee sets performance goals and reviews the performance of the Vice-Chancellor on behalf of Council. It also considers and sets the salary and remuneration of the Vice-Chancellor and the senior executive officers.

Academic Board and its Committees

The principal academic body of the University is the Academic Board. In 2017, the Board comprised 32 members of whom 20 were ex-officio members representing senior academic and teaching staff and members of the senior management team, 12 elected members from teaching and general staff and students across the University including the Chair and two Deputy Chairs.

The purpose of the Academic Board is to provide:

- academic oversight of all academic programs and courses of study in the University and related legislation and policy; and
- a quality assurance framework for learning, teaching and research conducted in the University, reporting to Council. The Board, by resolution, may constitute and appoint such committees, as it thinks fit. A committee appointed by the Board must report to the Board on its activities at such times and in such manner as the Board directs.

The allocation of governance matters and oversight was reviewed and more appropriately addressed as a result.

ACADEMIC GOVERNANCE COMMITTEES

2017 saw the addition of two standing committees reporting to the Academic Board under a revised structure (below). The following committee assists the Academic Board on matters relating to academic governance:

The Academic Board Executive Committee

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

STANDING COMMITTEES

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

Higher Education Curriculum Committee

Holds broad responsibility in the domain of new coursework programs, the review and accreditation of programs and integrity of academic offerings in Higher Education, Reports to the Board on the accordance of programs with the Australian Qualifications Framework and current Commonwealth regulations

Learning and Teaching Committee

Addresses the enhancement and quality assurance of learning and teaching across the Higher Education and Vocational Education and Training sectors in the University. Develops and monitors the University's Learning and Teaching Plan and reports to the Board on its implementation.

Research Higher Degrees Committee

Addresses quality and compliance in all aspects of research higher degree engagement. Develops strategies to enhance the research culture, training and research higher degree experience of researchers.

Research Committee

Addresses the enhancement and quality assurance of research in the University. Develops and monitors the University Strategic Research Plan and oversees compliance with national codes of conduct in research.

Vocational Education and Training (VET) Curriculum and Quality Committee

Holds broad responsibility in the domain of new courses, review and accreditation of programs and integrity of education offerings in VET. Reports to the Board on the accordance of the University's VET offerings with all aspects of VET regulations, including relevant Commonwealth and State regulations.

Appeals Committee

Appeal hearings are convened as required to determine appeals from students relating to their study experience including exclusion or disputes about academic results. The Committee reports regularly 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 Deputy Vice-Chancellors and a Chief Operating Officer/Chief Financial Officer.

Collectively these officers are known as the Vice-Chancellor's Senior Team. Each has specified portfolios of authority and responsibility to assist the Vice-Chancellor in the overall management of the University. The Vice-Chancellor's Senior Team is responsible and accountable to the Vice-Chancellor for performance in their respective portfolios.

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

REVIEW

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

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

The Senior Appointments and Remuneration Committee annually sets performance goals for the Vice-Chancellor and reviews progress of these during the year. It also considers and sets the Vice-Chancellor's and the senior executive officers' salaries and remuneration.

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

REPORTING

At each meeting throughout 2017, Council received comprehensive presentations relating to specific strategic priorities outlined in the 2016–2020 Strategic Plan from members of the Vice-Chancellor's Senior Team and/or other senior staff members, which fed into Council planning and strategic initiatives.

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

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

The Federation University Australia Council is compliant with the Voluntary Code of Best Practice. Council receives regular reports on:

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

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

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

Role of Council and Duties of Council Members

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

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

- Provide a clear statement on the University's strategic direction, vision and mission and continually monitor progress against agreed goals.
- Shape and review its vision, mission and values and evaluate its own performance.
- Appoint and appraise the performance of the Vice-Chancellor as Chief Executive Officer. 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 to the Academic 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 prudent operation of the University and assess performance against key performance indicators agreed with management, including:
 - > approve and monitor budgets and financial plans;
 - > ensure the University's assets and resources are properly managed; and
 - > approve and monitor controlled entities.
- Effectively manage its own operations, including the appointment of the Chancellor, selection of new members and their induction and the proper execution by members of their fiduciary duties.

It is the duty of members of Council to:

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

Management of Interests or Conflicts of Interest

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

- 1) A member of a body who has a pecuniary or other conflict of interest in a matter being considered or about to be considered by the body must, as soon as practicable after the relevant facts have come to his or her knowledge, declare the nature of the interest at a meeting of the body or in writing addressed to the chair of the body.
- 2) If the chair of a body receives a written declaration under subsection (1), the chair must report it, or cause it to be reported, at the next meeting of the body.
- 3) The person presiding at a meeting at which a declaration is made under 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 or its controlled entities 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 Framework and annual Strategic Risk Management review and reporting process.

The Audit and Risk Committee monitors outcomes relating to the risk review and reporting process and provides advice to the Council.

The Audit and Risk Committee monitor the completion of actions relating to high or extreme risks.

Register of Shareholdings that includes a Risk Assessment

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

Federation University Australia Associated Entities (part ownerships from shareholdings):

Entity	Objects	Risk assessment
Inskill Pty Ltd	Holds shareholdings in start-up companies	Low
The School of Mines and Industries Ballarat Limited	Inactive	Low
UB Housing Pty Ltd	Inactive	Low
Brisbane Education Services Pty Ltd	Provision of education and training	Low

Compliance Federation University Australia – Other Companies (Associated Entities)

Federation University Australia Associated Entities (part ownerships from shareholdings):

Entity	Objects	Risk assessment
Datascreen Pty Ltd (a subsidiary of Inskill Pty Ltd)	Inactive	Low
Oceania Cyber Security Ltd	Education and research in cyber security	Low

Council Professional Development and Appraisal

Professional Development is provided to Council members 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 for new members;
- A Council Retreat comprising of professional development;
- Additional workshops and conferences addressing specific skills i.e. Governance, Financial Statements, Audit and Risk, Protocols.

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

Indemnity of Council Members and Senior Officers

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

Attestation on compliance with the Victorian Risk Management Framework

I, Adrian Tinetti certify that Federation University Australia has risk management policies, procedures and processes in place consistent with the Australian/New Zealand Risk Management Standard ISO 31000:2009 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 monitors progress and reports to the University Council. A review of the strategic risk profile of Federation University Australia was commenced in late 2017 and is due to be completed in the first quarter of 2018.



Mr Adrian Tinetti
Secretary to Council

20 February 2018

Organisational and Regulatory Information

Student Enrolments

Higher Education (HE) Delivery – Equivalent Full-time Student Load

Overall 2017 Equivalent Full-time Student Load (EFTSL) declined by 3.6% to 9368.9 EFTSL compared to 2016. Commonwealth Supported Places increased in 2017 with the addition of the new campus at Berwick. On-campus international also increased on 2016, however these increases were offset due to further declines in Domestic Fee paying postgraduate students and On-Shore International Partner provider location enrolments. Research Training Scheme load continued its increase by 7.9% to 198 EFTSL.

SUMMARY OF HE STUDENT LOAD

Student Type	2016	2017	% difference
CSP Student	5602.9	5684.3	1.5%
Domestic Fee-Paying	195.3	150.2	-23.1%
International Fee Paying – On-shore	3106.3	2549	-17.9%
International Fee Paying – Off-shore	627.5	787.4	25.5%
Research Training Scheme	183.5	198	7.9%
Grand Total	9715.5	9368.9	-3.6%

* Load as at 31 December per internal load reporting.

TAFE Delivery – Student Contact Hours of Training

Overall, the University delivered VET programs to over 7,100 students in 2017, equating to approximately 1.3 million Student Contact Hours (SCH) of training – with 1.08 million SCH related to funding from the State Government and 0.24 million SCH in non-government funded training.

SUMMARY OF TAFE TRAINING DELIVERY

	Actual SCH million		% difference
	2016	2017	
Government Funded	1.04	1.08	3.8 %
Non-Government Funded	0.28	0.24	-14.3%
Total (SCH)	1.33	1.32	-0.8%

Total Student Enrolments Headcount

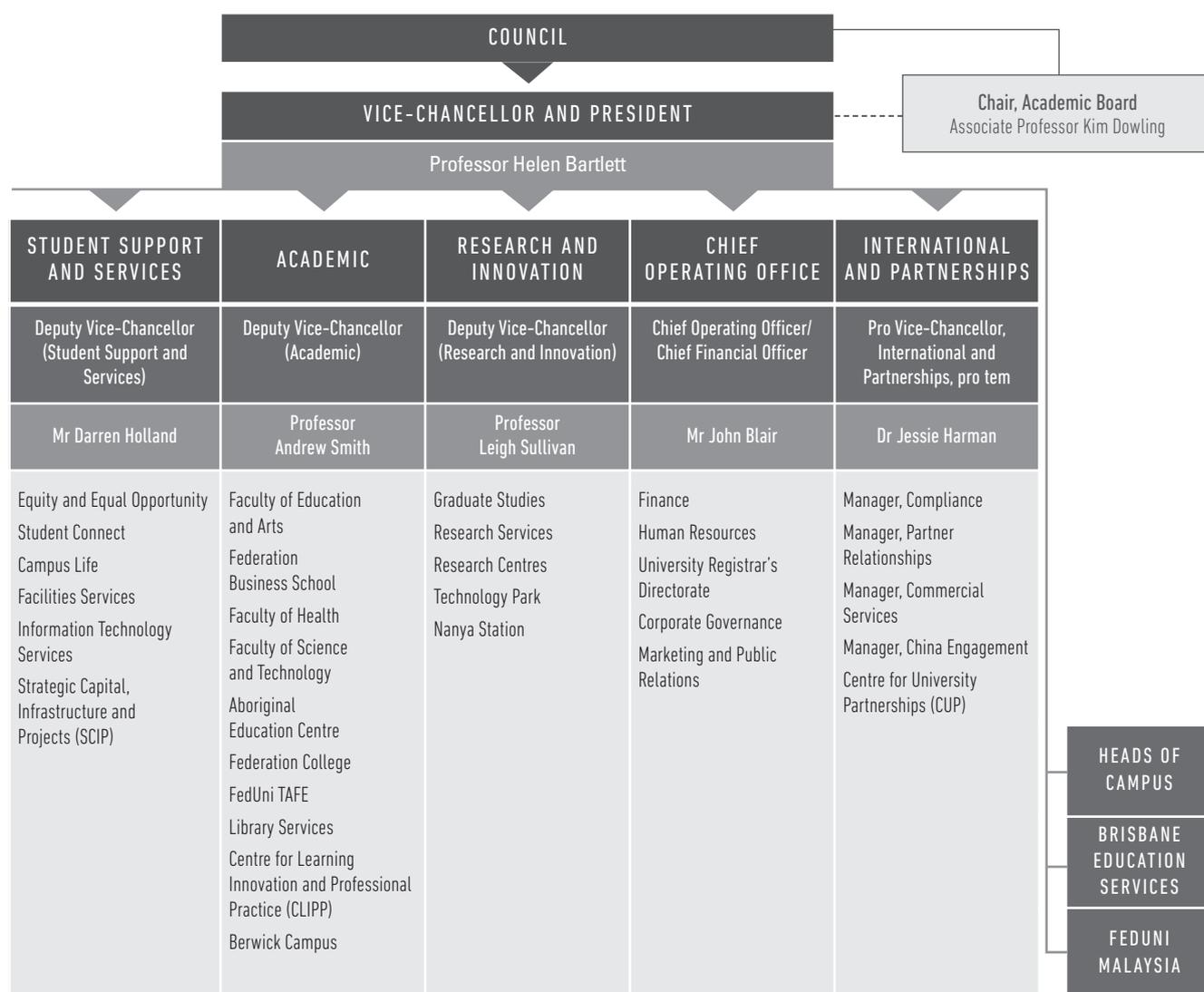
The University had a total of 20,898 students enrolled in its HE and VET programs at all federated campus locations on-shore and off-shore. Domestic student enrolments grew by 3.2% to 15,705 enrolments, while international student enrolments declined by 8.7% to 5,205 enrolments. Part time enrolments continue to increase (up by 6.2%) and now represent nearly half (48.4%) of all enrolments. TAFE enrolments have increased largely due to Certificate II, Certificate III and non-award short-course/licensing type of enrolments.

TOTAL STUDENT ENROLMENTS – HEADCOUNT

	2016	2017	% variance
Total Students (Distinct Number)	20,907	20,898	0.0%
By Type			
Domestic	15,204	15,693	3.2%
International	5,703	5,205	-8.7%
By Gender			
Female	8,465	8,690	2.7%
Male	12,435	12,194	-1.9%
Unknown	7	14	100.0%
By Attendance Mode			
Full-time	11,379	10,782	-5.2%
Part-time	9,528	10,116	6.2%
By Education Portfolio			
Higher Education	14,102	13,746	-2.5%
TAFE	6,805	7,152	5.1%
By Enrolment Type			
Commencing	10,961	11,238	2.5%
Continuing	9,946	9,660	-2.9%

These figures are subject to validation with our final HEIMS submission for 2017 due at the end of March 2018.

Our Workforce



Staff Code of Conduct

THE UNIVERSITY'S PRINCIPLES	
Value	Description
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 University's principles underpin the Code of Conduct.

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

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

The Code will assist the University safeguard public trust and confidence in the integrity and professionalism of its staff by ensuring that all staff:

- maintain appropriate standards of conduct;
- exhibit fairness, impartiality, honesty and equity in decision making; and
- foster and protect the reputation of the University.

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

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

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

Staff Workforce Data as at 31 December 2017

	2016		2017	
	No of Persons	Full-time Equivalent	No of Persons	Full-time Equivalent
HIGHER EDUCATION ACADEMIC STAFF*				
Ongoing				
Male	158	154.4	163	159.9
Female	172	153.6	179	160.5
Fixed-Term				
Male	24	20.7	18	15.0
Female	38	28.16	29	21.51
TOTAL	392	356.86	389	356.91
Total Male	182	175.1	181	174.9
Total Female	210	181.76	208	182.01

*Does not include casual staff (estimated to be full-time equivalent staff 42.25 for 2016 and 43.70 for 2017), nor staff employed by third party providers. Probationary staff are included in the ongoing staff statistics.

VET TEACHING STAFF*				
Ongoing				
Male	62	59.5	53	50.8
Female	30	23.5	24	20.6
Fixed-Term				
Male	16	13.9	17	15.2
Female	17	14.2	20	17.4
TOTAL	125	111.1	114	104
Total Male	78	73.4	70	66
Total Female	47	37.7	44	38

*Does not include casual staff (estimated to be full-time equivalent staff 31.70 for 2016 and 31.95 for 2017), nor staff employed by third party providers.

GENERAL / PROFESSIONAL STAFF*				
Ongoing				
Male	177	167.25	156	147.25
Female	481	404.44	465	399.4
Fixed-Term				
Male	68	63.65	67	63.7
Female	118	98.04	109	89.64
TOTAL	844	733.38	797	699.99
Total Male	245	230.9	223	210.95
Total Female	599	502.48	574	489.04

*Does not include casual staff (estimated to be full-time equivalent staff 76.05 for 2016 and 78.84 for 2017), nor staff employed by third party providers.

Workplace Relations

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

- The Federation University Australia Union Collective Agreement 2015–2018 which covers academic and general staff; and
- The Victorian TAFE teaching Multi-Business Agreement 2009 which covers TAFE teachers.

Negotiations for a new Agreement to cover academic and general staff are scheduled to commence in early 2018.

The TAFE teaching Multi-Business Agreement has expired and negotiations between employer bodies, the Australian Education Union and the Victorian State Government are still continuing with the aim to have a new Agreement in 2018.

Over 2017 the University set up a Voluntary Early Retirement Scheme and by 31 December 2017, 65 staff had departed from University employment.

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Program (EAP) is now in its 14th year and its services continue to be strongly promoted and well supported by staff members and their immediate families.

The counselling, *Manager Assist* and *Career Assist* services were all well utilised during the year.

329 counselling sessions were undertaken during 2017 and the rate of utilisation was 8.19% across all campuses; an increase from 7.15% in 2016.

Hours of support accessed through EAP from January to December 2017:



WORKCOVER

The University remains committed to providing staff members with support and assistance following an injury or illness. It has provided effective and sustainable rehabilitation enabling successful outcomes to be achieved for both the injured staff member and the University.

One success indicator of the University's early injury management approach has been the downward trend in WorkCover claims costs. A WorkCover premium increase for 2017/18 was driven mainly by a spike in stress-related claims in 2015/16. In 2017 the numbers of injuries resulting in standard claims has reduced, as has the severity and time lost from work due to injury.

Of the 24 injuries managed through the Human Resources Directorate, 11 resulted in standard claims with a total estimated cost of \$109,611. Whilst this is expected to increase due to the latent nature of WorkCover claims costs, it still compares extremely favourably with the \$699,000 cost of stress-related claims in the prior year. The most positive indicator is the strong return-to-work rate, as compensation for time lost from work is the primary driver of high claims costs.

Early intervention management of injuries and illness, including mental stress continues to be an area of priority. In 2017, the focus on professional development (including effective staff management, mental health awareness and personal resilience) helped to support the broader aim of addressing primary stress factors. There were also a range of health and wellbeing promotions and initiatives during the year, including the accessing of funding through WorkSafe for four Beyondblue workshops, run through the Beyondblue National Workplace Awareness Program.

Also, Stepathlon, a race around a virtual world was strongly promoted across the University and participation was encouraged through corporate sponsorship by UniSuper and Converge International.

STATEMENT ON OCCUPATIONAL HEALTH AND SAFETY (OHS)

OHS Performance Indicators	2015	2016	2017
Number of hazards/incidents reported by staff per 100 full-time equivalent staff member	9.19	11.32	8.44
Number of 'lost time' standard claims per 100 full-time equivalent staff members	0.98	1.42	0.95
Average cost per claim (including payments to date and estimated outstanding claim costs)	\$58,067	\$104,560 ⁽¹⁾	\$10,717

(1) The high average cost per claim in 2016 relative to other years is due to the high proportion of claims associated with mental stress in that calendar year. Those claims can lead to long absences from work and total incapacity, resulting in high costs.

There was no fatality recorded in 2017 or in the two prior years at Federation University Australia.

Workplace initiatives

WHITE RIBBON ACCREDITATION AND FAMILY AND DOMESTIC VIOLENCE

In 2015, the University embarked on the process of becoming a White Ribbon Accredited organisation as it became increasingly aware of the impact of family violence in the workplace, and also the negative effects of men's violence against women within our broader communities.

The University obtained White Ribbon Workplace accreditation in September 2017. In doing so the University achieved a number of key outcomes, including:

- Approval of a Family and Domestic Violence Policy and Procedure.
- Implementation of the FedUni Against Violence website providing information and guidance for impacted staff and students.
- Supervisor Training Workshops designed specifically to assist staff in positions of leadership to respond to disclosures of family and domestic violence.

MANAGEMENT, LEADERSHIP AND PROFESSIONAL DEVELOPMENT

In 2017 23 management, leadership and professional development programs were delivered to staff engaging a diverse range of delivery partners. In addition, Cultural Awareness Training sessions were also offered.

All programs were very well received with participants strongly agreeing that programs met their development needs and most workshops achieved or exceeded the maximum capacity requirements.

208 University staff (15.71%) attended leadership, management and professional development programs for the 2017 calendar.

Distinguished Service List

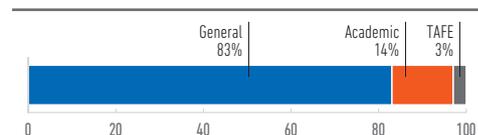
The University thanks the following staff who departed the organisation in the period 1 January 2017 to 31 December 2017 with 20 years or more service. Their combined efforts represent 545.48 years of service to the University and its communities.

Name	Start Date	Date Left	Years of Service	Position Description	School / Section
Mrs Stella Aubrey	06 Jan 87	28 Apr 17	30.25	Qualified Child Care Educator	Children's Centres
Mr Ian Best	23 May 94	03 Nov 17	23.42	Technical Officer (Agriculture and Horticulture)	FedUni TAFE
Ms Christine Burridge	26 Jun 95	28 Jul 17	22.08	House Attendant	Facilities Services (Ballarat)
Mrs Wendy Cloke	13 Jun 91	12 May 17	25.84	Technical Officer	Faculty of Science and Technology
Mr Philip Collins (deceased)	29 Nov 93	29 Jun 17	23.59	Facilities Manager (Building Services)	Facilities Services (Ballarat)
Mr Trevor Day	08 Sep 75	24 Apr 17	41.59	Print Supervisor	Print Services
Mrs Edith Figueira	19 Sep 88	19 May 17	28.67	Corporate Card Senior Officer	Financial Operations
Mr Mario Gross	09 Nov 92	08 May 17	24.42	Stores Administrator/Parking Officer	Facilities Services (Ballarat)
Mr Mike Gustus	11 Mar 82	31 Mar 17	35.00	Team Leader, Infrastructure	Information Technology Services
Mrs Cheryl Henry	27 May 91	30 Oct 17	26.42	Executive Assistant to the Chief Operating Officer	Financial Operations
Miss Susan Keating	11 Jul 94	28 Apr 17	22.76	Financial Services Process Officer	Financial Operations
Mr Graeme King	05 Mar 79	14 Jul 17	38.33	Storeperson (Engineering)	FedUni TAFE
Mrs Annette Lever	21 Jan 80	20 Jul 17	37.42	Management Accountant, Operations	Financial Planning and Budget
Ms Judy Mitchell	01 Jul 96	10 Apr 17	20.76	Student Progress and Success Officer	Student HQ (Ballarat)
Mrs Maree Ryan	17 Aug 93	30 Aug 17	24.00	Teacher (Children's Services)	FedUni TAFE
Mr Malcolm Trainor	01 Feb 81	30 Apr 17	36.16	Teacher	FedUni TAFE
Mr Peter Trotter	21 Mar 94	17 Mar 17	22.93	Teacher (Cookery)	FedUni TAFE
Mrs Jenny Trounce	19 Sep 77	22 Sep 17	40.00	Student Progress and Success Officer	Student HQ (Ballarat)
Mr Philip Trusler	11 Dec 95	13 Oct 17	21.84	Data Management and Reporting Administrator	Planning and Reporting
			545.48		

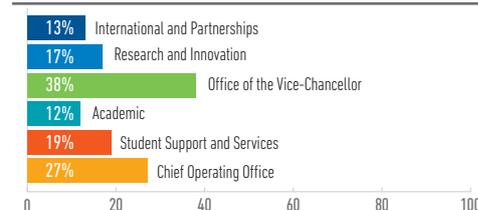
The graph below shows the programs and total number of participants per leadership, management and professional development program/s by gender:



The spread of classification type of the 208 staff who attended programs during 2017 is as follows:



The following graph shows the staff percentage from each portfolio that attended programs during 2017:



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 2017 the University implemented a wide range of initiatives to fulfil this commitment, including:

- accreditation as a White Ribbon Accredited Workplace, and implementation of a Family and Domestic Violence Policy and Procedure;
- commitment by the University to implement the recommendations contained in the Human Rights Commission Respect. Now. Always. report on sexual assault and harassment at Australian universities. An extensive action plan has been developed under the leadership of the Deputy Vice-Chancellor, Student Support and Services.
- under the oversight of the Higher Education Participation and Partnership Program (HEPPP) Advisory Panel, undertaking a wide range of programs and initiatives to improve educational access and success for people from low socio-economic status backgrounds;
- extensive participation across the University in the Science in Australia Gender Equity (SAGE) program to progress gender equity within the University, with a particular focus on Science, Technology, Engineering, and Mathematics (STEM);
- under the oversight of the Reconciliation Action Plan Committee, completion of the University's *Reconciliation Action Plan 2015–2017* and preparation of the draft Plan for 2018–2020;
- recognition of Indigenous culture with the first Indigenous naming of a University space. At the Mt Helen Campus the central student area was officially named Gnarrwirring Karung, meaning Learning Place in the local Wadawurrung language;
- holding a wide range of events across the University in National Reconciliation Week with a focus on education, engagement and discussion;
- representation at the Indigenous UniGames for the first time. A team of 11 students from Ballarat and Gippsland campuses competed in basketball, netball, touch football and volleyball;
- through FedUni Schools Outreach, working with 9,383 students between Year 8 to Year 12 from 67 schools across Victoria, to increase aspiration towards, and reduce perceived barriers to, higher education;
- submission of the University's annual report under the *Workplace Gender Equality Act 2012* and being assessed as compliant;
- requiring all ongoing and fixed-term contract staff to undertake the University's equity online training. The University-wide completion rate at the end of 2017 was 88%.
- establishment of Q-Space at the Mt Helen Campus for the Rainbow Collective, FedUni's LGBTIQ student club to hold events and meetings.
- successful International Women's Day events held in Ballarat and Gippsland. Staff in the Research Office took the initiative to create these events with support from Equity & Equal Opportunity.

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

GENERAL STATEMENT

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

DESCRIPTION OF THE UNIVERSITY AND ITS DECISION-MAKING POWERS

The University is described, and reference to its objects, is made on page 36 of this report. The University's website <http://www.federation.edu.au> outlines the areas of work and responsibility which each Faculty and Portfolio of the University administers. The University Council has responsibility for the direction and superintendence of the University and has power to make statutes and regulations in accordance with the *Federation University Australia Act 2010*.

CATEGORIES OF DOCUMENTS

The University holds an extensive range of documents, procedural statements, policies, statutes and regulations. General enquiries relating to the gaining of access to these documents and/or a copy thereof under the *Freedom of Information Act 1982* may be made to the Director, Corporate Governance.

Vice-Chancellor's Office:

- Policies and directives from the:
- Vice-Chancellor
- Deputy Vice-Chancellors
- Chief Operating Officer/Chief Financial Officer
- Pro Vice-Chancellor (International & Partnerships)

Chief Operating Office:

- Documents pertaining to Appointments and Recruitment, Industrial Relations, Enterprise Bargaining, Salaries, Staff Records, Staff Development and Training, Superannuation, and WorkCover, and the procedures and processes relating thereto;
- Documents pertaining to University Financial Planning, Budgets, Finances, Financial Reporting, Asset Management, Insurance, and the procedures and processes relating thereto; and
- Documents pertaining to Development and Planning, and the procedures and processes relating thereto.
- Documents pertaining to the Legal Office, Council and its Committees, Academic Secretariat, Occupational Health & Safety, External Marketing, Public Relations, Community Relations, University Legislation and International Programs; and
- Documents pertaining to Commercial Engagements and the procedures and processes relating thereto.
- Documents pertaining to University-wide policies, procedures and guidelines and the procedures and processes relating thereto;

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.

Deputy Vice-Chancellor, Student Support and Services:

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

Deputy Vice-Chancellor, Academic:

- Documents relating to the Faculties, FedUni TAFE, Federation College and Aboriginal Education.
- Documents pertaining to Curriculum Renewal;
- Documents pertaining to academic programs, learning environment and library services.

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 under the *Freedom of Information Act 1982* may contact the Director, Corporate Governance, Mr A Tinetti, Building A, Mt Helen Campus, Federation University Australia, University Drive, Mt Helen, Vic 3350, Telephone: (03) 5327 9504 or by email to a.tinetti@federation.edu.au. Further information about the freedom of information request process is available from <https://federation.edu.au/staff/governance/legal/legal-compliance/freedom-of-information>.

There were three valid requests for information under the *Freedom of Information Act 1982* during 2017 submitted by a staff member, journalist and union.

'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* applicable to the University. The Competition and Consumer Law Compliance Manual is readily available on the University website at http://policy.federation.edu.au/university/general/competition_code_compliance/ and reference to the manual is included in induction material provided to new staff. For provision of commercial services, the University uses a costing model which adopts competitive neutrality and is in accordance with Victoria's competitive neutrality policy.

'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 2018. These processes are regularly reviewed to ensure their effectiveness and that they support the positive learning experience for international students.

'Building Act 1993'

GENERAL STATEMENT

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

ASSURANCE PROGRAMS

Certification of Building Compliance – Essential Safety Measure audits and inspections were undertaken throughout 2016 at all Campuses. The University is working towards ensuring all identified critical compliance actions and issues are rectified.

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

COMPLIANCE STATEMENT

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

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

Grievance and Complaints Procedures

GENERAL STATEMENT

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

ASSURANCE PROGRAMS

Grievance and Complaint Procedures:

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

- Student Grievance Policy and Procedure
- Student Appeal Policy and Procedure
- Staff Grievance Policy and Procedure

Diversity, Equal Opportunity and Prevention of Bullying:

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

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

Policies and procedures can be downloaded from:

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

The University is aware of six complaints involving the University being made to the Victorian Ombudsman in 2017 that resulted in enquiries being made under section 13A of the Ombudsman Act 1973.

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

UNIVERSITY CONTACTS

PO Box 663, Ballarat, Victoria, 3353, Australia

Telephone: 1800 FED UNI (1800 333 864)

Facsimile: (03) 5327 9704

Web Site: www.federation.edu.au

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

Gippsland

Northways Road, Churchill, Victoria, 3842

Wimmera

Baillie Street, Horsham, Victoria, 3400

Berwick

100 Clyde Rd, Berwick, Victoria, 3806

WEBSITE ADDRESS FOR CURRENT AND PREVIOUS ANNUAL REPORTS

Annual Reports prior to 2017 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, may be available from the Director, Corporate Governance under the *Freedom of Information Act 1982*:

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

Organisational Achievements

Our Rankings

Federation University Australia maintained its reputation as one of the nation's leading universities with a series of excellent rankings.

The Quality Indicators for Learning and Teaching (QILT) placed FedUni number one in Victoria for Student Support, Teaching Scale, Employment, and Median Starting Salary.

The Good Universities Guide awarded FedUni a maximum five-star rating for Student Support, Social Equity and Skills Development. The University also received five stars for Teaching Quality in the disciplines of Computing and Information Systems, Engineering, Health Services and Support, and Humanities, Culture and Social Sciences.

Federation University Australia's sports science was confirmed among the world's best with a global ranking in the 101 to 150 bracket for 2017 from the Academic Ranking of World Universities. The new Shanghai Ranking's Global Ranking measured the University's sports medicine and sports science research from 2012 to 2016.

Major Developments and Expansion



The University began refurbishing premises in the heart of Brisbane for development of a new Campus to grow international numbers, with a planned intake of students in 2018.



The Governor-General of Australia, Sir Peter Cosgrove, opened an innovative Student Commons area that promotes self and peer directed learning amongst students while engaging in a casual, social environment. The \$1.8 million refurbishment is part of a wider rejuvenation of the central student hub at the Mt Helen Campus.

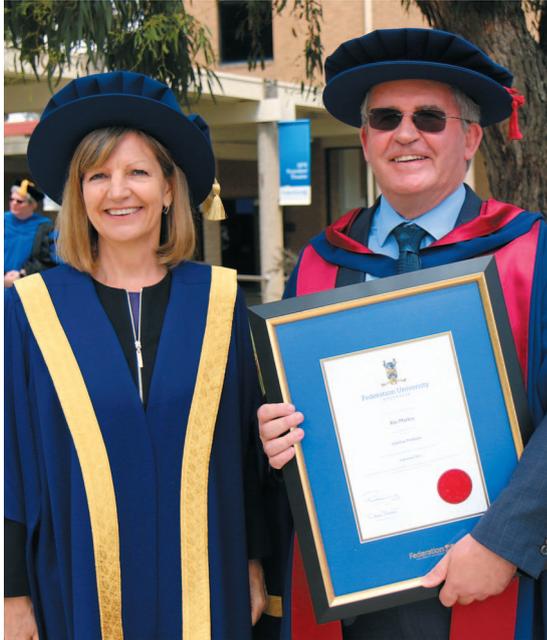
A new generation of students started university life at Federation University Australia's Berwick Campus when it opened its doors for the first time to more than 400 students at the start of 2017. Nursing, education, business, and vet and wildlife sciences proved the most popular degree programs in the Campus's first year of operation. FedUni took full occupancy of the former Monash buildings in 2018.

FedUni partnered with the State Government to create the Ballarat Tech School, through the redevelopment of the University's Building K on Albert Street, Ballarat. The new high-tech centre of excellence uses the latest technology to deliver stimulating education and training opportunities to secondary students.

Plans were announced for a multi-million dollar investment in the University's sought-after Sports Science programs to serve regional students in Western Victoria and Gippsland.

Our Research Impact

Federation University Australia researchers continued to achieve excellence on a regional, national and global stage, delivering quality research in the areas of health, water conservation, energy management and sports science. These outstanding results are a testimony to the ground-breaking research being done at FedUni, that has true international reach and impact.



Former Director of Federation University Australia's Geotechnical and Hydrogeological Engineering Research Group, Professor Ray Mackay was appointed the State's first Latrobe Valley Mine Rehabilitation Commissioner. A leading academic and researcher at the Gippsland Campus for many years, Ray was granted the title of Emeritus Professor from the University at a graduation ceremony in May.

A new study led by biomedical researchers at Federation University Australia discovered unique portions of genetic material known as long non-coding RNAs on the Y chromosome that could contribute to the onset of heart disease in men.

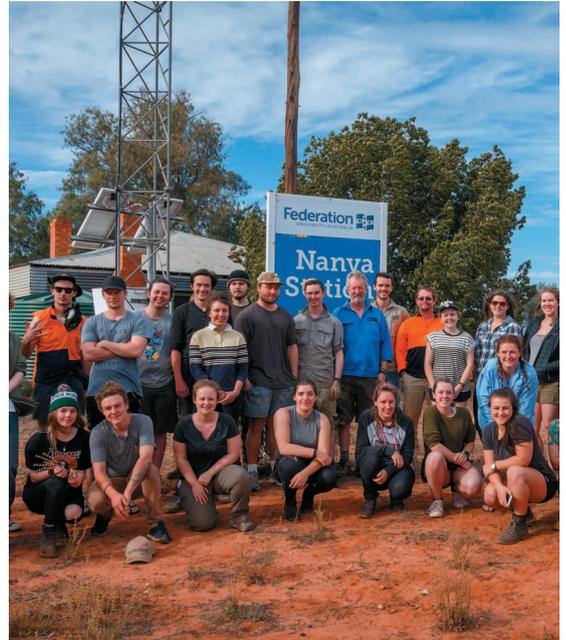
Professor Erica Smith, with Dr Jackie Tuck were selected to undertake a significant project analysing apprenticeship initiatives for the 'G20' countries.

Federation University Australia and Vedanta Biosciences began a joint research project investigating the role of the gut microbiota in infant health in Papua New Guinea.

Collaborative research between Precision Agriculture, one of Australia's most experienced agriculture technology providers, and the Centre for eResearch and Digital Innovation (CeRDI) is set to accelerate the adoption of precision farming techniques in Australia.

Dr Savin Chand, Leader of the FedUni Climate Informatics Research Group received support from the Department of Environment and Energy to advance tropical cyclone research.

Dr Julien Ugon furthered his mathematical research into optimization techniques. The techniques and methods will assist the many disciplines where approximation problems appear, such as engineering, physics, nuclear science or data mining.



The Nanya Research Station, the University's unique environmental property in south-west New South Wales, received two major grants to protect flora and fauna on the 40,000 hectare property. One of the grants will support research into the ecology and management of Mallee Fowl, of which Nanya supports a strong population.

Professor Erik Eklund, Director of Centre for Gippsland Studies, published research suggesting that three major industrial regions, Wollongong, Newcastle and Latrobe Valley, were not making the most of their cultural and economic heritage. The project investigated the relationship between industrial heritage and regional identity during deindustrialization.

Professor Peter Gell was one of 27 authors from 17 countries to publish research in *The Anthropocene Review* suggesting the first human impact on wetland ecosystems across the globe was earlier than estimated.

Professor Caroline Finch AO and Dr Lauren Fortington researched medical emergency management and the use of defibrillators in sporting environments. The program will provide 1000 automated external defibrillator packages to sports clubs and facilities across the State.

The Sport and Recreation Spatial team at Federation University Australia was presented with the prestigious Parks and Leisure Australia national research award (Vic/Tas) for their work investigating sport and recreation participation and facilitates, and health outcomes to allow evidence-based decision making by governments.

Our Research Impact continued



The Governor of Victoria The Honourable Linda Dessau AC visited the Gippsland Campus where nursing continues to attract strong enrolments due to the University's many partnerships with regional health providers.

Federation University Australia led a collaborative project with the North Central Catchment Management Authority and Barapa Barapa Traditional Owners to understand the ecological and cultural history of Gunbower Forest. The Living Murray Project is in collaboration with researchers from the University of Melbourne.

HIGHER DEGREE BY RESEARCH (HDR)

In 2017 66 new HDR students were enrolled, and there were 33 HDR completions, representing an almost 20% increase over 2016. 2017 also saw a highly successful HDR conference, with more HDR student involvement than in previous years, and the inaugural FedUni HDR Supervision awards (as follows):

2017 Award for Excellence in Promoting Industry Engagement in Graduate Research: Children and Youth Area Partnership (CYAP) Research Collaboration Higher Degrees by Research (HDR) Initiative. Prof John McDonald, Dr Karen Crinall and Dr Christina Sadowski. FEA.

2017 Award for Excellence in Graduate Research Leadership. Associate Professor Wendy Wright. FoST

CONFERENCES

The University played a role in furthering research and collaboration, and in engaging with its communities, hosting the following conferences in 2017

- State-wide Living with Bushfire Community Conference at the Mt Helen Campus to prepare Victorians for the bushfire season
- The 13th Australasian Injury Prevention and Safety Promotion Conference – the premier injury event in the Asia Pacific region jointly hosted by ACRISP
- The Seventh Biodiversity Across The Borders Conference – considered one of the leading biodiversity and ecology events in the nation.
- The 2017 IEEE – ICM International Conference on Mechatronics at the Gippsland Campus exploring the latest developments in mechatronics around the world
- Federation University Australia held the first of a series of international conferences that explored innovative ways to keep people independent and well in later life.

Major Achievements and Events



At the age of 86, Uncle Edward (affectionately known as Dennis), was the oldest indigenous Australian to graduate from FedUni's Gippsland Campus. Uncle Dennis earned a place in the local history books when he graduated with a Bachelor of Arts (Aboriginal studies) in 2014 – a degree he completed at the age of 82.

For the first time in its history, the University entered a student team in the 2017 Indigenous Uni Games.



Federation University Australia student Chris Hams (left) was awarded a prestigious New Colombo Plan Scholarship funded by the Australian Government and presented by Federal Minister Julie Bishop at a ceremony in Canberra.

State Library Victoria announced a second storage facility at the University's Mt Helen Campus, incorporating advanced bushfire protection technology to protect the items of national significance across the site. The current facility holds more than half of the library's extensive collection including the waistcoat worn by Captain James Cook.



Trystan Sammut won a bronze medal at the International WorldSkills Competition in Abu Dhabi. TAFE also supported a successful WorldSkills Regional Competition involving 15 industry disciplines with winners eligible for selection to compete at the national titles in Sydney in 2018.

In the 2017 Victorian Training Awards FedUni TAFE was a finalist in three categories with its industry partner Gason winning the major award – Employer Award for Apprenticeship Development

FedUni TAFE Wimmera teacher Iaian Fricker taught all three placegetters, Cory Mann, Chris Loader and Ryan Clarke in the State Level WorldSkills Electro-technology competition

The Skills and Job Centre which forms part of a state-wide TAFE initiative, extended its services into the Wimmera with a presence now on the Wimmera Campus. Minister Tierney visited the Ballarat centre in 2017 to witness the re-training programs on offer.

Extending international connections, FedUni TAFE commenced onshore international training with a group of students from Chongqing Wuyi College. Another 20 vocational teachers from the Guangdong Province spent three weeks learning about the Australian VET System and the industry connection.

Professor Helen Bartlett spoke at the SAGE (Science in Australia Gender Equity) Symposium in September. FedUni is an Athena SWAN Charter member committed to advancing gender equality and diversity in academia, and the recruitment, promotion and retention of women in science, technology, engineering, mathematics and medicine.

In September 2017 the University announced a three-year naming rights sponsorship with Cycling Australia for the RoadNats Championships, which for the first time in its history, took the field through the University's Mt Helen Campus, adding a new degree of difficulty to the course.

Associate Professor Singarayer Florentine was named one of the nation's top teachers with the prestigious Citation for Outstanding Contribution to Student Learning by the Australian Award for University Teaching. Associate Professor Florentine, from the University's School of Applied and Biomedical Science, was recognised for his development of highly innovative curricula, resources, services and practical experiences in the field of restoration ecology that are linked to high-quality work readiness student outcomes.

Former Deputy Prime Minister Tim Fischer AC delivered the 2017 Sir Albert Coates Oration at Federation University Australia's Mt Helen Campus.

The University launched the FedUni High Achievers Scholarships of up to \$18,000 each for students who were dux of their school or achieved an ATAR of more than 90.

beyondblue ambassadors and former *My Kitchen Rules* contestants, Mark Virgona and Chris Jongbloed cooked up a storm at the University's 6th annual Blue Tie Ball which raises funds to help in the fight against depression.

Alumni



Ann Gervasoni was named Alumna of the Year for her distinguished contribution to education in teaching, research and community engagement

The title of Distinguished Alumnus (Posthumously) was awarded to famed Antarctic explorer, the late R W (Dick) Richards.



Leon Newnham, President, Visa Entertainment Solutions, Los Angeles was named Alumnus of the Year.

International Alumnus of the Year, Saeed Al Muharrami is a United Arab Emirates ambassador.

Distinguished Alumnus, Martin Andanar is a Former Filipino TV media executive, news anchor, radio commentator and current Secretary of the Presidential Communications Office of the Philippines.

Kenneth Ogden was named distinguished Alumnus for his substantial contribution to the civil engineering community.

Masters of Education student, Ruby Pilven, has been included in the international publication *Clay: Contemporary Ceramic Artisans* by Amber Creswell Bell, published through Thames and Hudson.

The Federation University Australia Foundation

In 2017, the Foundation increased its scholarship allocation to 56 scholarships ranging from \$1,000 to \$7,000 in value. The Federation University Australia Foundation donations have continued to rise throughout 2017, with overall donations to the Foundation reaching over \$3 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, and warmly thanks all current donors and their families for their generosity in growing the Foundation funds.

DONOR RECOGNITION CATEGORIES

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

Donor recognition

CHANCELLOR'S CIRCLE DONORS

2011

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

2012

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

2013

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

2014

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

2015

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

2016

Professor David Battersby AM
Dr Paul J H Hemming

2017

Dr Paul J H Hemming and
Mrs Linda Hemming

CORPORATE DONORS

2011

Pierce Armstrong Trust

2014

Gippsland Education Precinct
Golden Key International Honours Society

2015

Buninyong Community Bank
Inskill Pty Ltd

2016

Buninyong Community Bank

2017

Buninyong Community Bank
Hamilton & District Rural Australians
for Refugees
Isobella Foundation
Melbourne World Friendship
Association of Fuqing
Sylem Family Trust

PLATINUM CIRCLE DONOR

2010

Dr. Wai-Man Woo

2015

Inskill Pty Ltd

2017

Dr Shesh Ghale
Gold Circle donor

2014

Estate Ian Alexander Gordon

2015

Gippsland Education Precinct

2016

Dr Meredith Doig
Dr Shesh Ghale
Dr Kiran Mazumdar-Shaw
Silver Circle donor

2014

Brian Mackenzie Gippsland Bequest

2017

Mr Tony Stone
United Chinese Commerce
Association of Australia

BRONZE CIRCLE DONOR

2011

Dr John Harvey AO

2012

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

2013

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

2014

Ms Pam Sutcliffe

2015

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

2016

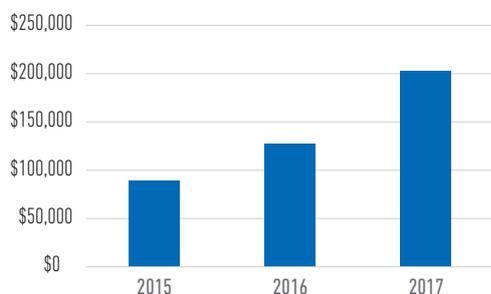
Mr Shane Armstrong &
Mrs Yvonne Armstrong
In memory of John Charles Barker, B. Eng.
(B.C.A.E.) 1958–1994
Ms Pauline Buckland
Mr Steven Davies
Ms Janet Dore
Professor Emeritus Kwong Lee Dow AM AO
FedUni Ex-Staff Association (Ballarat Branch)
Dr Janet Holmes a Court AO AC
Mr Geoffrey Lord
Professor John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

2017

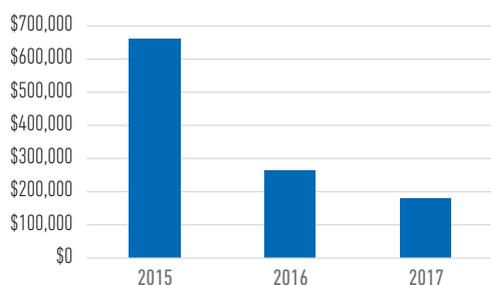
Mr Steven Davies
Mr & Mrs Sue and Greg Jakob
Mr Geoffrey Lord
Diane Gibney and James Nugent
Mrs Karen Douglas
Mr Colin Prowse OAM
Mrs Shirley Prowse
Mrs Claire Shaw

2017 Foundation Scholarships

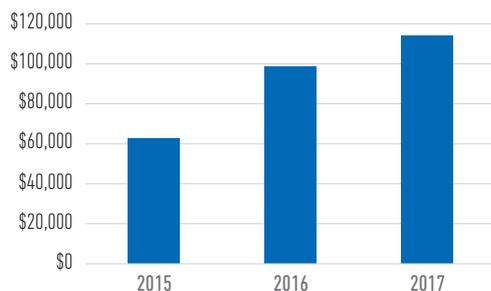
VALUE OF SCHOLARSHIPS GIVEN



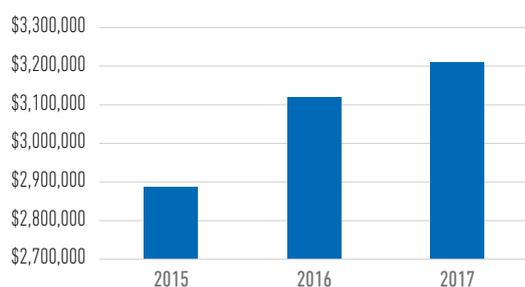
DONATIONS RECEIVED



INVESTMENT INCOME



NET ASSETS



In 2017 the Foundation awarded 56 scholarships and bursaries valued between \$1,000 – \$7,000 including a number of donor named scholarships:

- Brian Mackenzie Gippsland Bursary
- Buninyong Community Bank Scholarships
- Carol Lynette Grant Prowse Scholarship
- Dunkeld Refugee & Asylum Seeker Support
- Gippsland Education Precinct Bursaries
- Hamilton & District Rural Australians for Refugees
- Ian Alexander Gordon Scholarship
- Isobella Foundation Scholarship
- Kiran Mazumdar-Shaw Scholarship
- Meredith Doig Scholarship
- Thom Nugent Memorial Scholarship



2017 Foundation scholarship recipients pictured from left: Lori Howlett, Michelle Steicke, Justin Stankovic, Karah Broad, Jodie McLellan, Apollinaire Irumva & his daughter, Nathan Dower, Isaac Duffy, Samuel Crane, Scott Anderson, Chancellor Dr Paul Hemming, Jacinta Burke, Dakota Richards, Ali-dad Afzali, Ashten May, Mickael Shanko, Rebecca McIntosh, Sandra Cross, Mitchell Corrigan, Abhinav Hira

The Gippsland Education Precinct elected for voluntary cancellation of its Incorporation in 2014 and the residual funds were transferred to the Foundation to establish two bursaries at the value of \$2,500 each. 2017 recipients were Corey Harding and Scott Adler .

The Kiran Mazumdar-Shaw scholarship is available to an Indian student undertaking studies in the fields of science, technology, engineering or mathematics to the value of \$7,000. The 2017 recipient was Abhinav Hira.

The Meredith Doig scholarship is available to a female student undertaking studies in their second or third year in the field of science, technology, engineering or mathematics to the value of \$4,000. Pictured above from left: The 2017 recipient was Michelle Steicke.

The Thom Nugent Memorial Scholarship was established in 2017 in memory of Thom Nugent, a dedicated and passionate young man of 26 who studied the Bachelor of Science at FedUni to the value of \$2,000. Lori Howlett was the 2017 recipient.

The Buninyong Community Bank established scholarships to the value of \$1,000 for three TAFE students and \$7,000 for a Higher Education student studying in the fields of environmental studies. Mitchell Corrigan was the 2017 Higher Education recipient. Mark Oliver and Brad Odgers were the 2017 TAFE recipients.

The Brian Mackenzie Gippsland Bursary, to the value of \$3,000, was established to honour the life of Emeritus Professor Brian Mackenzie. The 2017 recipient was Terry Scheerle.

The Carol Lynette Grant Prowse Scholarship was established to honour the life of Carol who passed away in 2015. Melissa Millar was the 2017 recipient.

The Dunkeld Refugee & Asylum Seeker Scholarship was established in 2017 to support a Karen refugee student studying at the Wimmera Campus. Muh Muh Maw Kay was the 2017 recipient.

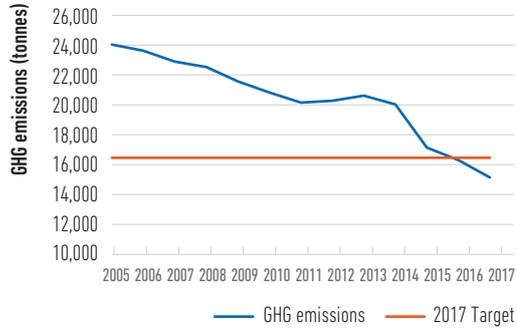
The Hamilton & District Rural Australians for Refugees Scholarship was established in 2017 to support a Karen refugee student study at the Wimmera Campus. Tha Blay Sher was the 2017 recipient.

Environmental Performance

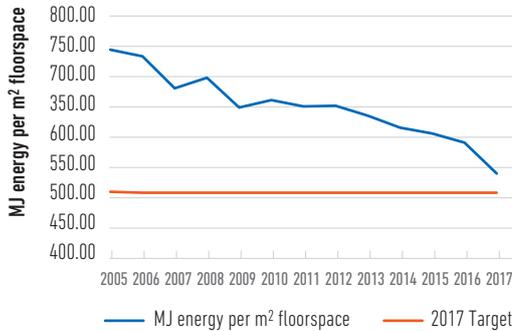
FedUni continues to reduce the environmental impact on every campus through a range of measures including energy reduction, waste minimisation, and vehicle fuel savings. Our 2016–17 Sustainability Strategy sets environmental targets against the baseline year (2013). Since 2013 FedUni has achieved the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

- reduction in greenhouse gas emissions (GHG) by 26% or 6,115 tonnes
- electricity consumption reduced 21%
- natural gas consumption reduced by 14%
- water consumption increased by 5% or 4.2 million litres
- recycled waste increased by 56 tonnes, a 21% improvement
- waste to landfill reduced by 112 tonnes, a 23% improvement
- fuel consumption for the vehicle fleet reduced by 21%, a saving of 46,000 litres
- staff patronage on V/Line train travel increased by 71%
- paper consumption decreased by 32% or 6,444 reams

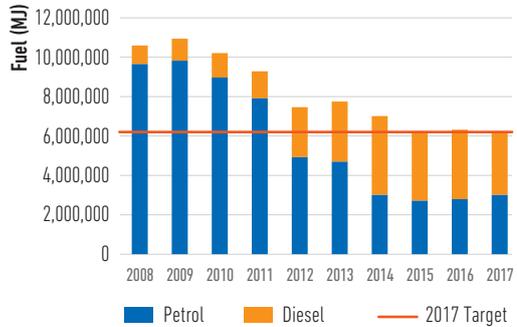
GREENHOUSE GAS EMISSIONS



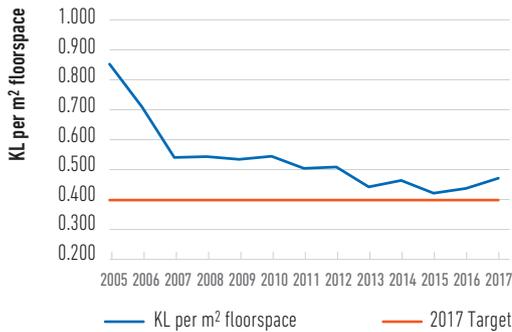
ENERGY CONSUMPTION



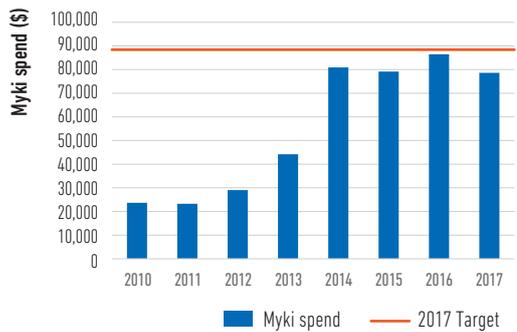
VEHICLE FLEET FUEL



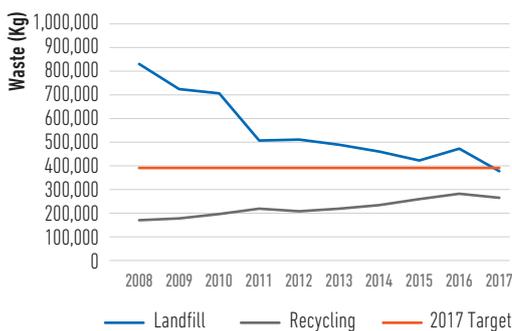
POTABLE WATER CONSUMPTION



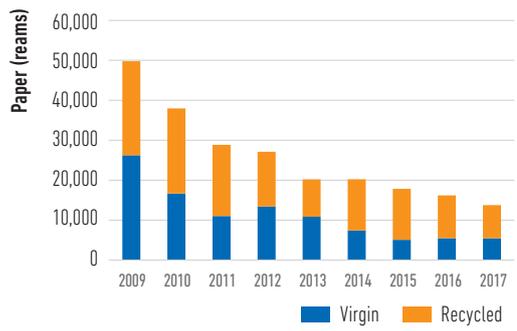
V/LINE TRAVEL



WASTE AND RECYCLING



PAPER



Appendix One

Disclosure index

KEY TO ABBREVIATIONS

FRD = Financial Reporting Directions (as at 11 November 2017): available at:

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

SD = Standing Directions (as at 11 November 2017) available at:

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

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO./S
STANDING DIRECTIONS/FINANCIAL MANAGEMENT ACT 1994 (FMA)			
1.	FRD 22H	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	2–34, f35–f36
2.	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions and Australian Accounting Standards	f35
3.	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved.	2, f35
4.	SD 5.2.2	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and Australian Accounting Standards Board standards) and other mandatory professional reporting requirements; • Financial Reporting Directions; and • <i>Financial Management Act 1994</i>. 	f41
5.	SD 5.2.2(a) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none"> • Present fairly the financial transactions during reporting period and the financial position at end of the period; • Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards; • Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and • Comply with applicable Australian Accounting Standards (AAS and Australian Accounting Standards Board standards) and other mandatory professional reporting requirements. 	f35
6.	FRD 30D	Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <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. 	f42
7.	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee <i>established by the Responsible Body</i> , or Responsible Body prior to finalisation and submission.	f35, f85
8.	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework.	13
9.	FRD 03A	Accounting for Dividends	N/A
10.	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	f42
11.	FRD 10A	Disclosure Index	29–30
12.	FRD 11A	Disclosure of Ex-gratia Payments	f84
13.	FRD 17B	Long Service leave and annual leave for employees	f57
14.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	f65–f66
15.	FRD 22H	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 	33
16.	FRD 22H	Manner of establishment and the relevant Minister	f36, f65
17.	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4, 22–25
18.	FRD 22H	Nature and range of services provided including communities served	5

Appendix One

ITEM NO.	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO./S
STANDING DIRECTIONS/FINANCIAL MANAGEMENT ACT 1994 (FMA) CONTINUED...			
19.	FRD 22H	Organisational structure and chart, including responsibilities	9–12, 15
20.	FRD 22H	Names of Council members	6–8
21.	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	4–5, 14, 17–18, 22–28
22.	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators. <i>Reporting must be on the items listed at 6.10 (a) to (e) in the FRD</i>	16
23.	FRD 22H	Workforce data for current and previous reporting period, including a statement on employment and conduct principles, and that employees have been correctly classified in the workforce data collections	15–16
24.	FRD 22H	Summary of the financial results for the year including previous 4 year comparisons	32
25.	FRD 22H	Significant changes in financial position during the year	31
26.	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	3, 17, 22–25
27.	FRD 22H	Major changes or factors affecting performance	31
28.	FRD 22H	Discussion and analysis of operating results and financial results	31
29.	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	f84
30.	FRD 22H	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	18
31.	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) – (d) in the FRD	N/A
32.	FRD 22H	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	19
33.	FRD 22H	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	20
34.	FRD 22H	Statement where applicable on the implementation and compliance with the National Competition Policy	N/A
35.	FRD 22H	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	20
36.	FRD 22H	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012 (Carers Act)</i> , and the actions that were taken during the year to comply with the Carers Act	N/A
37.	FRD 22H and 24C	Summary of Environmental Performance including a report on office based environmental impacts	28
38.	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at 6.19 (a) – (l) in the FRD)	21
39.	FRD 25C	Victorian Industry Participation Policy in the Report of Operations	31
40.	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
41.	FRD 102A	Inventories	f51
42.	FRD 103F	Non-financial physical assets	f52–f54
43.	FRD 105B	Borrowing Costs	f47
44.	FRD 106A	Impairment of assets	f47
45.	FRD 107B	Investment properties	f55
46.	FRD 109A	Intangible assets	N/A
47.	FRD 110A	Cash flow statements	f39, f60
48.	FRD 112D	Defined benefit superannuation obligations	f63–f64
49.	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	f68–f69
50.	FRD 119A	Transfers through contributed capital	N/A
51.	FRD 120K	Accounting and reporting pronouncements applicable to the reporting period	f42
52.	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2017	33
53.	PAEC	Financial and other information relating to the university's international operations	f67
54.	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 	f68–f69

Appendix Two

Financial Summary – Consolidated Results

Federation University Australia and its controlled entities comprise of the following:

Brisbane Education Services Pty Ltd
UB Housing Pty Ltd
Inskill Pty Ltd
Datascreen Pty Ltd (a subsidiary of Inskill)
School of Mines and Industries Ballarat Ltd

Federation University Australia and its controlled entities recorded an operating loss of \$6.85 million for the year ended 2017 (\$0.5m Surplus for 2016).

The University reported an operating loss of \$4.35m. This result included \$12.5m of capital grant revenue from a number of sources, mainly related to the rejuvenation of our Ballarat CBD Precinct with the establishment of a Tech School and commercialisation of buildings that no longer were fit for education purposes.

The main areas of movement from 2016 were:

Total Income from continuing operations for 2017 was \$270m an increase of \$7m over 2016 attributable to:

State Government Grants Increase	\$15.3m
Course Fees and Charges Decrease	\$11.6m
Other Fees and Charges Increase	\$1.4m
Investment Income Increase	\$0.85m
Consultancy and Research	\$1m

Total Expenditure from continuing operations for 2017 was \$277m an increase of \$14.4m over 2016 attributable to:

Salary and Wages Increase	\$12.m
Repairs and Maintenance Increase	\$2.2m
Other Expenses Increase	\$7.6m
Private Provider Expenses Decrease	\$7.8m

Net cash, after taking into account capital spend fell by \$8.1m during the year, following investment in capital works and setting up new campus operations.

FUTURE OUTLOOK

Federation University Australia's operations remains a challenge in these regional markets, with the population who are looking to engage in education not increasing regionally. However, the University did grow its operations during 2017, commencing at the Monash University Berwick campus. From 2018, the University will have sole use of the site and will aim to provide high quality education in a growing population corridor. Enrolments for 2017 exceeded expectations and applications for 2018 have been strong.

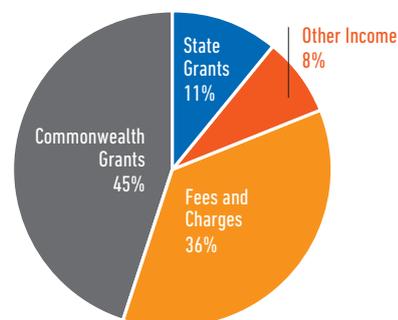
A new Brisbane Campus for international students was also completed in the year, and teaching will commence during 2018.

In terms of other changes, the University has been assessing the impact of any Federal and State funding changes for 2018, 2019 and 2020 on our strategic plans.

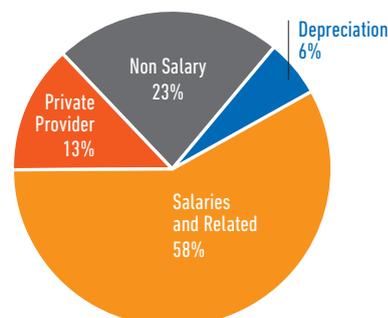
Federation University Australia has a history of increasing higher education participation in the Gippsland region, which is suffering significant economic challenges. FedUni's continuing presence in Gippsland's Latrobe Valley is widely acknowledged as critical to the future economic and social regeneration of the region.

Given the challenging funding environment the University will focus on aligning expenditure to its income levels, and will continue to examine ways of increasing income domestically and internationally through 2018.

TOTAL INCOME



TOTAL EXPENDITURE



VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP)

The University considers the application of VIPP as part of its procurement process for relevant tenders as defined in the policy. In 2017, the application of VIPP was not considered applicable to those tenders undertaken.

Appendix Two

Five Year Financial Summary

STATEMENT OF COMPREHENSIVE INCOME	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
INCOME					
Commonwealth Government Grants	120,327	119,403	70,436	61,346	60,052
Victorian State Government Grants	30,870	15,610	12,354	18,094	24,435
Other Income	118,972	128,078	148,620	161,065	87,699
Total Income	270,169	263,091	272,869	278,740	205,444
Expenses	277,019	262,577	266,515	275,904	201,247
Net result for the year	(6,850)	514	6,354	2,836	4,197
STATEMENT OF FINANCIAL POSITION					
CURRENT ASSETS					
Cash and cash equivalents	52,878	62,103	79,466	123,575	87,222
Receivables	15,812	14,375	15,588	29,209	17,868
Other financial assets	65,000	81,498	130,511	80,292	100,281
Other assets	4,741	3,633	3,645	2,698	2,714
Total Current Assets	138,431	161,609	229,210	235,774	208,085
NON-CURRENT ASSETS					
Receivables	58,550	59,785	63,111	63,270	61,970
Property, plant and equipment	307,342	304,600	311,768	300,423	277,093
Investment Property	68,040	66,165	66,570	59,275	62,845
Other	91,078	73,387	9,757	1,929	3,513
Total Non-Current Assets	525,010	503,937	451,206	424,897	405,421
TOTAL ASSETS	663,441	665,546	680,416	660,671	613,506
CURRENT LIABILITIES					
Payables	14,338	10,219	22,794	40,737	7,182
Borrowings	–	–	164	632	595
Provisions	37,611	39,182	36,153	34,644	24,307
Other liabilities	6,749	8,668	13,013	13,151	9,329
Total Current Liabilities	58,698	58,069	72,124	89,164	41,413
NON-CURRENT LIABILITIES					
Borrowings	–	–	–	164	796
Provisions	61,661	62,718	65,876	66,532	64,525
Total Non-Current Liabilities	61,661	62,718	65,876	66,696	65,321
TOTAL LIABILITIES	120,359	120,787	138,000	155,860	106,734
NET ASSETS	543,082	544,759	542,416	504,811	506,772
TOTAL EQUITY	543,082	544,759	542,416	504,811	506,772

Appendix Two

Consultancies

In 2017 there were 6 consultancies in excess of \$10,000 totalling \$248,392.17.

CONSULTANCY	AMOUNT
IMORSE – Clause 36 compliance review	\$62,951
BlueSky Resolution – Complaints and grievance review	\$24,300
CPA Australia – Financial management review	\$97,191
DVE Business Solutions – Business process improvements	\$19,600
EduWorld – International strategy development	\$17,351
Nous Group – RUN economic impact analysis	\$27,000
	\$248,393

The above consultancies were all finalised within the reporting period.

There was one consultancy of less than \$10,000 during 2017. The total value of this was \$8,500.00.

Further details regarding the consultancies in excess of \$10,000 can be found on the University's website: <https://federation.edu.au/staff/governance/plans-publications-policies/organisational-data>

Statement on Compulsory non-academic Fees

For the Year ending 31 December 2017

In compliance with the *Education and Training Reform Act 2006* Federation University Australia levied an amenities and student services fee in accordance with the *Higher Education Support (Student Services and Amenities) Act 2010* (Cth). The fee per Study Load was as follows:

	2017	2016
Less than 0.125	\$0	\$0
0.125 to less than 0.250	\$147	\$145
0.250 to less than 0.750	\$219	\$217
0.750 and above	\$294	\$290

	2017	2016
Carry Forward from prior year	\$281,130	\$297,852
2017 Student Amenities Fee	\$1,849,780	\$1,792,529
Total SSAF funds Available	\$2,130,910	\$2,090,381
Total Expenditure	\$1,901,651	\$1,809,251
Total unspent SSAF funds 31 December	\$229,259	\$281,130

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
- FedUNITED Awards
- Student Health and Wellbeing Initiatives

Financial Statements

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Declaration by Chancellor, Vice-Chancellor and Chief Financial Officer

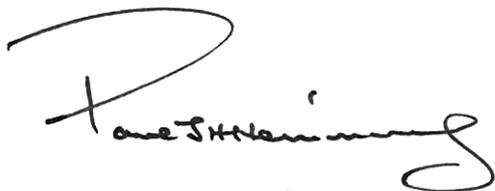
We certify that the attached financial report for Federation University Australia has been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory 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 2017 and financial position of the University as at 31 December 2017.

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 Federation University Australia.



Dr Paul J H Hemming AO

Chancellor



Professor Helen Bartlett

Vice-Chancellor and President



John Blair

Chief Operating Officer / Chief Financial Officer

Mt Helen

Dated: 20 February 2018

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 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 Act or as delegated by Council.

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 2017

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
INCOME					
Australian Government financial assistance	2.1	120,327	119,403	120,327	119,403
State Government financial assistance	2.2	30,870	15,610	30,870	15,610
HECS-HELP – Student payments		2,126	2,190	2,126	2,190
Course fees and charges	2.3	77,112	88,710	77,112	88,710
Other fees and charges	2.3	14,154	12,797	14,154	12,797
Consultancy and contract research	2.4	6,635	5,576	6,635	5,576
Investment revenue	2.5	13,648	14,677	13,648	14,677
Profit on disposal of assets	9	–	89	–	89
Other revenue	2.6	3,422	4,039	3,420	4,039
Total income		268,294	263,091	268,292	263,091
Revaluation increment on investment properties	10	1,875	–	1,875	–
Total Income		270,169	263,091	270,167	263,091
EXPENSES					
Employee expenses	3.1	162,063	150,084	161,852	150,073
Depreciation and amortisation	3.2	15,383	15,514	15,381	15,514
Repairs and maintenance	3.3	7,709	5,516	7,708	5,516
Impairment of assets	3.4	756	594	756	594
Other expenses	3.5	53,216	45,571	50,928	45,501
Losses on disposal of assets	9	828	–	828	–
Finance costs		15	22	15	20
Private providers		37,049	44,871	37,049	44,871
Total expenses		277,019	262,172	274,517	262,089
Revaluation decrement on investment properties	10	–	405	–	405
Total Expenses		277,019	262,577	274,517	262,494
Net result		(6,850)	514	(4,350)	597
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit or loss					
Gain on value of available for sale financial assets	15	5,173	1,829	5,173	1,829
Superannuation:					
Decrease in deferred government contribution	20	(1,874)	(2,859)	(1,874)	(2,859)
Decrease in deferred government employee benefits	20	1,874	2,859	1,874	2,859
Total Other Comprehensive Income		5,173	1,829	5,173	1,829
Total Comprehensive Income		(1,677)	2,343	823	2,426

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

Statement of Financial Position

AS AT 31 DECEMBER 2017

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CURRENT ASSETS					
Cash and cash equivalents	4	52,878	62,103	52,846	62,072
Receivables	5	15,812	14,375	19,364	14,476
Other financial assets	6	65,000	81,498	65,000	81,498
Non-current assets held for sale	7	395	–	395	–
Other assets	8	4,346	3,633	4,331	3,633
Total Current Assets		138,431	161,609	141,936	161,679
NON-CURRENT ASSETS					
Receivables	5	58,550	59,785	58,550	59,785
Other financial assets	6	91,078	73,387	91,056	73,365
Property, plant and equipment	9	307,342	304,600	301,948	304,600
Investment properties	10	68,040	66,165	68,040	66,165
Total Non-Current Assets		525,010	503,937	519,594	503,915
TOTAL ASSETS		663,441	665,546	661,530	665,594
CURRENT LIABILITIES					
Payables	11	14,338	10,219	9,880	10,220
Provisions	13	37,611	39,182	37,611	39,182
Funds received in advance	14	6,749	8,668	6,749	8,668
Total Current Liabilities		58,698	58,069	54,240	58,070
NON-CURRENT LIABILITIES					
Provisions	13	61,661	62,718	61,661	62,718
Total Non-Current Liabilities		61,661	62,718	61,661	62,718
TOTAL LIABILITIES		120,359	120,787	115,901	120,788
NET ASSETS		543,082	544,759	545,629	544,806
EQUITY					
Accumulated surplus	15	363,315	370,165	365,862	370,212
Reserves	15	179,767	174,594	179,767	174,594
TOTAL EQUITY		543,082	544,759	545,629	544,806

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

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
User fees and charges received		95,065	112,045	94,886	111,976
Investment Income received		12,506	12,165	12,506	12,165
Other receipts		3,696	4,039	3,694	4,039
GST recovered from ATO		11,041	10,824	11,041	10,824
State Government Grants		18,706	13,916	18,706	13,916
State Government contributions – specific projects	2.7	11,996	1,511	11,996	1,511
Commonwealth Government Grants		76,345	74,499	76,345	74,499
Student payments		2,126	2,190	2,126	2,190
HECS-HELP – Commonwealth payments		38,741	37,477	38,741	37,477
FEE-HELP – Commonwealth payments		2,488	3,527	2,488	3,527
STUDENT AMENITIES-HELP		1,719	1,600	1,719	1,600
VET FEE-HELP		1,463	2,339	1,463	2,339
OS-HELP (Net)		(43)	104	(43)	104
Superannuation Supplementation (net)		(1,205)	132	(1,205)	132
Payments to employees		(163,092)	(149,123)	(162,886)	(149,112)
Payments to suppliers (including GST)		(69,613)	(81,481)	(71,763)	(81,426)
Finance costs		(15)	(22)	(15)	(20)
Payments to private providers		(37,049)	(44,871)	(37,049)	(44,871)
Net cash provided by/(used in) operating activities	16	4,875	871	2,750	870
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment	9	(19,418)	(7,487)	(14,022)	(7,487)
Proceeds from financial assets		106,500	237,051	106,500	237,051
Payments for financial assets		(101,182)	(247,634)	(101,182)	(247,634)
Net cash used in investing activities		(14,100)	(18,070)	(8,704)	(18,070)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		–	(164)	–	(164)
Loans to related parties		–	–	(3,272)	–
Net cash used in financing activities		–	(164)	(3,272)	(164)
Net decrease in cash and cash equivalents		(9,225)	(17,363)	(9,226)	(17,364)
Cash and cash equivalents at the beginning of the financial year		62,103	79,466	62,072	79,436
Cash and cash equivalents at the end of the financial year	4	52,878	62,103	52,846	62,072

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

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTE	RESERVES \$000	2017 RETAINED SURPLUS \$000	TOTAL \$000	RESERVES \$000	2016 RETAINED SURPLUS \$000	TOTAL \$000
CONSOLIDATED							
Total equity at the beginning of the financial year		174,594	370,165	544,759	172,765	369,651	542,416
Net operating result		–	(6,850)	(6,850)	–	514	514
Gain on revaluation		5,173	–	5,173	1,829	–	1,829
Total equity at the end of the financial year	15	179,767	363,315	543,082	174,594	370,165	544,759
UNIVERSITY							
Total equity at the beginning of the financial year		174,594	370,212	544,806	172,765	369,615	542,380
Net operating result		–	(4,350)	(4,350)	–	597	597
Gain on revaluation		5,173	–	5,173	1,829	–	1,829
Total equity at the end of the financial year	15	179,767	365,862	545,629	174,594	370,212	544,806

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

Notes to the Financial Statements

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for Federation University Australia as the parent entity and the consolidated entity consisting of Federation University Australia and its subsidiaries. Federation University Australia (the University) and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

The principal address of Federation University Australia is University Drive, Mt Helen, Victoria, 3350.

Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of the University and its subsidiaries. They have been prepared on an accrual basis and comply with the Australian Accounting Standards. The University applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003 (Financial Statement Guidelines)*
- *Victorian Financial Management Act 1994 (Standing Direction 4.2(c) and applicable Financial Reporting Directions)*

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

Date of Authorisation

The financial statements were authorised for issue by the Council members of Federation University Australia on 20 February 2018.

Historical cost convention

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

All amounts in the financial statements are in Australian currency and have been rounded to the nearest thousand dollars.

Unless otherwise stated, the accounting policies are consistent with those of the prior year.

Critical accounting estimates and judgements

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

A) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2017 and the results of all controlled entities consolidated into this financial report are outlined in Note 25 Subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions between the Group entities 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) INCOME TAX

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

C) 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.

D) 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.

E) ROUNDING OF AMOUNTS

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

F) COMPARATIVE FIGURES

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

G) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

At the date of this report new Accounting Standards and Interpretations have been published that are not mandatory for the financial year ending 31 December 2017. They are available for early adoption, but have not been applied in preparing this financial report. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. Application may result in material changes to the Group's future financial reports, however the quantitative effects of the Group adopting these standards has not yet been determined.

Effective January 2018, *AASB 9 Financial Instruments* replaces the existing guidance in *AASB 139 Financial Instruments*. The key changes include simplified requirements for classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses, as opposed to the current approach that recognises impairment only when incurred.

The Group currently classify equity investments as available-for-sale financial assets which under *AASB 9* will be categorised at Fair Value. The impact on the Group will depend on whether an irrevocable election to present gains and losses in other comprehensive income is made (as the Group currently does), otherwise investments will be classified as fair value through the profit or loss.

Australian Accounting Standard *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities* are mandatory from 1 January 2019. The standards replace *AASB 118 Revenue*, *AASB 111 Construction Contracts* and *AASB 1004 Contributions*.

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of *AASB 15* is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time.

Furthermore, *AASB 1058* amends the income recognition requirements that apply to not-for-profit entities and establishes principles for not-for-profit entities that apply to:

- (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives;
- (b) the receipt of volunteer services; and
- (c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.

The Group is in the process of assessing the changes, if any, to its revenue recognition policies upon the adoption of *AASB 15* and *AASB 1058*. Until management completes that process, the Group is unable to reasonably quantify the expected financial impacts of those Standards in future periods.

Effective January 1 2019, under *AASB 16 Leases*, the classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability.

The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

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 | INCOME

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
NOTE 2.1 – AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE					
(A) COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS					
Commonwealth Grants Scheme	28.1	68,292	65,869	68,292	65,869
Disability Support Programme	28.1	71	69	71	69
Promotion of Excellence in Learning and Teaching	28.1	10	55	10	55
HE Participation Program	28.1	2,090	2,396	2,090	2,396
Indigenous Access Scholarships	28.1	528	271	528	271
Total Commonwealth Grants Scheme and Other Grants		70,991	68,660	70,991	68,660
(B) HIGHER EDUCATION LOAN PROGRAMMES					
HECS-HELP	28.2	39,029	37,477	39,029	37,477
FEE-HELP	28.2	2,462	3,527	2,462	3,527
SA-HELP	28.2	1,701	1,600	1,701	1,600
VET FEE-HELP	28.2	1,609	2,339	1,609	2,339
Total Higher Education Loan Programmes		44,801	44,943	44,801	44,943
(C) SCHOLARSHIPS					
Research Training Program	28.3	2,214	2,375	2,214	2,375
National Priority Scholarships	28.3	–	150	–	150
Total Scholarships		2,214	2,525	2,214	2,525
(D) EDUCATION – RESEARCH					
Research Support Program	28.3	1,634	1,600	1,634	1,600
Total Education – Research		1,634	1,600	1,634	1,600
(E) AUSTRALIAN RESEARCH COUNCIL					
Discovery Projects	28.4	116	148	116	148
Linkages Projects	28.4	10	28	10	28
Total Australian Research Council		126	176	126	176
(F) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE					
HIGHER EDUCATION					
Non-Capital					
National Health & Medical Research Council		261	255	261	255
Other Commonwealth Grants		300	1,244	300	1,244
Total Other Australian Government financial assistance		561	1,499	561	1,499
Total Australian Government financial assistance		120,327	119,403	120,327	119,403

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:

Government grants

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

Higher Education Loan Programme (HELP) payments

This category comprises of HECS HELP, FEE HELP, VET FEE HELP & Student Amenities FEE HELP. Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

NOTE 2 | INCOME continued...

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
NOTE 2.2 – STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE				
VET				
Non-Capital				
VET recurrent and competitive grants	11,712	9,450	11,712	9,450
Other state grants	6,662	4,649	6,662	4,649
	18,374	14,099	18,374	14,099
Capital				
State capital grants	11,996	1,511	11,996	1,511
HIGHER EDUCATION				
Capital				
State capital grants	500	–	500	–
Total State and Local Government financial assistance	30,870	15,610	30,870	15,610

NOTE 2.3 – FEES AND CHARGES

COURSE FEES AND CHARGES				
Continuing Education	29	25	29	25
Fee-paying overseas students (Onshore)	60,761	65,773	60,761	65,773
Fee-paying overseas students (Offshore)	2,203	2,132	2,203	2,132
Fee-paying domestic postgraduate students	3,238	4,317	3,238	4,317
Fee-paying domestic non-award students	77	76	77	76
Other student fees	2,460	1,919	2,460	1,919
Fee for service – Government	75	96	75	96
Fee for service – non-Government	8,269	14,372	8,269	14,372
Total course fees and charges	77,112	88,710	77,112	88,710
Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.				
OTHER FEES AND CHARGES				
Rental residences	6,862	7,224	6,862	7,224
Rental other	487	484	487	484
Catering and bar	1,682	1,778	1,682	1,778
Sports facilities	356	477	356	477
Parking fees	89	110	89	110
Student Services and Amenities Fees from students	141	178	141	178
Childcare	2,252	1,552	2,252	1,552
Other	2,285	994	2,285	994
Total other fees and charges	14,154	12,797	14,154	12,797
Total fees and charges	91,266	101,507	91,266	101,507

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.

NOTE 2 | INCOME continued...

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction by the Group.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Group.

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
NOTE 2.4 – CONSULTANCY AND CONTRACT RESEARCH				
Consultancy	525	675	525	675
Contract research	6,110	4,901	6,110	4,901
Total consultancy and contracts	6,635	5,576	6,635	5,576

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

NOTE 2.5 – INVESTMENT REVENUE

Dividends	3,950	2,888	3,950	2,888
Interest received	2,925	4,347	2,925	4,347
Rental from investment properties	5,436	5,209	5,436	5,209
Total investment revenue	12,311	12,444	12,311	12,444
Change in fair value of financial assets through profit or loss	1,337	2,233	1,337	2,233
Net investment revenue	13,648	14,677	13,648	14,677

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

NOTE 2.6 – OTHER REVENUE

OTHER REVENUE				
Donations and bequests	490	437	490	437
Scholarships and prizes	84	42	84	42
Other	2,848	3,560	2,846	3,560
Total other revenue	3,422	4,039	3,420	4,039

NOTE 2.7 – GOVERNMENT CONTRIBUTIONS – SPECIFIC PROJECTS

TAFE				
State capital grants	11,996	1,511	11,996	1,511
Total Government contributions – specific projects	11,996	1,511	11,996	1,511

NOTE 3 | EXPENSES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
NOTE 3.1 – EMPLOYEE EXPENSES					
ACADEMIC					
Salaries		69,008	62,630	69,008	62,630
Contributions to superannuation and pension schemes (funded)		9,414	8,957	9,414	8,957
Payroll tax		3,220	3,486	3,220	3,486
Work Cover		418	396	418	396
Movement in provisions:					
Annual leave		(63)	373	(63)	373
Long service leave		(498)	667	(498)	667
Other employee entitlements		53	27	53	27
Total academic		81,552	76,536	81,552	76,536
NON-ACADEMIC					
Salaries		66,997	59,287	66,797	59,278
Contributions to superannuation and pension schemes (funded)		10,189	9,068	10,163	9,067
Payroll tax		3,180	3,339	3,171	3,338
Work Cover		413	379	412	379
Movement in provisions:					
Annual leave		(29)	446	(29)	446
Long service leave		(205)	1,057	(205)	1,057
Other employee entitlements		(34)	(28)	(9)	(28)
Total non-academic		80,511	73,548	80,300	73,537
Total employee related expenses		162,063	150,084	161,852	150,073
Deferred employee expenses for superannuation	20	(1,874)	(2,859)	(1,874)	(2,859)
Total employee related expenses, including deferred Government employee benefits for superannuation		160,189	147,225	159,978	147,214

Contributions to the defined contribution section of University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Past service costs are recognised in profit or loss immediately.

NOTE 3.2 – DEPRECIATION AND AMORTISATION

Buildings	9	10,459	10,368	10,459	10,368
Leasehold improvements	9	173	171	171	171
Plant & Equipment	9	2,664	2,905	2,664	2,905
Motor Vehicles	9	675	733	675	733
Library	9	1,412	1,309	1,412	1,309
Depreciation property, plant and equipment		15,383	15,486	15,381	15,486
Amortisation of Intangible Assets		–	28	–	28
Total depreciation and amortisation		15,383	15,514	15,381	15,514

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:

DEPRECIABLE ASSETS	2017	2016
Buildings	1–46 years	2–46 years
Leasehold improvements	5–34 years	5–34 years
Plant & equipment	1–20 years	1–20 years
Motor vehicles	3–15 years	3–15 years
Library	5–8 years	5–8 years
Art works are not depreciated		

Notes to and forming part of the Financial Statements for the year ending 31 December 2017

NOTE 3 | EXPENSES continued...

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
NOTE 3.3 – REPAIRS AND MAINTENANCE				
Buildings and grounds – refurbishment, maintenance and repairs	7,365	5,089	7,365	5,089
Plant and equipment – maintenance and repairs	344	427	343	427
Total repairs and maintenance	7,709	5,516	7,708	5,516

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

NOTE 3.4 IMPAIRMENT OF ASSETS

Bad debts written off:				
Students	723	815	723	815
Other	3	9	3	9
	726	824	726	824
Provision for doubtful debts expense:				
Students	30	(230)	30	(230)
	30	(230)	30	(230)
Total impairment of assets	756	594	756	594

Assets 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 of disposal and value in use.

NOTE 3.5 – OTHER EXPENSES

Scholarships, grants and prizes	9,339	4,812	9,339	4,812
Telecommunications	751	749	751	749
Equipment (below capitalisation threshold)	2,892	3,367	2,889	3,367
Independent contractors	3,297	2,969	3,297	2,969
Advertising, marketing and promotional expenses	3,957	3,528	3,787	3,528
Audit fees, bank charges, legal costs, insurance and taxes	1,608	1,776	1,577	1,765
Travel, staff development and entitlements	2,875	4,025	2,834	4,025
Cost of sale of goods including ancillary trading	1,153	1,188	1,153	1,188
Subscriptions, library materials & licence fees	5,533	5,356	5,531	5,356
Operating lease & rental expenses	2,665	326	1,103	326
Contract and other services	8,334	6,645	8,160	6,630
Printing and photocopying	2,064	1,975	2,057	1,975
Utilities	3,949	3,913	3,930	3,913
Motor vehicle running costs	515	499	515	499
Recruitment costs	302	645	296	602
Miscellaneous expenses	3,982	3,798	3,709	3,797
Total other expenses	53,216	45,571	50,928	45,501

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, and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

OPERATING LEASES AND RENTAL EXPENSES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 10).

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease. Lessee lease assets and liabilities (notes 10 and 17) reflect the timing differential between cash payments and rental expense recognition over the life of the lease.

NOTE 4 | CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at bank and on hand	4,961	64	4,929	33
Deposits at call	27,917	22,039	27,917	22,039
Short term deposits	20,000	40,000	20,000	40,000
Total cash and cash equivalent assets	52,878	62,103	52,846	62,072

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 deposits at call was 0.76% & 2.00% (2016, 1.65% & 2.50%).

SHORT TERM DEPOSITS:

The effective interest rate on short term deposits was 2.65% & 2.75% (2016, 2.55% & 3.10%).

These deposits have an average maturity of 56 days (2016, 48 days)

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.

NOTE 5 | RECEIVABLES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CURRENT					
Debtors		8,521	5,450	12,110	5,567
Revenue receivable		421	956	421	956
Investment receipts		2,023	2,218	2,023	2,218
GST receivable from ATO		1,123	1,349	1,086	1,333
Student loans		151	160	151	160
Provision for impaired receivables		(1,301)	(1,271)	(1,301)	(1,271)
		10,938	8,862	14,490	8,963
Deferred Government contributions for superannuation	20	4,874	5,513	4,874	5,513
Total current receivables		15,812	14,375	19,364	14,476
Deferred Government contributions for superannuation	20	58,550	59,785	58,550	59,785
Total non current receivables		58,550	59,785	58,550	59,785
Total receivables		74,362	74,160	77,914	74,261

Movement in impaired receivables

Balance at 1 January		(1,271)	(1,501)	(1,271)	(1,501)
less amounts written off as bad debts during the year		726	824	726	824
plus provision for the year	3.4	(756)	(594)	(756)	(594)
Balance at 31 December		(1,301)	(1,271)	(1,301)	(1,271)

As at December 2017, trade receivables of \$0.378m (2016, \$0.819m) 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		96	68	96	68
Over 6 months		282	751	282	751
Total past due but not impaired current receivables		378	819	378	819

As at 31 December 2017, current receivables of the Group were impaired. The amount of the provision was \$1.301m (2016, \$1.271m). 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.

The ageing of these receivables is:

1 to 6 Months		182	367	182	367
Over 6 Months		1,119	904	1,119	904
Total current impaired receivables		1,301	1,271	1,301	1,271

The creation and release of the provision for impaired receivables has been included in impairment of assets 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.

Included in consolidated Accounts Receivable at 31 December 2017 are amounts receivable from customers and students amounting to \$12.239m (2016 – \$10.133m). The full amount of the debt is not recoverable and as such a doubtful debts provision amounting to \$1.301m (2016 – \$1.271m) has been set aside.

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

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

NOTE 6 | OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CURRENT				
Financial assets held to maturity	65,000	81,498	65,000	81,498
Total current other financial assets	65,000	81,498	65,000	81,498
NON-CURRENT				
Available for sale financial assets				
Shares – Unlisted, at fair value	16,731	11,558	16,709	11,536
Financial assets held to maturity				
Long term fixed interest bearing bills, bonds/term deposits	74,347	61,829	74,347	61,829
Total non-current other financial assets	91,078	73,387	91,056	73,365
Total other financial assets	156,078	154,885	156,056	154,863

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 financial assets held to maturity was 2.54% & 2.75% (2016, 2.76% & 3.10%).

These deposits have an average maturity of 214 days. (2016, 226 days).

IMPAIRMENT AND RISK EXPOSURE

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

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

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

(i) 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 a combination cost and fair value. If the market is not active for unlisted securities, the University establishes fair value by providing for the temporary diminution in the value of the investment based on the underlying net asset base of the security from the latest available accounts. All changes in provisions for diminution in value are taken through the Statement of Comprehensive Income.

(ii) Loans and receivables

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

Loans and receivables are included in receivables in the Statement of Financial Position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the University's management has the positive intention and ability to hold to maturity. Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

SUBSEQUENT MEASUREMENT

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the University has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Comprehensive Income in the period in which they arise.

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

IMPAIRMENT

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

NOTE 7 | NON CURRENT ASSETS HELD FOR SALE

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets held for sale	395	–	395	–
Total non-current assets held for sale	395	–	395	–

During 2017, a number of surplus demountables units were prepared for sale. The University anticipates that it will incur a loss of approximately \$880k on this sale. This loss is reflected in the Statement of Comprehensive Income.

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 Statement of Financial Position.

NOTE 8 | OTHER ASSETS

CURRENT				
Prepayments	3,996	3,295	3,981	3,295
Inventories	350	338	350	338
Total other assets	4,346	3,633	4,331	3,633

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.

NOTE 9 | PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	LAND \$'000	BUILDINGS \$'000	WORK IN PROGRESS \$'000	LEASE OF LAND \$'000	L'HOLD IMPROV. \$'000	PLANT AND EQUIPMENT \$'000	MOTOR VEHICLES \$'000	LIBRARY \$'000	WORKS OF ART \$'000	TOTAL \$'000
AS AT 1 JANUARY 2016										
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 1 January 2016	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768
YEAR ENDED 31 DECEMBER 2016										
Opening Net Book Value as at 1 January 2016	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768
Additions	175	–	3,491	–	–	2,079	702	1,878	6	8,331
Disposals	–	–	–	–	–	–	(183)	–	–	(183)
Transfers	–	170	–	–	–	–	–	–	–	170
Depreciation Expense	–	(10,368)	–	–	(171)	(2,905)	(733)	(1,309)	–	(15,486)
Closing Net Book Value as at 31 December 2016	40,735	234,849	3,669	630	3,892	11,283	1,885	6,294	1,363	304,600
AS AT 31 DECEMBER 2016										
At Cost	–	–	3,669	–	–	14,188	2,618	7,603	6	28,084
Fair Value	175	–	–	–	–	–	–	–	–	175
Valuation	40,560	245,217	–	630	4,063	–	–	–	1,357	291,827
Accumulated depreciation	–	(10,368)	–	–	(171)	(2,905)	(733)	(1,309)	–	(15,486)
Net Book Value 31 December 2016	40,735	234,849	3,669	630	3,892	11,283	1,885	6,294	1,363	304,600
YEAR ENDED 31 DECEMBER 2017										
Opening Net Book Value	40,735	234,849	3,669	630	3,892	11,283	1,885	6,294	1,363	304,600
Additions	–	–	11,032	–	5,396	842	743	1,771	–	19,784
Disposals	–	(1,286)	–	–	–	(8)	(273)	(28)	–	(1,595)
Transfers	–	4,270	(4,263)	–	–	(132)	125	–	–	–
Items expensed	–	–	(56)	–	–	(8)	–	–	–	(64)
Depreciation Expense	–	(10,459)	–	–	(173)	(2,664)	(675)	(1,412)	–	(15,383)
Closing Net Book Value as at 31 December 2017	40,735	227,374	10,382	630	9,115	9,313	1,805	6,625	1,363	307,342
AS AT 31 DECEMBER 2017										
At Cost	–	–	10,382	–	9,288	11,977	2,480	8,037	–	42,164
Valuation	40,735	237,833	–	630	–	–	–	–	1,363	280,561
Accumulated depreciation	–	(10,459)	–	–	(173)	(2,664)	(675)	(1,412)	–	(15,383)
Net Book Value 31 December 2017	40,735	227,374	10,382	630	9,115	9,313	1,805	6,625	1,363	307,342

NOTE 9 | PROPERTY, PLANT AND EQUIPMENT continued...

UNIVERSITY	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
AS AT 1 JANUARY 2016										
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 January 1 2016	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768
YEAR ENDED 31 DECEMBER 2016										
Opening Net Book Value as at 1 January 2016	40,560	245,047	178	630	4,063	12,109	2,099	5,725	1,357	311,768
Additions	175	–	3,491	–	–	2,079	702	1,878	6	8,331
Disposals	–	–	–	–	–	–	(183)	–	–	(183)
Transfers	–	170	–	–	–	–	–	–	–	170
Depreciation Expense	–	(10,368)	–	–	(171)	(2,905)	(733)	(1,309)	–	(15,486)
Closing Net Book Value as at 31 December 2016	40,735	234,849	3,669	630	3,892	11,283	1,885	6,294	1,363	304,600
AS AT 31 DECEMBER 2016										
At Cost	–	–	3,669	–	–	14,188	2,618	7,603	6	28,084
Fair Value	175	–	–	–	–	–	–	–	–	175
Valuation	40,560	245,217	–	630	4,063	–	–	–	1,357	291,827
Accumulated depreciation	–	(10,368)	–	–	(171)	(2,905)	(733)	(1,309)	–	(15,486)
Net Book Value 31 December 2016	40,735	234,849	3,669	630	3,892	11,283	1,885	6,294	1,363	304,600
YEAR ENDED 31 DECEMBER 2017										
Opening Net Book Value	40,735	234,849	3,669	630	3,892	11,283	1,885	6,294	1,363	304,600
Additions	–	–	11,032	–	–	842	743	1,771	–	14,388
Disposals	–	(1,286)	–	–	–	(8)	(273)	(28)	–	(1,595)
Transfers	–	4,270	(4,263)	–	–	(132)	125	–	–	–
Items expensed	–	–	(56)	–	–	(8)	–	–	–	(64)
Depreciation Expense	–	(10,459)	–	–	(171)	(2,664)	(675)	(1,412)	–	(15,381)
Closing Net Book Value as at 31 December 2017	40,735	227,374	10,382	630	3,721	9,313	1,805	6,625	1,363	301,948
AS AT 31 DECEMBER 2017										
At Cost	–	–	10,382	–	–	11,977	2,480	8,037	–	32,876
Valuation	40,735	237,833	–	630	3,892	–	–	–	1,363	284,453
Accumulated depreciation	–	(10,459)	–	–	(171)	(2,664)	(675)	(1,412)	–	(15,381)
Net Book Value 31 December 2017	40,735	227,374	10,382	630	3,721	9,313	1,805	6,625	1,363	301,948

NOTE 9 | PROPERTY, PLANT AND EQUIPMENT continued...

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.

Land and buildings (excluding investment properties) and artworks are shown at fair value based on periodic, but at least five yearly, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Individual items of plant and equipment with a cost less than \$5k (2016: \$5k) are charged to the Statement of Comprehensive Income (refer Note 3.5). All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserve directly in equity to the extent of the remaining reserve attributable to the class of asset; all other decreases are charged to comprehensive income.

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 2017.

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

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

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 2017, the value of land and buildings at written down value in the University's books attributed to the Crown amounts to \$35.1 m.

VALUATION

Refer to Note 27 for detailed disclosures regarding the fair value measurement of the University's property, plant and equipment.

CONSOLIDATED AND UNIVERSITY	2017 \$'000	2016 \$'000
PROFIT AND/OR LOSS ON SALE OF NON CURRENT ASSETS		
Proceeds on sale of property, plant & equipment	366	844
Less written down value	1,194	755
Net (loss) / profit on disposal	(828)	89

NOTE 10 | INVESTMENT PROPERTIES

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
At fair value opening balance at 1 January	66,165	66,570	66,165	66,570
Revaluation increment / (decrement)	1,875	(405)	1,875	(405)
Closing Balance at 31 December	68,040	66,165	68,040	66,165
Amounts recognised in Statement of Comprehensive Income for investment properties				
Rental Income	5,436	5,313	5,436	5,313
Movement in fair value of investment properties	1,875	(405)	1,875	(405)
	7,311	4,908	7,311	4,908
Direct Operating Expenses	(1,985)	(3,037)	(1,985)	(3,037)
Total Recognised in profit or loss	5,326	1,871	5,326	1,871

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

1995 Geelong Road	15,220	14,470	15,220	14,470
21 University Drive	9,760	9,770	9,760	9,770
28 University Drive	3,490	4,160	3,490	4,160
11 University Drive	8,400	8,000	8,400	8,000
2 Enterprise Grove	3,210	3,490	3,210	3,490
23 Wetlands Drive	6,080	5,680	6,080	5,680
17 Enterprise Grove	1,810	1,820	1,810	1,820
15 Enterprise Grove	10,400	8,240	10,400	8,240
Brewery Building Ballarat City	5,010	5,430	5,010	5,430
Vacant Land held for future development	4,660	5,105	4,660	5,105
Carrying amount of investment properties	68,040	66,165	68,040	66,165

OPERATING LEASE RECEIVABLES

Amounts due				
• one year or less	5,732	5,838	5,732	5,838
• one to five years	11,791	14,299	11,791	14,299
• over five years	2,695	1,998	2,695	1,998
	20,218	22,135	20,218	22,135

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

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the University. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition at cost, investment property is carried at fair value, which is based on active market prices of similar properties, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the University uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections.

These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in the statement of comprehensive income as part of other income.

NOTE 11 | PAYABLES

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CURRENT				
Creditors and non salary accruals	11,180	6,703	6,726	6,704
Accrued salaries, wages and costs	3,097	3,411	3,093	3,411
OS-HELP Liability to Australian Government	61	105	61	105
Total current trade payables	14,338	10,219	9,880	10,220

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.

FOREIGN CURRENCY RISK

The carrying amounts of the University and the Group's trade and other payables are denominated in Australian dollars.

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to Note 26.2 Financial Instruments – Summarised Sensitivity Analysis.

NOTE 12 | BORROWINGS

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	4,700	10	4,700	10
	7,850	3,160	7,850	3,160
Used at reporting date				
Other – credit card facilities	276	384	276	384
Bank Guarantee	4,615	–	4,615	–
	4,891	384	4,891	384
Unused at reporting date				
Bank overdrafts	150	150	150	150
Other – credit card facilities	2,724	2,616	2,724	2,616
Bank Guarantee	85	10	85	10
	2,959	2,776	2,959	2,776

NOTE 13 | PROVISIONS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
EMPLOYEE ENTITLEMENTS				
Current provisions expected to be settled wholly within 12 months				
Annual leave	6,430	6,476	6,430	6,476
Long service leave	21,542	22,424	21,542	22,424
Deferred benefits for superannuation	4,874	5,513	4,874	5,513
Other employee benefits	397	354	397	354
	33,243	34,767	33,243	34,767
CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER MORE THAN 12 MONTHS				
Annual Leave	4,368	4,415	4,368	4,415
	4,368	4,415	4,368	4,415
Total current provisions	37,611	39,182	37,611	39,182
NON-CURRENT				
Long service leave	3,111	2,933	3,111	2,933
Deferred benefits for superannuation	58,550	59,785	58,550	59,785
Total non-current provisions	61,661	62,718	61,661	62,718
Total provisions	99,272	101,900	99,272	101,900

ANNUAL LEAVE AND LONG SERVICE LEAVE

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

- (i) disclosed in accordance with *AASB 101* as a current liability even where it is not expected to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;
- (ii) measured at:
 - nominal value under *AASB 119* where a component of this current liability is expected to fall due within 12 months after the end of the period; and
 - present value under *AASB 119* where a component of this current liability is not expected to fall due within 12 months after the end of period.

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

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

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

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.

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date. Provisions for employee entitlements which are not expected to be settled within twelve months are discounted using interest rates applicable to Australian Government securities at reporting date, which most closely match the terms of maturity of the related liabilities. In determining the provision for employee entitlements, consideration has been given to future increases in wage and salary rates (including performance based increases), and the consolidated entity's experience with staff departures.

Related on-costs have also been included in the liability. Where an employee is presently entitled to payment of their long service leave entitlement and the University has no right to defer payment, the provision is shown as a current liability.

OTHER EMPLOYEE BENEFITS

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

NOTE 13 | PROVISIONS continued...

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
MOVEMENT IN EMPLOYEE ENTITLEMENTS				
ANNUAL LEAVE:				
Carrying amount at start of year	10,891	9,974	10,891	9,974
Additional (amounts used)/provisions recognised	(93)	917	(93)	917
Carrying amount at end of year	10,798	10,891	10,798	10,891
LONG SERVICE LEAVE:				
Carrying amount at start of year	25,357	23,519	25,357	23,519
Additional (amounts used)/provisions recognised	(704)	1,838	(704)	1,838
Carrying amount at end of year	24,653	25,357	24,653	25,357
OTHER EMPLOYEE BENEFITS:				
Carrying amount at start of year	354	379	354	379
Additional provisions recognised/ (amounts used)	43	(25)	43	(25)
Carrying amount at end of year	397	354	397	354
DEFERRED BENEFITS FOR SUPERANNUATION:				
Carrying amount at start of year	65,298	68,157	65,298	68,157
Movement in actuarial valuation	(1,874)	(2,859)	(1,874)	(2,859)
Carrying amount at end of year	63,424	65,298	63,424	65,298
Total employee entitlements	99,272	101,900	99,272	101,900

NOTE 14 | OTHER LIABILITIES

Funds received in advance	6,749	8,668	6,749	8,668
Total other liabilities	6,749	8,668	6,749	8,668

NOTE 15 | RESERVES AND ACCUMULATED SURPLUS

COMPOSITION OF RESERVES				
Asset Revaluation Reserve	163,577	163,577	163,577	163,577
Investments – available for sale financial assets (valuation date 31 December 2017)	16,190	11,017	16,190	11,017
Total Reserves	179,767	174,594	179,767	174,594
ASSET REVALUATION RESERVE				
Land	37,282	37,282	37,282	37,282
Buildings	125,482	125,482	125,482	125,482
Works of art	813	813	813	813
	163,577	163,577	163,577	163,577

NOTE 15 | RESERVES AND ACCUMULATED SURPLUS continued...

YEAR ENDED 31 DECEMBER 2016	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	37,282	–	37,282
Buildings	125,482	–	125,482
Works of art	813	–	813
Investments – available for sale financial assets	9,188	1,829	11,017
	172,765	1,829	174,594
UNIVERSITY			
Asset Revaluation Reserve			
Land	37,282	–	37,282
Buildings	125,482	–	125,482
Works of art	813	–	813
Investments – available for sale financial assets	9,188	1,829	11,017
	172,765	1,829	174,594

YEAR ENDED 31 DECEMBER 2017	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	37,282	–	37,282
Buildings	125,482	–	125,482
Works of art	813	–	813
Investments – available for sale financial assets	11,017	5,173	16,190
	174,594	5,173	179,767
UNIVERSITY			
Asset Revaluation Reserve			
Land	37,282	–	37,282
Buildings	125,482	–	125,482
Works of art	813	–	813
Investments – available for sale financial assets	11,017	5,173	16,190
	174,594	5,173	179,767

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
MOVEMENT IN ACCUMULATED SURPLUS				
Balance 1 January	370,165	369,651	370,212	369,615
Net operating surplus for the reporting period	(6,850)	514	(4,350)	597
Balance 31 December	363,315	370,165	365,862	370,212

ASSET REVALUATION RESERVE

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in Note 9 and impairments booked to previously revalued increments.

NOTE 16 | CASH FLOW INFORMATION

	NOTES	CONSOLIDATED		UNIVERSITY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
A) RECONCILIATION OF NET RESULT TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Net result for year		(6,850)	514	(4,350)	597
Non-cash flows in operating result					
Depreciation and amortisation of non-current assets	3.2	15,383	15,514	15,381	15,514
Other non cash items		92	–	92	–
Gain on revaluation of investment properties	10	(1,875)	405	(1,875)	405
Net loss on sale of non-current assets	9	828	(89)	828	(89)
Net gain on investments	2.5	(1,337)	(2,233)	(1,337)	(2,233)
MOVEMENT IN:					
Current assets					
(Increase)/decrease in trade receivables		(202)	4,539	(381)	4,470
Increase in inventories		–	(103)	–	(103)
Increase in other assets		(713)	(627)	(698)	(627)
Current liabilities					
Increase/(decrease) in payables		4,096	(12,575)	(340)	(12,590)
Decrease in employee entitlements		(2,628)	(129)	(2,628)	(129)
Decrease in other liabilities		(1,919)	(4,345)	(1,942)	(4,345)
Net cash provided by operating activities		4,875	871	2,750	870
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 17 | LEASES

LEASE COMMITMENTS					
Operating Lease Commitment					
Payments due	• one year or less	2,300	2,698	978	1,458
	• one to five years	7,058	6,881	1,318	1,674
	• over five years	2,192	3,477	654	156
		11,550	13,056	2,950	3,288

OPERATING 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 any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease. The University does not have any finance leases.

The University has recognised lease incentive as income in advance and will be brought to account over the remaining term of the lease.

NOTE 17 | LEASES continued...

CORRECTION OF PRIOR PERIOD ERRORS

Due to an oversight, the lease entered into by Brisbane Educational Services Pty Ltd for the property located at 333 Ann Street Brisbane was not included in the 2016 financial statements. The 2016 figures have been amended to correct the error.

The changes were as follows:

		2016 CONSOLIDATED \$'000	2016 CONSOLIDATED ADJUSTED \$'000	ADJUSTMENTS \$'000
Payments due	• one year or less	1,458	2,698	1,240
	• one to five years	1,674	6,881	5,207
	• over five years	156	3,477	3,321
		3,288	13,056	9,768

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
LEASED ASSETS				
As at the reporting date the University leased out the following assets:				
Albert Coates Building (part)	278	278	278	278
Brewery Building, Lydiard Street South	5,010	5,430	5,010	5,430
Building A (part), Mt. Helen	150	150	150	150
Camp Street	1,491	1,491	1,491	1,491
Community Services Building	6,080	5,680	6,080	5,680
ESTA Building	10,400	8,240	10,400	8,240
Gippsland Enterprise Centre	1,794	1,794	1,794	1,794
Global Innovation Centre	3,210	3,490	3,210	3,490
Greenhill Enterprise Centre	3,490	4,160	3,490	4,160
Gribble Building, Lydiard Street South	63	63	63	63
IBM Centre	15,220	14,470	15,220	14,470
IBM Internet Laboratory Building	9,760	9,770	9,760	9,770
Primary Health Care Building	1,810	1,820	1,810	1,820
State Library of Victoria (Land only)	130	130	130	130
State Revenue Office Building	8,400	8,000	8,400	8,000
Yuille Street	1,801	1,801	1,801	1,801
Carrying amount of leased assets	69,087	66,767	69,087	66,767
OPERATING LEASE RECEIVABLES				
Amounts due				
• one year or less	5,732	5,838	5,732	5,838
• one to five years	11,791	14,299	11,791	14,299
• over five years	2,695	1,998	2,695	1,998
	20,218	22,135	20,218	22,135

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

NOTE 18 | COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED					
	2017			2016		
	\$'000 EX GST	\$'000 GST	\$'000 TOTAL GST INC	\$'000 EX GST	\$'000 GST	\$'000 TOTAL GST INC
CAPITAL COMMITMENTS						
As at the reporting date the University had the following outstanding capital commitments:						
Building projects	8,855	885	9,740	1,106	111	1,217
Equipment	148	15	163	50	5	55
	9,003	900	9,903	1,156	116	1,272
Outstanding Capital Commitments are payable as follows						
Payments Due:						
• not later than one year	9,003	900	9,903	1,156	116	1,272
	9,003	900	9,903	1,156	116	1,272
OTHER COMMITMENTS						
As at the reporting date the University had the following outstanding other commitments:						
Berwick campus licence	682	68	750	–	–	–
	682	68	750	–	–	–
Outstanding Other Commitments are payable as follows						
Payments Due:						
• not later than one year	682	68	750	–	–	–
	682	68	750	–	–	–

	UNIVERSITY					
	2017			2016		
	\$'000 EX GST	\$'000 GST	\$'000 TOTAL GST INC	\$'000 EX GST	\$'000 GST	\$'000 TOTAL GST INC
CAPITAL COMMITMENTS						
As at the reporting date the University had the following outstanding capital commitments:						
Building projects	8,855	885	9,740	1,106	111	1,217
Equipment	148	15	163	50	5	55
	9,003	900	9,903	1,156	116	1,272
Outstanding Capital Commitments are payable as follows						
Payments Due:						
• not later than one year	9,003	900	9,903	1,156	116	1,272
	9,003	900	9,903	1,156	116	1,272
OTHER COMMITMENTS						
As at the reporting date the University had the following outstanding other commitments:						
Berwick campus licence	682	68	750	–	–	–
	682	68	750	–	–	–
Outstanding Other Commitments are payable as follows						
Payments Due:						
• not later than one year	682	68	750	–	–	–
	682	68	750	–	–	–

NOTE 19 | CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets. The University holds bank guarantees to the value of \$4.615m, all but \$10k relates to Brisbane Education Services Pty Ltd.

Notes to and forming part of the Financial Statements for the year ending 31 December 2017

NOTE 20 | SUPERANNUATION

CONTRIBUTION DETAILS

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

	2017	2016
Government Superannuation Office		
Revised Scheme (TAFE)	17.30%	17.30%
New Scheme	7.30% to 10.30%	7.30% to 10.30%
Victorian Superannuation Fund		
Vic Super Scheme – Academic Staff	9.50%	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	9.50%	9.50%

GOVERNMENT SUPERANNUATION OFFICE (GSO)

For the year ended December 2017 Emergency Services Superannuation Board, which includes the GSO, provided the following information in relation to the University's *AASB 119* liability as at 31 December 2017.

	31 DECEMBER 2017 \$'000	31 DECEMBER 2016 \$'000
Assets – Amounts receivable from the Australian Government		
Receivable within 12 months	4,874	5,513
Receivable later than 12 months	58,550	59,785
Total	63,424	65,298
Movement in deferred government contributions for superannuation	(1,874)	(2,859)
Unfunded superannuation liability		
Payable within 12 months	4,874	5,513
Payable later than 12 months	58,550	59,785
Total	63,424	65,298
Movements in deferred employee benefits for superannuation	(1,874)	(2,859)

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 2017, the assets of the DBD in aggregate were estimated to be \$2,797 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 2017 the assets of the DBD in aggregate were estimated to be \$4,258 million above accrued benefits, after allowing for various reserves. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2017. The financial assumptions used were:

	BENEFITS PER ANNUM	ACCRUED BENEFITS PER ANNUM
Gross of tax investment return – DBD pensions	5.30%	6.60%
Gross of tax investment return – commercial rate indexed pensions	2.90%	2.90%
Net of tax investment return – non pensioner members	4.70%	5.80%
Consumer Price Index	2.00%	2.00%
Inflationary salary increases long term	3.00%	3.00%

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

A Clause 34 monitoring period was initiated following the 30 June 2013 actuarial investigation. Following the end of the monitoring period on 30 June 2017, the Fund's actuary advised that the Trustee is not required to take any further action, and that monitoring period is now ceased.

NOTE 20 | SUPERANNUATION Continued...

VICTORIAN STATE SUPERANNUATION FUND

The unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by Catherine Nance, FIAA and relate to the estimates of net liabilities at 31 December 2017. The methodology for measurement of the net liabilities uses the discount rate of 2.92% 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 Australia's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation.

The University has a number of present and former staff who are members of the Victorian State Superannuation Fund and in respect of whom defined benefits are payable on termination of employment. As at 31 December 2017, the Victorian State Superannuation Fund was carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the fund. The notional share of this public sector employee superannuation fund's unfunded liabilities attributable to the University, as assessed by the fund as at 31 December 2017, amounted to \$63.424m (2016: \$65.298m). Unfunded liabilities are met by the Australian Government.

AASB 119 'Employee Benefits' requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 31 December 2017. There is no net impact on the Statement of Financial Position or Statement of Comprehensive Income from these superannuation obligations (due to recognition of a corresponding receivable). In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, the effects of the unfunded superannuation liabilities of Federation University Australia 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 receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of the University.

NOTE 21 | AUDITORS' REMUNERATION

NOTES	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
AUDIT OF THE FINANCIAL STATEMENTS				
Victorian Auditor General's Office	90	90	90	90
Total audit of the financial statements	90	90	90	90
OTHER AUDIT AND ASSURANCE SERVICES				
ShineWing	–	17	–	17
Barker and Jennings	5	8	5	8
Oakton	51	–	51	–
RSM Bird Cameron	–	18	–	18
Fees paid to Other	–	2	–	2
Total other audit and assurance services	56	45	56	45

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

NOTE 22 | 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 persons for the reporting period.

(i) MINISTER

The relevant Minister is The Hon. Gayle Tierney MLC, Minister for Training and 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. Gayle Tierney MLC Minister for Training and Skills	1/1 – 31/12/2017
Council members during 2017 were:	
Dr Paul John Harry Hemming (Chancellor)	1/1 – 31/12/2017
Professor Andy Smith (Acting Vice-Chancellor)	1/1 – 30/04/2017
Professor Helen Bartlett (Vice-Chancellor)	1/5 – 31/12/2017
Mr Cameron Beyer	1/1 – 31/12/2017
Ms Pauline Buckland (Ministerial Appointee)	1/1 – 31/12/2017
Dr Kim Dowling	1/1 – 31/12/2017
Mr George Fong	1/1 – 31/12/2017
Ms Stacey Grose	1/1 – 31/12/2017
Ms Alice Langley	1/1 – 31/12/2017
Mr Ian Nethercote	1/1 – 31/12/2017
Ms Mashelle Parrett	1/1 – 31/12/2017
Mr Michael Walter Ryan	1/1 – 31/12/2017
Ms Jane Smith	1/1 – 31/12/2017
Ms Deborah Ann Spring	1/1 – 31/12/2017
Mr Anthony Stone	1/1 – 31/12/2017
Mr Steve Davies	1/1 – 31/12/2017

(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)	1/1 – 31/12/2017
Professor Leigh Sullivan	(Deputy Vice Chancellor, Research and Innovation)	1/1 – 31/12/2017
Professor Todd Walker	(Deputy Vice Chancellor, Engagement)	1/1 – 22/11/2017
Professor Marcia Devlin	(Deputy Vice Chancellor, Learning and Quality)	1/1 – 29/09/2017
Mr Darren Holland	(Deputy Vice Chancellor, Student Support and Services)	1/1 – 31/12/2017
Mr John Blair	(Chief Operating Officer/Chief Financial Officer)	1/1 – 31/12/2017

All of the above persons were also key management persons during the year ended 31 December 2017.

Details of responsible persons and executives of controlled entities are disclosed in the respective financial statements of those entities.

NOTE 22 | KEY MANAGEMENT PERSONNEL DISCLOSURES Continued...

	CONSOLIDATED 2017	UNIVERSITY 2017
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
\$20,000 to \$29,999	10	10
\$30,000 to \$39,999	1	1
\$70,000 to \$79,999	1	1
\$120,000 to \$129,999	1	1
\$180,000 to \$189,999	1	1
\$210,000 to \$219,999	1	1
\$490,000 to \$499,999	1	1
	16	16

	CONSOLIDATED 2017 \$'000	UNIVERSITY 2017 \$'000
KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term employee benefits	2,700	2,700
Post-employment benefits	423	423
Other long-term benefits	46	46
Termination benefits	158	158
Total key management personnel compensation	3,327	3,327

Key management personnel comprises the Council and executives only.

	CONSOLIDATED 2017	UNIVERSITY 2017
REMUNERATION OF EXECUTIVE OFFICERS		
\$220,000 to \$229,999	1	1
\$320,000 to \$329,999	1	1
\$330,000 to \$339,999	1	1
\$340,000 to \$349,999	1	1
\$460,000 to \$469,999	1	1
\$470,000 to \$479,999	1	1
	6	6

	CONSOLIDATED 2017 \$'000	UNIVERSITY 2017 \$'000
REMUNERATION OF EXECUTIVE OFFICERS		
Short-term employee benefits	1,702	1,702
Post-employment benefits	281	281
Other long term benefits	31	31
Termination benefits	158	158
Total remuneration	2,172	2,172
Total number of executives	6	6
Total annualised employee equivalents	6	6

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B.

Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2016 reporting period.

OTHER TRANSACTIONS

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been disclosed in Note 23.

NOTE 23 | RELATED PARTIES

A) PARENT ENTITY

The ultimate parent entity within the Group is Federation University Australia.

B) SUBSIDIARIES

Interests in subsidiaries are set out in note 25.

C) KEY MANAGEMENT PERSONNEL

Disclosures relating to responsible persons and executives officers are set out in note 22.

D) TRANSACTIONS WITH RELATED PARTIES

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

- Mr George Fong's company, Lateral Plains rents office space at the University's Global Innovation Centre, Mt Helen. Mr Fong provides consultancy services to the University.

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
INCOME				
Rental income	(48)	(43)	(48)	(43)
Administration and secretarial services income	–	(38)	–	(38)
Honorarium received	–	(5)	–	(5)
EXPENSES				
Professional services	12	8	12	8
Agent commission	–	96	–	96
Private provider payments	–	11,935	–	11,935

In 2016 Professor David Battersby was the Chairman of Education Australia Ltd and a board member of IDP Education Ltd, Melbourne Institute of Technology and Times Education. Professor Battersby left the University in 2016 therefore these transactions did not occur during 2017.

NOTE 24 | GEOGRAPHIC INFORMATION

GEOGRAPHIC	REVENUE		RESULTS		ASSETS	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Australia	267,258	260,133	(4,597)	463	661,530	665,594
Africa	15	41	1	8	–	–
Americas	235	206	131	(35)	–	–
Asia	2,496	2,531	161	137	–	–
Europe	163	180	(46)	24	–	–
	270,167	263,091	(4,350)	597	661,530	665,594

The above information is for the university only

PRIOR PERIOD ERRORS

In 2016 there was an error in the figures disclosed for Asia revenue and results when the financial statements went to print. The error was immaterial and has now been rectified. (Revenue was reported as \$1,616, should have been \$2,531: Results were reported as \$303, should have been \$137).

NOTE 25 | SUBSIDIARIES

The *Federation University Australia Act 2010*, Section 48 permits the University to form limited liability companies. The consolidated financial statements of the University incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy as below.

ENTITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	OWNERSHIP INTEREST
		2017	2016
Inskill Pty Ltd	Australia	100%	100%
The School of Mines and Industries Ballarat Ltd	Australia	100%	100%
Datascreen Pty Ltd (a subsidiary of Inskill)	Australia	55.8%	55.8%
UB Housing Pty Ltd	Australia	100%	100%
Brisbane Educational Services Pty Ltd	Australia	100%	100%

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

UB Housing Pty Ltd applied to ASIC to be deregistered on 6 December 2017. The deregistration process was finalised on 8 February 2018.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Federation University Australia as at 31 December 2017 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the former subsidiary is recognised and accounted for in accordance with the relevant Standards.

The loss or gain associated with loss of control attributable to the former controlling interest is recognised.

NOTE 25 | SUBSIDIARIES continued...

INCOME STATEMENT

ENTITY	TOTAL REVENUE		TOTAL EXPENDITURE		NET LOSS AFTER TAX EXPENSE	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	—	—	—	—	—	—
The School of Mines and Industries Ballarat Ltd	—	—	—	—	—	—
Datascreen Pty Ltd (a subsidiary of Inskill)	—	—	—	—	—	—
UB Housing Pty Ltd	—	—	—	—	—	—
Brisbane Educational Services Pty Ltd	—	—	2,503	81	(2,503)	(81)
	—	—	2,503	81	(2,503)	(81)

BALANCE SHEET

A) ASSETS

ENTITY	CURRENT ASSETS		NON-CURRENT ASSETS		TOTAL ASSETS	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	32	32	22	22	54	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	52	300	5,394	—	5,446	300
	85	333	5,416	22	5,501	355

B) LIABILITIES

ENTITY	CURRENT LIABILITIES		NON-CURRENT LIABILITIES		TOTAL LIABILITIES	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inskill Pty Ltd	1	1	—	—	1	1
The School of Mines and Industries Ballarat Ltd	—	—	—	—	—	—
Datascreen Pty Ltd (a subsidiary of Inskill)	—	—	—	—	—	—
UB Housing Pty Ltd	—	—	—	—	—	—
Brisbane Educational Services Pty Ltd	747	80	3,711	—	4,458	80
	748	81	3,711	—	4,459	81

C) EQUITY AND BORROWINGS

ENTITY	EXTERNAL BORROWINGS		INTERNAL BORROWINGS		EQUITY	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	—	—	3,573	301	(2,585)	(81)
	—	—	3,573	301	(2,531)	(27)

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 predominantly through a mixture of short term and longer term investments according to the University's Investment policy.

Downward movements in interest rates during 2017 have had an impact on the University's year end result. It is estimated that the decrease in interest rates have decreased earnings by \$0.052m for 2017.

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.

Whilst the University's exposure has not changed, the Commonwealth Government announced funding changes to universities in their Mid-Year Economic Fiscal Outlook which will have an impact on future years funding. The University will continue to measure and manage this risk through its current policies and processes used in the previous reporting period.

CREDIT RISK

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

There are no material amounts of collateral held as security at 31 December 2017.

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 from BBB and higher 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 2017 and 31 December 2016 do not include any counter parties with external credit ratings.

Customers are assessed for credit worthiness using the criteria detailed above.

The University minimises credit risk in relation to student loans receivable in the following ways:

Specific loan conditions have been established which are applicable to all loans.

The loan terms and conditions are evidenced in a contract signed by both parties.

The maximum loan available is \$2,000.

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

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

LIQUIDITY RISK

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

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

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

NOTE 26 | FINANCIAL RISK MANAGEMENT continued

NOTE 26.1 – FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

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

FINANCIAL INSTRUMENTS

CONSOLIDATED – 2017	WEIGHTED AVERAGE EFFECTIVE RATE	FLOATING INTEREST RATE \$'000	LESS THAN 1 YEAR \$'000	1-5 YEARS \$'000	NON INTEREST BEARING \$'000	TOTAL CARRYING AMOUNT PER BALANCE SHEET \$'000
FINANCIAL ASSETS						
Cash and cash equivalents						
Cash at Bank	0.00%	4,961	–	–	–	4,961
Deposits at Call	1.67%	27,917	–	–	–	27,917
Short Term Deposits	2.7%	–	20,000	–	–	20,000
Receivables						
Debtors	–	–	–	–	9,815	9,815
Superannuation receivable	–	–	–	–	63,424	63,424
Other Financial Assets						
Unlisted Shares	–	–	–	–	16,731	16,731
Long term fixed interest bearing bills, bonds/term deposits	2.64%	–	65,000	74,347	–	139,347
Total Financial Assets		32,878	85,000	74,347	89,970	282,195
FINANCIAL LIABILITIES						
Payables						
Creditors and accruals	–	–	–	–	14,338	14,338
Unfunded superannuation	–	–	–	–	63,424	63,424
Income in advance	–	–	–	–	6,749	6,749
Total Financial Liabilities		–	–	–	84,511	84,511

FINANCIAL INSTRUMENTS

CONSOLIDATED – 2016	WEIGHTED AVERAGE EFFECTIVE RATE	FLOATING INTEREST RATE \$'000	LESS THAN 1 YEAR \$'000	1-5 YEARS \$'000	NON INTEREST BEARING \$'000	TOTAL CARRYING AMOUNT PER BALANCE SHEET \$'000
FINANCIAL ASSETS						
Cash and cash equivalents						
Cash at Bank	0.27%	64	–	–	–	64
Deposits at Call	0.236%	22,039	–	–	–	22,039
Short Term Deposits	3.06%	–	40,000	–	–	40,000
Receivables						
Debtors	–	–	–	–	4,179	4,179
Superannuation receivable	–	–	–	–	69,981	69,981
Other Financial Assets						
Unlisted Shares	–	–	–	–	11,558	11,558
Long term fixed interest bearing bills, bonds/term deposits	3.06%	–	81,498	61,829	–	143,327
Total Financial Assets		22,103	121,498	61,829	85,718	291,148
FINANCIAL LIABILITIES						
Payables						
Creditors and accruals	–	–	–	–	10,219	10,219
Unfunded superannuation	–	–	–	–	65,298	65,298
Income in advance	–	–	–	–	8,668	8,668
Total Financial Liabilities		–	–	–	84,185	84,185

Notes to and forming part of the Financial Statements for the year ending 31 December 2017

NOTE 26 | FINANCIAL RISK MANAGEMENT continued

NOTE 26.2 – FINANCIAL INSTRUMENTS – SUMMARISED SENSITIVITY ANALYSIS

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

CONSOLIDATED

31 DECEMBER 2017	CARRYING AMOUNT \$'000	INTEREST RATE RISK			
		-0.5%		1.0%	
		RESULT \$'000	EQUITY \$'000	RESULT \$'000	EQUITY \$'000
FINANCIAL ASSETS					
Cash and cash equivalents					
Cash at Bank	4,961	(25)	(25)	50	50
Deposits at Call	27,917	(140)	(140)	279	279
Short Term Deposits	20,000	(100)	(100)	200	200
Other Financial Assets					
Income Securities	65,000	(325)	(325)	650	650
Long term fixed interest bearing bills, bonds/term deposits	74,347	(372)	(372)	743	743
Total (decrease)/increase		(962)	(962)	1,922	1,922

CONSOLIDATED

31 DECEMBER 2016	CARRYING AMOUNT \$'000	INTEREST RATE RISK			
		-0.5%		1.0%	
		RESULT \$'000	EQUITY \$'000	RESULT \$'000	EQUITY \$'000
FINANCIAL ASSETS					
Cash and cash equivalents					
Cash at Bank	64	–	–	1	1
Deposits at Call	22,039	(110)	(110)	220	220
Short Term Deposits	40,000	(200)	(200)	400	400
Other Financial Assets					
Income Securities	81,498	(407)	(407)	815	815
Long term fixed interest bearing bills, bonds/term deposits	61,829	(309)	(309)	618	618
Total (decrease)/increase		(1,026)	(1,026)	2,054	2,054

PRIOR PERIOD ERROR

In 2016 the interest rate risk was not calculated for income securities. This has now been rectified.

NOTE 27 | FAIR VALUE MEASUREMENTS

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.

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) 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
FINANCIAL ASSETS				
Cash and cash equivalents	52,878	62,103	52,878	62,103
Receivables	10,938	8,862	10,938	8,862
Deferred government contributions for superannuation	63,424	65,298	63,424	65,298
Fixed interest bearing bills, bonds/term deposits	139,347	143,327	139,347	143,327
Other financial assets				
Available for sale financial assets				
Other Investments – at fair value	16,731	11,558	16,731	11,558
Total financial assets	283,318	291,148	283,318	291,148
FINANCIAL LIABILITIES				
Payables	14,338	10,219	14,338	10,219
Deferred benefits for superannuation	63,424	65,298	63,424	65,298
Income in advance	6,749	8,668	6,749	8,668
Total financial liabilities	84,511	84,185	84,511	84,185

NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

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

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

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: For unlisted securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same, or is calculated based on the expected cash flows, or the underlying net asset base of the investment/ security.

(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).

(i) RECOGNISED FAIR VALUE MEASUREMENTS

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2017. The following tables provide the fair values of the University's assets and liabilities measured and recognised initial recognition and their categorisation within the fair value hierarchy.

RECURRING FAIR VALUE MEASUREMENTS	NOTES	31 DECEMBER 2017							
		CONSOLIDATED				UNIVERSITY			
		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									
Other investments – at valuation	6	–	–	16,731	16,731	–	–	16,709	16,709
Total financial assets recognised at fair value		–	–	16,731	16,731	–	–	16,709	16,709
NON-FINANCIAL ASSETS									
Land	9	–	–	40,735	40,735	–	–	40,735	40,735
Buildings	9	–	–	227,374	227,374	–	–	227,374	227,374
Leased land	9	–	–	630	630	–	–	630	630
Leasehold improvements	9	–	–	9,115	9,115	–	–	3,721	3,721
Equipment and furniture	9	–	–	9,313	9,313	–	–	9,313	9,313
Motor vehicles	9	–	–	1,805	1,805	–	–	1,805	1,805
Library Holdings	9	–	–	6,625	6,625	–	–	6,625	6,625
Art collection	9	–	–	1,363	1,363	–	–	1,363	1,363
Investment properties	10	–	–	68,040	68,040	–	–	68,040	68,040
Total non-financial assets recognised at fair value		–	–	365,000	365,000	–	–	359,606	359,606
Total recurring fair value measurements		–	–	381,731	381,731	–	–	376,315	376,315
Non-recurring fair value measurements									
Asset held for sale	7	–	395	–	395	–	395	–	395
Total non-recurring fair value measurements		–	395	–	395	–	395	–	395
Total fair value measurement		–	395	381,731	382,126	–	395	376,315	376,710

Notes to and forming part of the Financial Statements for the year ending 31 December 2017

NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

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

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 (2016: 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; and
- payables.

The fair values of held-to-maturity investments (term deposits) that are disclosed in note 27(a) were determined by reference to published price quotations in an active market (Level 1).

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements (2016: 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; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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

NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

(C) VALUATION TECHNIQUES USED TO DERIVE LEVEL 2 AND LEVEL 3 FAIR VALUES CONTINUED...

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; and/or
- 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

The asset classified as non-current assets held for sale during 2017 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 an offer for the property concerned.

(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 2016 and 2017.

CONSOLIDATED	OTHER INVESTMENTS \$'000	NON FINANCIAL ASSETS \$'000
LEVEL 3 FAIR VALUE MEASUREMENTS 2017		
Opening balance	11,558	367,096
Acquisitions	–	13,007
Sales	–	(1,595)
Recognised in profit or loss	–	(13,508)
Gains recognised in other comprehensive income	5,173	–
Closing balance	16,731	365,000
LEVEL 3 FAIR VALUE MEASUREMENTS 2016		
Opening balance	9,729	378,161
Acquisitions	–	5,010
Sales	–	(183)
Recognised in profit or loss	–	(15,892)
Gains recognised in other comprehensive income	1,829	–
Closing balance	11,558	367,096
UNIVERSITY		
LEVEL 3 FAIR VALUE MEASUREMENTS 2017		
Opening balance	11,536	367,096
Acquisitions	–	7,611
Sales	–	(1,595)
Recognised in profit or loss	–	(13,508)
Gains recognised in other comprehensive income	5,173	–
Closing balance	16,709	359,606
LEVEL 3 FAIR VALUE MEASUREMENTS 2016		
Opening balance	9,707	378,161
Acquisitions	–	5,010
Sales	–	(183)
Recognised in profit or loss	–	(15,892)
Gains recognised in other comprehensive income	1,829	–
Closing balance	11,536	367,096

There were no transfers between Levels 2 and 3 for liabilities measured at fair value on a recurring basis during the reporting period (2016: no transfers).

NOTE 27 | FAIR VALUE MEASUREMENTS Continued...

(ii) Valuation inputs and relationships to fair value

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

DESCRIPTION	FAIR VALUE AT 31/12/2017 \$'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	16,731	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	40,735	Market Approach	Community Service Obligation (CSO) adjustment	10 – 35%	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value.
Buildings	227,374	Depreciated replacement cost	Useful life of Specialised buildings	1-46 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	9,115	Depreciated replacement cost	Useful life of Specialised Leasehold	5-34 years	A change in the useful life would result in a lower (higher) fair value
Equipment and furniture	9,313	Depreciated replacement cost	Useful Life	1-20 years	A change in the useful life would result in a lower (higher) fair value
Motor vehicles	1,805	Depreciated replacement cost	Useful Life	3-15 years	A change in the useful life would result in a lower (higher) fair value
Library Holdings	6,625	Depreciated replacement cost	Useful Life	5-8 years	A change in the useful life would result in a lower (higher) fair value
Art collection	1,363	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	68,040	Market Approach	Length and terms of leases	2 months to 9 years	Any renegotiation of leases may have an impact on the fair value of the properties (higher/ lower)
Total Level 3	381,731				

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

NOTE 28 | ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

NOTE 28.1 – EDUCATION – CGS AND OTHER EDUCATION GRANTS

	COMMONWEALTH GRANTS SCHEME		PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	68,291	65,296	10	55
Cash received in respect of previous years	1	573	–	–
Revenue for the reporting period	68,292	65,869	10	55
Less expenses including accrued expenses	(68,292)	(65,869)	(10)	(55)
Surplus for reporting period	–	–	–	–

	HE STRUCTURAL ADJUSTMENT FUND		HE PARTICIPATION PROGRAM	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	–	–	2,090	2,396
Revenue for the reporting period	–	–	2,090	2,396
Surplus/(deficit) from the previous year	–	3,380	45	–
Total revenue including accrued revenue	–	3,380	2,135	2,396
Less expenses including accrued expenses	–	(3,380)	(2,126)	(2,351)
Surplus for reporting period	–	–	9	45

	DISABILITY SUPPORT PROGRAM		INDIGENOUS STUDENT SUCCESS PROGRAM		TOTAL	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	71	69	528	271	70,990	68,087
Cash received in respect of previous years	–	–	–	–	1	573
Revenue for the reporting period	71	69	528	271	70,991	68,660
Surplus from the previous year	(45)	–	22	20	22	3,400
Total revenue including accrued revenue	26	69	550	291	71,013	72,060
Less expenses including accrued expenses	(53)	(114)	(528)	(269)	(71,010)	(72,038)
Surplus / (deficit) for reporting period	(27)	(45)	22	22	4	22

	EDUCATION INVESTMENT FUND		TOTAL	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	–	2,170	–	2,170
Revenue for the reporting period	–	2,170	–	2,170
Total revenue including accrued revenue	–	2,170	–	2,170
Less expenses including accrued expenses	–	(2,170)	–	(2,170)
Surplus for reporting period	–	–	–	–

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

NOTE 28.2 – HIGHER EDUCATION LOAN PROGRAMMES (excluding OS-HELP)

	HECS – HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE – HELP		VET FEE – HELP		STUD AMEN – HELP		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/ (Receivable) at beginning of year	–	–	26	3,388	–	2,339	–	1,602	26	7,329
Financial Assistance received in cash during the reporting period	38,741	37,477	2,462	139	1,463	–	1,719	(2)	44,385	37,614
Cash available for period	38,741	37,477	2,488	3,527	1,463	2,339	1,719	1,600	44,411	44,943
Revenue earned	(39,029)	(37,477)	(2,462)	(3,422)	(1,609)	(1,638)	(1,701)	(1,496)	(44,801)	(44,033)
Cash Payable/ (Receivable) at end of year	(288)	–	26	105	(146)	701	18	104	(390)	910

NOTE 28.3 – DEPARTMENT OF EDUCATION AND TRAINING RESEARCH

	RESEARCH TRAINING PROGRAM		RESEARCH SUPPORT PROGRAM		TOTAL	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	2,214	2,375	1,634	1,600	3,848	3,975
Revenue for the reporting period	2,214	2,375	1,634	1,600	3,848	3,975
Surplus/(deficit) from the previous year	93	141	–	–	93	141
Total revenue including accrued revenue	2,307	2,516	1,634	1,600	3,941	4,116
Less expenses including accrued expenses	(2,231)	(2,423)	(1,678)	(1,600)	(3,909)	(4,023)
Surplus / (deficit) for reporting period	76	93	(44)	–	32	93

	NATIONAL PRIORITY SCHOLARSHIPS	
	2017	2016
	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	–	–
Cash received in respect of previous years	–	150
Revenue for the reporting period	–	150
Less expenses including accrued expenses	–	(150)
Surplus for reporting period	–	–

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

NOTE 28.4 – AUSTRALIAN RESEARCH COUNCIL GRANTS

	DISCOVERY PROJECTS		LINKAGES PROJECTS		TOTAL	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	116	148	10	28	126	176
Revenue for the reporting period	116	148	10	28	126	176
Surplus from the previous year	244	342	48	81	292	423
Total revenue including accrued revenue	360	490	58	109	418	599
Less expenses including accrued expenses	(144)	(246)	(40)	(61)	(184)	(307)
Surplus for reporting period	216	244	18	48	234	292

NOTE 28.5 – OTHER AUSTRALIAN GOVERNMENT GRANTS RECEIVED

	HIGHER EDUCATION SUPERANNUATION		OS – HELP		TOTAL	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	4,576	4,399	536	440	5,112	4,839
Cash received in respect of previous years	–	–	(197)	(93)	(197)	(93)
Net accrual adjustments	38	428	–	–	38	428
Revenue for the reporting period	4,614	4,827	339	347	4,953	5,174
Surplus from the previous year	766	206	197	93	963	299
Total revenue including accrued revenue	5,380	5,033	536	440	5,916	5,473
Less expenses including accrued expenses	(5,781)	(4,267)	(382)	(243)	(6,163)	(4,510)
Surplus / (deficit) for reporting period	(401)	766	154	197	(247)	963

NOTE 29 | HIGHER EDUCATION & VET RESULTS

NOTE 29.1 – STATEMENT OF COMPREHENSIVE INCOME: HIGHER EDUCATION & VET

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

	HIGHER EDUCATION		VET	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017				
INCOME				
Australian Government financial assistance	118,718	117,064	1,609	2,339
State Government financial assistance	850	1,229	30,020	14,381
HECS-HELP – Student payments	2,126	2,190	–	–
Course fees and charges	69,111	81,749	8,001	6,961
Other fees and charges	12,032	10,569	2,122	2,228
Consultancy and contract research	6,626	5,477	9	99
Investment revenue	13,242	14,480	406	197
Other revenue	3,113	2,651	307	1,388
Total income	225,818	235,409	42,474	27,593
Profit on disposal of assets	–	89	–	–
Revaluation increment on investment properties	2,295	–	–	1,110
Total income	228,113	235,498	42,474	28,703
EXPENSES				
Employee benefits	139,545	129,267	22,307	20,806
Depreciation and amortisation	11,320	11,301	4,061	4,213
Repairs and maintenance	6,491	3,322	1,217	2,194
Impairment of assets	343	485	413	109
Other expenses	42,755	38,046	8,173	7,455
Losses on disposal of assets	828	–	–	–
Finance costs	15	20	–	–
Private providers	37,049	44,871	–	–
Total expenses	238,346	227,312	36,171	34,777
Revaluation decrement on investment properties	–	1,515	420	–
Total expenses	238,346	228,827	36,591	34,777
Net result	(10,233)	6,671	5,883	(6,074)

PRIOR PERIOD ERROR

The 2016 revaluation decrement for investment properties was understated by \$405k. This has now been amended.

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

NOTE 29.2 – STATEMENT OF FINANCIAL POSITION: HIGHER EDUCATION & VET

	HIGHER EDUCATION		VET	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017				
CURRENT ASSETS				
Cash and cash equivalents	69,833	73,662	(16,987)	(11,590)
Receivables	15,072	13,054	4,292	1,422
Other financial assets	65,000	81,498	–	–
Assets held for sale	395	–	–	–
Other assets	4,303	3,628	28	5
Total Current Assets	154,603	171,842	(12,667)	(10,163)
NON-CURRENT ASSETS				
Receivables	58,550	59,785	–	–
Other financial assets	91,056	73,365	–	–
Property, plant and equipment	195,246	203,574	106,702	101,026
Investment Properties	63,030	60,735	5,010	5,430
Total Non-Current Assets	407,882	397,459	111,712	106,456
TOTAL ASSETS	562,485	569,301	99,045	96,293
CURRENT LIABILITIES				
Payables	9,358	8,622	522	1,598
Provisions	34,366	35,800	3,245	3,382
Other liabilities	6,492	6,469	257	2,199
Total Current Liabilities	50,216	50,891	4,024	7,179
NON-CURRENT LIABILITIES				
Provisions	61,241	62,322	420	396
Total Non-Current Liabilities	61,241	62,322	420	396
TOTAL LIABILITIES	111,457	113,213	4,444	7,575
NET ASSETS	451,028	456,088	94,601	88,718
EQUITY				
Accumulated Surplus	301,379	311,612	64,483	58,600
Reserves	149,649	144,476	30,118	30,118
TOTAL EQUITY	451,028	456,088	94,601	88,718

Notes to and forming part of the Financial Statements for the year ending 31 December 2017

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

NOTE 29.3 – STATEMENT OF CASH FLOWS: HIGHER EDUCATION & VET

	HIGHER EDUCATION		VET	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017				
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS				
User fees and charges received	87,310	101,331	7,576	10,645
Investment Income received	12,100	11,968	406	197
Other receipts	3,387	2,651	307	1,388
GST recovered from ATO	9,919	9,729	1,122	1,095
Cash flows from Government				
State Government Grants	550	(282)	18,156	14,198
State Government contributions – specific projects	300	1,511	11,696	–
Commonwealth Government / Grants	76,345	74,499	–	–
Higher Education Contribution Scheme:				
Student payments	2,126	2,190	–	–
HECS -HELP	38,741	37,477	–	–
FEE-HELP – Commonwealth payments	2,488	3,527	–	–
STUDENT AMENITIES – HELP	1,719	1,600	–	–
VET FEE – HELP	–	–	1,463	2,339
OS – HELP (Net)	(43)	104	–	–
Superannuation Supplementation	(1,205)	132	–	–
PAYMENTS				
Payments to employees	(140,466)	(128,243)	(22,420)	(20,869)
Payments to suppliers (Including GST)	(57,811)	(69,396)	(13,952)	(12,030)
Finance costs	(15)	(20)	–	–
Payments to private providers	(37,049)	(44,871)	–	–
Net cash provided by/(used in) operating activities	(1,604)	3,907	4,354	(3,037)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant & equipment	(4,271)	(6,721)	(9,751)	(766)
Proceeds from financial assets	106,500	237,051	–	–
Payments for financial assets	(101,182)	(247,634)	–	–
Net cash provided by/(used in) investing activities	1,047	(17,304)	(9,751)	(766)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	–	(164)	–	–
Loans to related parties	(3,272)	–	–	–
Net cash used in financing activities	(3,272)	(164)	–	–
Net decrease in cash and cash equivalents	(3,829)	(13,561)	(5,397)	(3,803)
Cash and cash equivalents at the beginning of the financial year	73,662	87,223	(11,590)	(7,787)
Cash and cash equivalents at the end of the financial year	69,833	73,662	(16,987)	(11,590)

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

NOTE 29.4 – STATEMENT OF CHANGES IN EQUITY: HIGHER EDUCATION & VET

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

HIGHER EDUCATION

	2017			2016		
	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000
Total equity at the beginning of the financial year	144,476	311,612	456,088	142,647	304,941	447,588
Net operating result	–	(10,233)	(10,233)	–	6,671	6,671
Movement in revaluation reserve	5,173	–	5,173	1,829	–	1,829
Total equity at the end of the financial year	149,649	301,379	451,028	144,476	311,612	456,088

VET

	2017			2016		
	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000	RESERVES \$'000	RETAINED SURPLUS \$'000	TOTAL \$'000
Total equity at the beginning of the financial year	30,118	58,600	88,718	30,118	64,674	94,792
Net operating result	–	5,883	5,883	–	(6,074)	(6,074)
Movement in revaluation reserve	–	–	–	–	–	–
Total equity at the end of the financial year	30,118	64,483	94,601	30,118	58,600	88,718

NOTE 30 | EX GRATIA PAYMENTS

	CONSOLIDATED		UNIVERSITY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gifts or voluntary payments	–	5	–	5

NOTE 31 | EVENTS OCCURRING AFTER REPORTING DATE

Other than mentioned herein, at the date of this report there is no matter or circumstance that has arisen since 31 December 2017 which has or may significantly affect:

- The operation of the economic entity;
- The results of those operations; or
- The state of affairs of the economic entity in the financial years subsequent to 31 December 2017.

Independent Auditor's Report

To the Council of Federation University Australia

Opinion	<p>I have audited the consolidated financial report of Federation University Australia (the university) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> • consolidated entity and university statements of financial position as at 31 December 2017 • consolidated entity and university statements of comprehensive income for the year then ended • consolidated entity and university statements of changes in equity for the year then ended • consolidated entity and university statements of cash flows for the year then ended • notes to the financial statements, including a summary of significant accounting policies • declaration by the chancellor, vice chancellor and chief financial officer. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the university as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Standing Direction 5.2 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under that Act and those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the university and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Council's responsibilities for the financial report	<p>The Council of the university is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Council is responsible for assessing the university and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

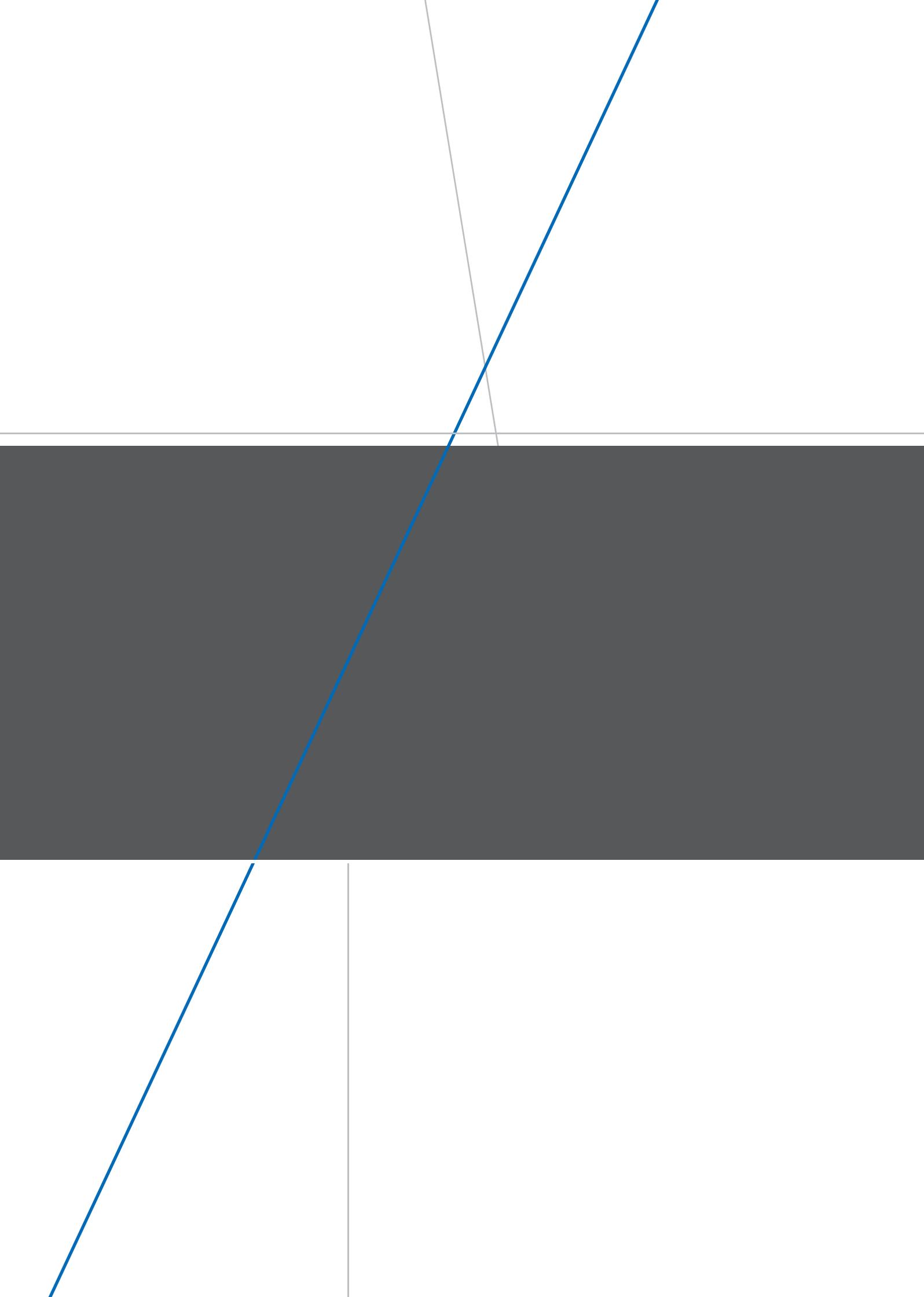
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material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

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

MELBOURNE
27 February 2018



Charlotte Jeffries
as delegate for the Auditor-General of Victoria





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