

2017 ANNUAL REPORT



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the ancestors, Elders and families of the Wurundjeri and Boonwurrung tribes of the Kulin Nation, as the traditional owners and custodians of University land.

The people of the Wurundjeri and Boonwurrung gathered at important times with other Kulin language groups – the Wathaurong, Taungerong and Dja Dja Wurrung – along the Yarra and Maribyrnong river valleys, including at Keilor sites, Werribee River, Mount William stone-axe quarry and the significant ceremonial bora rings at Sunbury.

One of the last remnants of indigenous grasslands of Kulin lands is located near Iramoo at the St Albans campus.

Wurundjeri and Boonwurrung people have a strong connection to their traditional lands and therefore the University. Wurundjeri language is used to name Indigenous programs, and permission has been given to Moondani Balluk by Elders to retell Kulin creation stories and to perform ceremonies on University land.

The University acknowledges that the land on which the University stands was the place of age-old ceremonies of celebration, initiation and renewal, and that the Kulin people's living culture had and has a unique role in the life of this region.

GENERAL ENQUIRIES

Office of the Vice-President, Planning, Registrar and University Secretary

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Victoria University's 2017 Annual Report and previous reports are available at:
vu.edu.au/about-us/facts-figures/annual-reports

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LETTER OF TRANSMITTAL



19 April 2018

The Hon Gayle Tierney MP
Minister for Training and Skills
2 Treasury Place
EAST MELBOURNE VIC 3002

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, we are pleased to submit for your information and presentation to Parliament the Victoria University Annual Report for the year ending 31 December 2017.

The Annual Report was approved by the Victoria University Council on 19 April 2018.

Yours sincerely

A handwritten signature in black ink that reads "George Pappas".

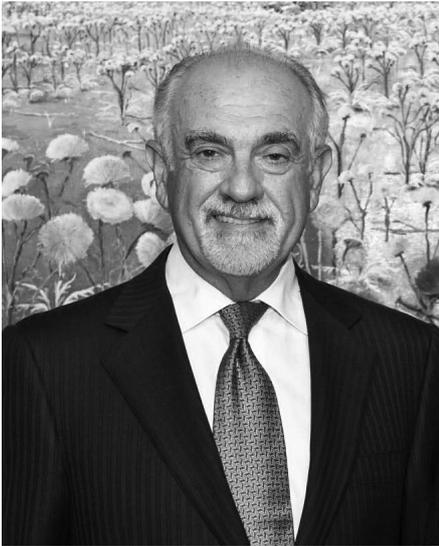
Mr George Pappas
Chancellor

A handwritten signature in black ink that reads "Peter Dawkins".

Professor Peter Dawkins
Vice-Chancellor and President

1 ORGANISATIONAL OVERVIEW

1.1 CHANCELLOR'S FOREWORD



2017 was a year of development and innovation for Victoria University. We began the implementation of our transformational agenda, and cemented ourselves as World Class in the West, and world class on the global stage. We reinforced our position as a leader in transforming education, with impact and excellence within the research and policy fields, making a myriad of significant achievements along the way.

OUR TRANSFORMATIONAL AGENDA

2017 was a year of intense transformational change at Victoria University. Led by Vice-Chancellor Professor Peter Dawkins, we saw the development of the *White Paper on the Future of Victoria University*, outlining the underpinning Big Ideas on which the transformation is based.

The implementation of this transformational agenda has been a significant undertaking that has had considerable impact on the entire institution. I would like to commend Professor Dawkins and the Senior Executive Group for their leadership during this critical time, and the expertise and skill they have brought to the execution of this bold plan that will further improve our offer to our students, and to our staff. The Council have given their full support to this strategy, which will ensure we deliver as the *University of Opportunity and Success*.

WORLD CLASS IN THE WEST AND ON THE GLOBAL STAGE

Victoria University improved its position in the prestigious Times Higher Education World University Rankings 2017–18, moving up a full band from the top 351–400 to 301–350. We are now within the top 2 per cent of universities worldwide, confirming our growing reputation on the global stage, and as a world class university in Melbourne's West. VU's strongest performers in the world-ranking announcement came in the areas of international outlook and citation impact. VU's strong score for citations shows the solid contribution VU research is making to the advancement of global knowledge through elite international collaborations.

Victoria University is on a powerful trajectory and this global recognition demonstrates the hard work and innovation that is taking place at VU, to make it an outstanding university of the 21st century.

LEADER IN TRANSFORMING EDUCATION AND BLENDED LEARNING INITIATIVES

Victoria University has cemented its place as a leader in transforming education and developing learning opportunities to suit the needs of our unique cohort of students.

In December, we officially launched the First Year Model, a bold and innovative Australian-first approach to learning for undergraduate students in their critical first year of university, and the first of our key transformation initiatives. This initiative originated from an institutional need to re-energise and renew our first-year offerings to address the issue of student retention and improve the student experience, and will be implemented in the beginning of 2018.

The Mitchell Institute at Victoria University continued to act on its mission to achieve educational opportunity for all Australians, from toddlers through to tertiary graduates. In September, the Mitchell Institute was honoured with an ACEL Leadership Award for its role in a project on entrepreneurial learning in schools. The project entitled *Paradigm Shifters: Entrepreneurial learning in schools initiative* was aimed at advancing the capacities and talents of students and involved 21 secondary schools in Victoria and New South Wales. The project was inspired by work on the three principles of entrepreneurial learning by Mitchell Institute Professorial Fellow, Vice-Chancellor's Fellow and International Adviser Professor Yong Zhao.

The work of AVID Australia at Victoria University has also made great strides as they work towards ensuring that low socio-economic and under-performing students with the academic, social and emotional skills to be successful at university are well equipped to capitalise on their capabilities and become successful learners.

Victoria Polytechnic, our Vocational Education arm, has enjoyed further success since its intense revitalisation in late 2015, becoming an industry leader in blended learning. In 2017, Victoria Polytechnic collected a number of prestigious awards for their inspired blended learning model, winning top prize at the LearnX Impact Awards for *Best Blended Learning Model* and Silver award for *Best Interactive Scenario Design*. They also won the Australian Institute of Training and Development Award for *Best Implementation of a Blended Learning Solution*, and was a finalist in the highly regarded 2017 Victorian Training Awards in the Large Training Provider of the Year category.

RESEARCH AND POLICY IMPACT

Victoria University's research and policy impact has also made considerable strides in 2017, most notably through the Australian Health Policy Collaboration at Victoria University (AHPC) and the West of Melbourne Economic Development Alliance (WoMEDA).

A key plank in AHPC's agenda is the development of *Australia's Health Tracker by Socio-Economic Status*, which was formally launched at the Press Club in November.

Australia's Health Tracker by Socio-Economic Status is the third in a series of Tracker report cards on the state of the nation's health, and builds on the successful work of Australia's Health Tracker, a report card compiled by the collaborative effort

and expert guidance of leading Australian public health and chronic disease experts. This is of particular importance to Victoria University, as a university in Melbourne's West. As a University we have a commitment to bettering the lives of not only our staff and students, but those within the communities we operate. The work of the AHPC will provide the knowledge needed to improve the lives of those based within our heartland.

Another Victoria University led initiative that was launched in 2017 was the *West of Melbourne Economic Development Alliance (WoMEDA)* strategy. The strategy is designed to identify the key economic issues facing the West of Melbourne, and the initiatives that must be implemented to enable health and education in the West to 'catch up' to Melbourne averages, and transform Footscray, Sunshine and Werribee into major employment clusters.

The designing and implementing of Victoria University's transformational agenda has been a huge university-wide undertaking. On behalf of Council I wish to acknowledge and thank the staff and our many supporters for their enormous contributions. We are delivering major innovations including the First Year Model and VU Research, and I commend the incredible effort that has gone into making these a reality for our students.

George Pappas, AO
Chancellor

1.2 VICE-CHANCELLOR'S FOREWORD



THE UNIVERSITY OF OPPORTUNITY AND SUCCESS

Victoria University's (VU) vision as *The University of Opportunity and Success*, is to be open and excellent, creating exceptional value for any student from any background and uplifting the communities in which we operate.

In 2017 VU consolidated its reputation for excellence. By moving into the world's top 350 universities in the Times Higher Education Rankings, (in the top 2%) and number 56 under the age of 50. VU also made further strides as an inclusive dual-sector university, committed to supporting any student from any background.

VU further consolidated its key role as the University of the West of Melbourne, playing an important leadership role in its region. We also became increasingly international, as well as significantly growing the number of our international students.

In 2017 we also undertook the *Towards Success 2018* Program, establishing a transformational agenda to achieve our vision as an open and excellent university. To achieve this a suite of projects were designed to ensure we achieve financial sustainability, starting with an operating surplus in 2018. To position us to deliver this outcome, we have delivered a net operating loss of \$29.2m in 2017. However this deficit was mainly due to separation costs as we reshaped our

academic workforce, investment in the development of the Campus Master Plan and strategic investments made as part of the *Towards Success* Program, in particular major transformations in learning and teaching and research.

Through a process of management working together with staff with the full support of the University Council, we have successfully completed the implementation of the *Towards Success 2018* program. While this involved significant restructuring and associated challenges and costs, it resulted in the University Council being able to approve a 2018 budget with a net operating surplus. In the same process we have simultaneously established a bold and exciting transformational agenda for our teaching and research.

THE WHITE PAPER: VICTORIA UNIVERSITY'S TRANSFORMATIONAL AGENDA

As well as challenging for all involved, the change that is happening at the University is unprecedented, bold and exciting. During 2017, in consultation with staff, we developed a *White Paper: Victoria University's Transformational Agenda* to serve as a signpost to the future VU, bringing the transformation outlined in our *Strategic Plan, 2016–2020* into a sharper and more precise focus.

The *White Paper* elaborates on four big ideas that capture the essence of our vision and mission and frame the transformation. They are: transforming lives and transforming communities; reconceptualising tertiary education as a *University without Boundaries*; developing 21st century skills and confronting 21st century challenges as a contemporary and future focussed university; and being an agile, dynamic, innovative, growing university.

It then expands on a range of transformational initiatives, with four of them being central to the transformation agenda: the new VU First Year Model; VU Interdisciplinary Flagships, College Clusters and VU Research; Victoria University's Polytechnic and Cross-University Programs and

Schools; and VU Online. In addition we have also established: the VU Academy for Social Change and Leadership; VU Innovations; the VU Employability Strategy; and Bathelmu Yalingwa (Shine Bright), our Aboriginal and Torres Strait Islander strategy.

THE FIRST YEAR MODEL

The development of the new First Year Model (FYM) is the centrepiece of our transformational agenda. The FYM, an Australian first, is an innovation that disrupts the ways in which students commence their engagement with the university. This is achieved by our first-year students studying their chosen degree in sequential 'blocks', rather than four units concurrently as is the current practice.

Early in 2017 we announced the establishment of the First Year College to implement the FYM, commencing in 2018. The College will deliver the first year of bachelor degrees and integrated personal support and guidance to our first year students. It will leverage our unique position as a dual sector institution to improve the quality of our first-year students' learning experience and educational achievements. Our staff have worked hard to be ready to deliver this to market in 2018, predominantly motivated by genuine excitement about the FYM which offers enormous opportunity and promise.

FLAGSHIPS, INTERDISCIPLINARY COLLEGE CLUSTERS AND VU RESEARCH

The University has identified two flagship key interdisciplinary themes, *Health, Sport and Active Living* and *Sustainable Industries and Liveable Cities* to drive its research agenda and infuse its learning and teaching agenda. These are themes of critical importance to the contemporary world and are highly connected with the needs of the West of Melbourne as well as our students; from wherever they come. Our discipline based Colleges will now be grouped under two clusters which reflect these themes and our research agenda will also be clustered under these two themes.

The *Health, Sport and Active Living* College Cluster comprises the College of Health and Biomedicine and the College of Sport and Exercise Science. The *Sustainable Industries and Liveable Cities* Cluster comprises the Colleges of Arts and Education, Business, Engineering and Science, and Law and Justice.

Our *VU Research* model will enable VU to invest in measurable high impact and high yield research while promoting increased productivity through a focus on our flagships. This model activates a place-based approach to research and translation through strong collaboration with industry and community. Two Institutes have been established to deliver the research programs aligned to these areas: the *Institute of Health, Sport, Exercise and Active Living* and the *Institute of Sustainable Industries and Liveable Cities*.

VICTORIA POLYTECHNIC

2017 saw a significant turnaround in our vocational education performance through the efforts of *Victoria University's Polytechnic*. Our Sunshine campus, the 'heart' of vocational education at VU, will be home to the \$35m *Sunshine Skills Development Hub*. We are undertaking the project in partnership with the State Government and with philanthropic funding from the *Ian Potter Foundation*. This state-of-the-art Hub is due for completion in 2020. It will allow the *Polytechnic* to respond in an even greater way to the needs of industry, the community and a diverse cohort of students with vocational and competency-based courses and degrees.

Our *Polytechnic*, as evidenced by the number of national awards it has collected during 2017, is becoming a sector leader in blended learning. The new Skills Hub is being designed with this in mind to ensure we provide our vocational education and training students with the best possible learning experience, using the latest technology and supported by high quality infrastructure.

WEST OF MELBOURNE STRATEGY

VU is the West of Melbourne's university. We completed Phase 1 of our Campus Master Plan, building on our 100 year history and longstanding tradition of education in the area, by outlining an exciting vision for our presence in the West of Melbourne as well as the CBD to ensure a strong and vibrant university. Key projects have already commenced, and through our strategic partnership with Western Health, we have committed to construction in 2018/19 of a new \$30m Nursing and Midwifery clinical education and training facility. This will be adjacent to the new *Joan Kirner Women's and Children's Hospital*.

Our partnerships with key organisations of the West is important to our aspiration to *champion our heartland and uplift communities in the West of Melbourne and beyond*. 2017 saw the renewal of our strategic partnership agreement with the *Western Bulldogs* for a further five years. This successful partnership is rich and multi-faceted. It includes educational support for players, collaborative research projects, especially in sport and exercise science, workplace opportunities for our passionate students, and community programs, such as *Sons (and Daughters) of the West*. This historic agreement sees us also work closely with the Bulldogs three elite teams in the Australian Football League (AFL), AFL Women's and Victorian Football League.

With the West of Melbourne being such a fast growing region, further restrengthening VU's positioning as the university of choice in the west is an important strategy for future growth. We also see our role as a regional leader as very important to this commitment. Significantly, the West of Melbourne Economic Development Alliance (WoMEDA), of which I am the Deputy to the Chair, former State Premier, Steve Bracks, is based at Victoria University. In late 2017 it publicly released its *West of Melbourne Economic Development Strategy*. This Strategy outlines ways to enable health and education in the west to 'catch up' to Melbourne averages, and

promote Footscray, Sunshine and Werribee as major employment clusters. These are key hubs in the University's Campus Master Plan.

INTERNATIONAL DEVELOPMENTS

International engagement is an important focus for the University, and is a key factor in our rise in the world rankings. In 2017, we attracted more international students than ever before to study with us in Melbourne and Sydney. At the same time, we also provided opportunities for hundreds of our domestic students to study all over the world through our international mobility programs.

Strong partnerships continue to be at the heart of our international engagement approach. In 2017, our established offshore programs performed well in Malaysia (Sunway College), Vietnam (Hanoi University) and China (Liaoning University, Henan University and the Central University of Finance and Economics). We also expanded our offerings offshore through significant new programs in India and Sri Lanka, reinforcing our position as a leading Australian provider of transnational education.

Our broader engagement with China included the work of the Victoria Business Confucius Institute, in partnership with the University of International Business and Economics, and the VU-CUFE Collaborative Research Centre. These partnerships work to not only strengthen the ties between China and Australia, but offer great opportunities to promote collaborative research and facilitate academic interaction through a series of joint projects.

CONCLUSION

It is an exciting time to be at VU, where new ideas and approaches to the way we are doing things are being encouraged and I look forward to continuing the journey with our students, staff, council and partners.

Professor Peter Dawkins AO
Vice-Chancellor and President

1.3 ABOUT VICTORIA UNIVERSITY

HISTORY

Victoria University traces its history back to 1916 when the Footscray Technical School was established. The idea for a technical school based in the western suburbs of Melbourne was first proposed in 1910. At the time, people believed in the power of technical education to positively transform lives and social conditions.

Charles Archibald Hoadley was the school's principal from its founding until his death in 1947. His vision was to equip students not only with sound technical knowledge, but also with an appreciation of the arts, sport, and outdoor and community activities. Under his leadership, the school expanded rapidly and began offering trade certificate courses, diplomas and evening classes.

In 1958, the school changed its name to the Footscray Technical College. Ten years later it changed its name again, this time to Footscray Institute of Technology (FIT). Over the next 20 years the curriculum was expanded to include degree courses and discipline areas well beyond the remit of the original technical school.

In 1990, FIT merged with the Western Institute, which had been founded three years earlier to provide TAFE and higher education courses to the outlying suburbs in Melbourne's west. The merger of FIT and Western Institute created Victoria University of Technology (VUT). A further amalgamation occurred in 1998, this time with the Western Melbourne Institute of TAFE. In 2005, VUT was renamed Victoria University.

VU TODAY

VU and its predecessor institutions have now been providing education, research and training for over 100 years, and have consistently maintained strong business and local community engagement, helping to ensure that the University continues to provide meaningful and relevant education programs.

The distinctiveness of VU and its transformational role in improving the lives of people and communities, particularly in the western metropolitan region of Melbourne, is recognised in the *Victoria University Act 2010*, which commenced operation on 1 September 2010.

In the last decade, the University has also become firmly established as a leader in transnational education, particularly in Asia, with partners in China, Malaysia, India, and other countries.

In 2016, VU celebrated the centenary of the establishment of the Footscray Technical School. The 25th anniversary of the establishment of VU also occurred in 2016 with the first Vice-Chancellor being appointed in 1991. These anniversaries provided an opportune time to reflect on our heritage and share our vision for the future.

VU officially launched its First Year Model on 8 December 2017. In an Australian first, this bold and innovative approach focuses on improving a student's transition into university life. This is achieved by delivering one subject unit every four weeks, with students avoiding the stress of juggling multiple subjects. By achieving early academic success students are able to gain confidence with a far more positive learning experience.

VU's progressive strategic plan will enable it to continue to mature into an internationally recognised tertiary sector leader, providing access to excellent education to students from diverse backgrounds, as we continue to drive forward as the University of Opportunity and Success.

1.4 OUR VISION & MISSION

VISION

As the University of Opportunity and Success, we will be open and excellent, creating exceptional value for any student from any background and uplifting the communities in which we operate.

MISSION

We will achieve this vision through:

- **Education**

Providing high quality, engaging career-based tertiary education at all levels of vocational and higher education with flexible entry and exit points, appropriate pathways, contemporary curriculum and delivery; while maintaining rigorous standards and ensuring that all students are supported to meet those standards.

- **Research and engagement**

Undertaking high quality and innovative applied and translational research which results in healthier, smarter and sustainable communities in the West of Melbourne and beyond, and connecting deeply with industry and the community, in turn enhancing the quality of teaching and learning.

1.5 STRATEGIC PLAN 2016–2020

2016 saw the public release of the University's new strategic plan, *The University of Opportunity and Success 2016–2020*. As part of this strategic plan, our core promises are to deliver high quality learning opportunities for people from diverse backgrounds to enable them to create personalised career success. We will also continue to undertake high impact research that shapes healthier, smarter and more sustainable communities as a significant part of our ongoing strategic objectives.

This is an exciting and challenging time for VU. We have a great opportunity to develop a dynamic university model that is relevant to the needs and aspirations of contemporary learners and the community of the 21st century. This vision is articulated by a set of design aspirations describing the core features of Victoria University in 2020.

Our seven design aspirations guide our activities and shape how we will be known.

- 1 Dedicated to student opportunity and success, employment and entrepreneurship
- 2 Offering quality, contemporary learning experiences with a unique VU blend
- 3 Connecting deeply with industry
- 4 Research with impact, and renowned for excellence in our flagship areas
- 5 Championing our heartland and uplifting communities in the West of Melbourne and beyond
- 6 Engaged internationally, especially in Asia
- 7 Future focused workforce in a dynamic and sustainable organisation

The concept of design aspirations has been inspired by the work undertaken at Arizona State University.

We will remain future-focused and fine-tune our approach on a continuous basis to make sure that we are thinking and behaving strategically in all that we do; collaborating as co-learners and co-creators

of the future and changing ahead of change.

By 2020, as an outstanding and open university that provides the opportunity and path to success for any student from any background, we aim to:

- Lead our sector in integrating teaching and learning, research and engagement with industry and community to deliver learning opportunities that support student success in the emerging world of employment and entrepreneurship.
- Offer a highly attractive suite of VE through HE product and service offerings with contemporary content that is delivered through best use of current and emerging technology.
- Provide learning experiences and research collaborations that contribute significantly to uplifting communities in the West of Melbourne and beyond, embedding engagement activities that are achieving measurable, evidence based outcomes.
- Be renowned for research, teaching and engagement in our flagship areas of *Health, Sport and Active Living* and *Sustainable Industries and Liveable Cities*.
- Operate on a fit-for-purpose service footprint and campus environment that enables an engaging, relevant and dynamic offer to our students.
- Employ and develop a workforce that is increasingly characterised by flexibility, agility and forward thinking and is able to provide quality learning experiences, and support to our students.
- Provide excellent and relevant research for our industry and community stakeholders.

- Be financially sustainable.

We will deliver this through three key elements:

- Being open and excellent
- Achieving transformation
- Becoming financially sustainable.

Our November 2017 White Paper on the future of Victoria University, brings this transformational strategy into sharper focus by presenting and elaborating on the four big ideas which now frame that agenda, which are:

- 1 The Moral Purpose: Transforming Lives and Transforming Communities – A University Focussed on its Students and its Communities
- 2 Reconceptualising Tertiary Education: A University without Boundaries
- 3 Developing 21st Century Skills and Confronting 21st Century Challenges: A Contemporary and Future Focussed University
- 4 Agility, Productivity and Growth: An Agile, Dynamic, Innovative, and Growing University

All of the activity taking place under this ambitious agenda needs to maintain and build on previous strategic investments.

The full version of the Strategic Plan 2016–2020 and the *White Paper on the Future of Victoria University* can be accessed at: <https://www.vu.edu.au/about-us/vision-mission-strategy>

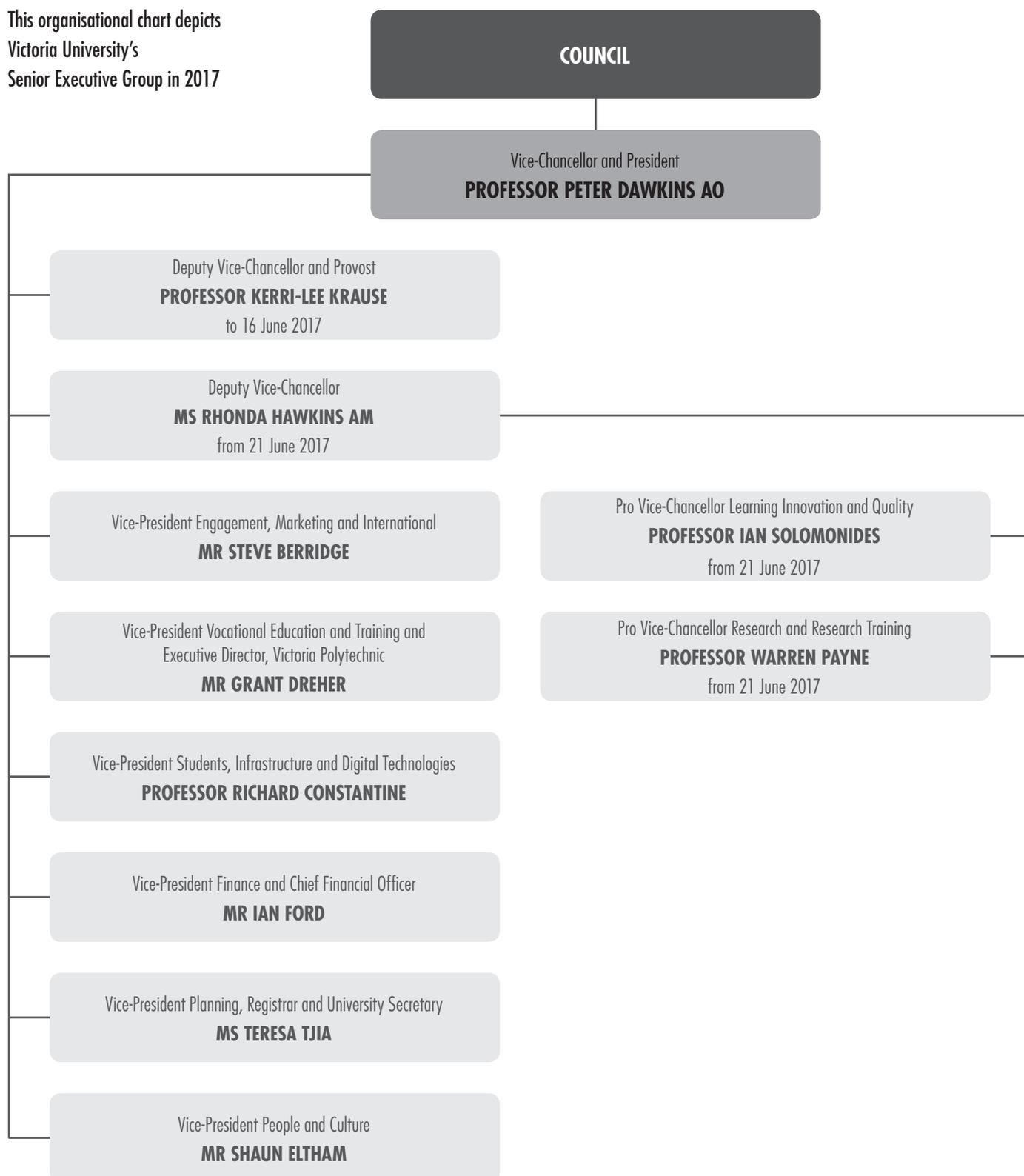
1.6 OPERATIONAL AND BUDGETARY OBJECTIVES

OPERATIONAL AND BUDGETARY OBJECTIVES 2017

BUDGETARY OBJECTIVE TO SUPPORT THE STRATEGIC PLAN	OUTCOME
<p>Dynamic and prosperous organisation – position Victoria University to move to break-even in 2018 and reach financial sustainability by 2020. Due to the challenging financial situation and required structural transformation the Council agreed that for 2017 a reported surplus would not be expected.</p> <p>The budgeted reported deficit was \$17.3m and budgeted net margin as a percentage of revenue was -3.3%.</p>	<p>The University generated a reported operating deficit of \$29.2m (includes capital grants, gross proceeds from sale of assets, depreciation, redundancy and restructuring costs). On a net margin as a percentage of revenue basis, the result was -6.6%.</p> <p>The \$12.6m unfavourable variance to 2017 budget is directly related to the University’s transformation agenda undertaken as part of the <i>Towards Success</i> program.</p>
<p>Opportunities to grow sustainable revenue – through the successful implementation of strategic initiatives.</p> <p>The budgeted strategic expenditure for 2017 was \$36.7m.</p>	<p>Strategic initiative funding of \$53.2m was spent in 2017. Strategic spend included:</p> <ul style="list-style-type: none"> • Blended Learning to improve the student experience, particularly with the implementation of First Year Model, and academic staff development • Additional marketing activity to re-position VU in the market and increase brand awareness • Towards Success program (including University restructure costs attributed to the transformation agenda).
<p>Implement the <i>Towards Success</i> program – the aim of the program is to implement initiatives to increase revenue, process improvements and productivity gains to enable the University to reach break-even in 2018.</p> <p>The budgeted cost of implementing the program was \$18.7m in 2017 and included separation, system and program costs. The program is expected to realise savings of approximately \$30m by the end of 2018.</p>	<p>The 2018 Budget incorporates \$37m in planned financial improvement off the back of the successful implementation of the <i>Towards Success</i> program. This is aimed at improving the student experience, increasing productivity and driving revenue growth. This program of works included the following:</p> <ul style="list-style-type: none"> • The Higher Education College restructure and resulting development of the First Year Model (commencing in 2018) to improve the quality and efficiency of teaching through a dedicated teaching-focused first year workforce and an innovative block delivery mode • The centralisation of research under the banner of <i>VU Research</i> separated into two interdisciplinary College clusters relating to VU’s two flagships aligned with our research strengths: <i>Health, Sport and Active Living and Sustainable Industries and Liveable Cities</i> • The re-design of student support services to improve their quality and efficiency • Revised course and unit offerings.
<p>Capital infrastructure – Investment in capital projects aligned with enhancing the student experience, lifting student numbers and reducing operating costs</p>	<p>2017 saw the development of a Campus Master Plan. This entailed consolidation of our campuses into four major precincts, aligning with student study preferences and enhancing the student experience. Funding for the capital program is planned through the consolidation of our existing portfolio and through asset sales. This is dependent on approval from Local and State Governments.</p>

1.7 SENIOR EXECUTIVE GROUP

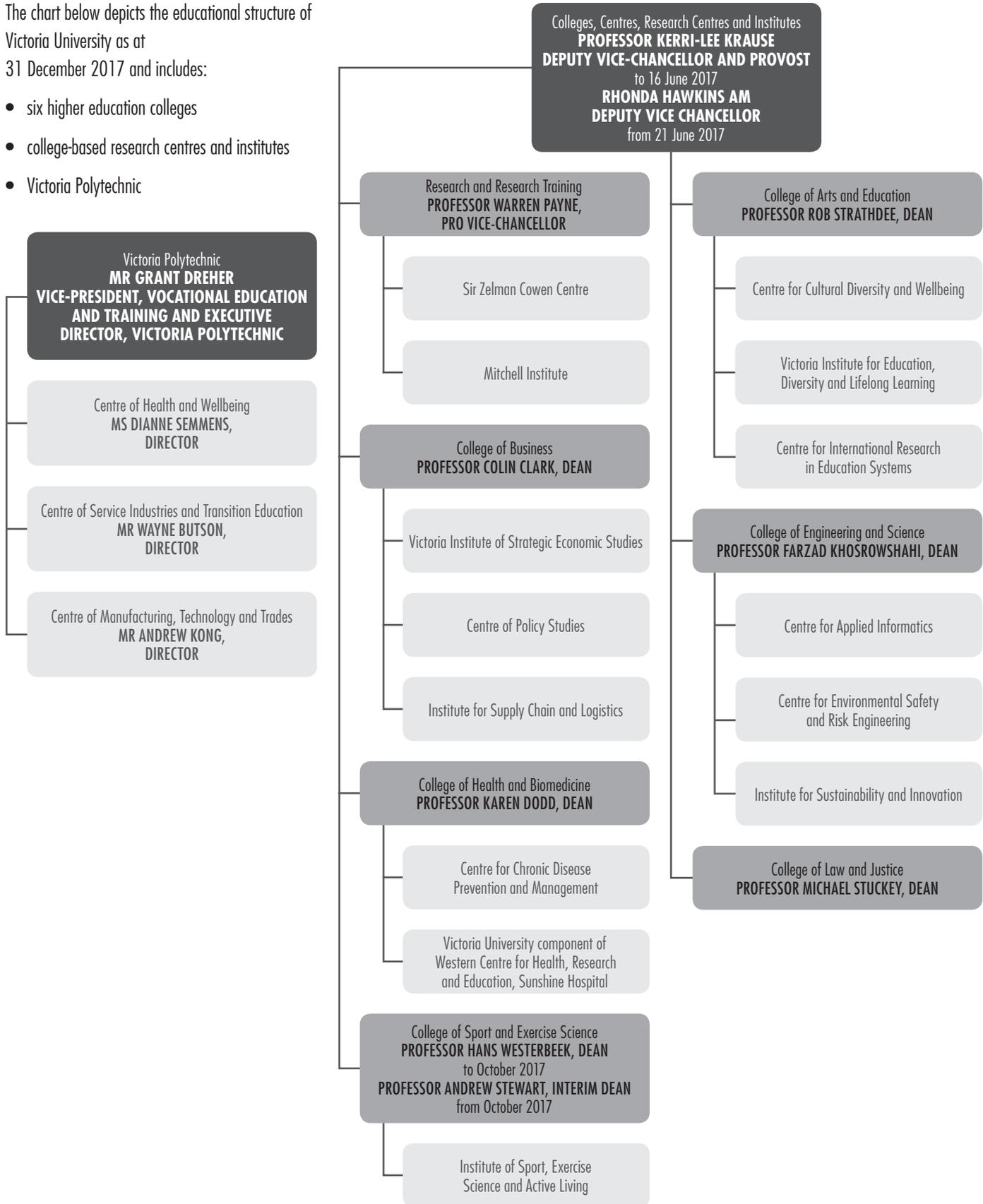
This organisational chart depicts
Victoria University's
Senior Executive Group in 2017



1.8 HIGHER EDUCATION COLLEGES AND VICTORIA POLYTECHNIC

The chart below depicts the educational structure of Victoria University as at 31 December 2017 and includes:

- six higher education colleges
- college-based research centres and institutes
- Victoria Polytechnic



2 REPORT OF OPERATIONS

2.1 UNIVERSITY OF OPPORTUNITY AND SUCCESS

Victoria University's strategy has three key elements:

- **Position ourselves as an open and excellent university**
- **Pursue a transformational agenda**
- **Ensure financial sustainability.**

As the University of Opportunity and Success, VU aims to be an agile, dynamic, innovative and growing university with a fundamental commitment to providing exceptional support to any student from any background so they can succeed.

We will provide exceptional value to our diverse community of students by guiding and assisting them to achieve their career aspirations through flexible and industry relevant learning opportunities. Our students and graduates will be able to demonstrate their employability, and their development of 21st century skills which will include; critical thinking, problem solving, creativity, curiosity, interpersonal and communication skills, self-regulation, grit, entrepreneurial mindset, teamwork and digital literacy.

We will support our academic and professional staff in successfully developing and guiding our students' careers, connecting with industry and community, engaging in research with impact, and being committed to continuous improvement.

VU has defined areas of research focus that build on well-established capability and disciplinary expertise in flagship areas – *Health, Sport and Active Living* and *Sustainable Industries and Liveable Cities*. Our areas of research focus will create opportunities for collaboration and growth.

They will also enable innovative solutions for the immediate and pressing issues of the day in the communities in the West of Melbourne and beyond.

Victoria University, the University of Opportunity and Success, will be a leader in reconceptualising tertiary education, and in so doing become a truly great university.

2.2 LEARNING AND TEACHING

LEARNING, INNOVATION AND QUALITY

The Learning, Innovation and Quality portfolio provided a number of operational and strategic services to the University, broadly related to quality assurance and quality enhancement.

The quality assurance team also made significant contributions to managing the portfolio of course offerings through various reviews and monitoring. Support was also provided to a university wide project to create a more sustainable range and number of course unit offerings.

Student facing services; the Library and the Centre for Student Success continued to provide notable support in enhancing the student experience. The annual Library client survey, benchmarked across the country, showed an improvement in the overall ranking. VU was placed in the top quartile of Australian universities. The Connect Learning team continued its strategic work in developing blended learning capability across the University.

The portfolio also played a major role in the project management and support for the First Year Model. The PVC, Ian Solomonides is the First Year Model Project Owner and support was drawn from other parts of the portfolio. This included curriculum design and development, quality assurance, and student support. The Centre for Student Success has been redesigned to meet the demands of the First Year Model, as well as supporting academic study needs of later year and research students.

DIGITAL TECHNOLOGIES

Digital Technologies completed a number of initiatives and important infrastructure upgrades to support the University's Digital Campus vision. Wireless network upgrades to replace outdated network equipment across all campuses were completed throughout 2017. Students and staff now have access to a high-speed Wi-Fi experience reaching speeds of up to 500mpbs. This ongoing investment in digital technology has been recognised in the latest staff satisfaction survey. Victoria University recorded the highest level of Wi-Fi coverage amongst all participating universities. We also recorded the fastest Wi-Fi network in the survey and the highest level of overall satisfaction with the Wi-Fi network. This has been a vast improvement in such a critical area of modern university life.

All staff desktop phones were also replaced with new Cisco IP handsets. These handsets incorporate HD Video, Bluetooth for mobile device integration, WebEx meetings functionality and the latest in security features. This enhancement provides staff with efficient collaboration opportunities across all campuses.

In response to student demand, 10 mobile device Chargebar stations were installed at various campuses throughout the year. These Chargebars provide students and visitors a place to conveniently recharge the batteries of their mobile devices free of charge.

HE COLLEGES AND VICTORIA POLYTECHNIC

In 2017, Victoria University's educational structure comprised six higher education colleges and Victoria Polytechnic. The Colleges which are structured around the University's distinctive specialisations and areas of expertise include the newly formed College of Arts and Education, college-based research centres and institutes.

Victoria Polytechnic offers a broad range of vocational education and training (VET) courses, national training packages and state based curriculum programs. The Polytechnic is committed to ensuring it produces job-ready graduates with vocational and enterprise skills across many industry sectors such as health, sport, trades, manufacturing, business, arts and education.

Through its Colleges and the Polytechnic, Victoria University offers study pathways between vocational education and training, through to undergraduate and postgraduate studies. Providing the ability for students to exit with qualifications when their immediate study goals are achieved and provide options for students to re-enter and pursue further study when required.

COLLEGE HIGHLIGHTS

In 2016, Victoria University's college structure comprised seven higher education colleges. However the year 2017 witnessed significant changes and new beginnings within the University. The College of Arts and the College of Education joined together to form the College of Arts and Education and appointed Professor Rob Strathdee as Dean. The College of Engineering and Science appointed Professor Farzad Khosrowshahi as Dean, while the College of Law and Justice appointed Professor Michael Stuckey as Dean.

In 2017 the University also witnessed the commencement of a number of new courses being offered across the Colleges. In response to the changing needs of industry, the College of Business introduced two new Masters courses: the Master of Tourism and Destination Management and the Master of Change Innovation and Leadership. The College of Arts and Education received accreditation for the Master of Teaching for both primary and secondary education (Victorian Institute of Teaching – VIT) and Bachelor of Early Childhood Education and Graduate Diploma in Early Childhood Education (Australian Children's Education and Care Quality Authority ACECQA).

A significant achievement for the College of Engineering was a partnership agreement which was signed with the Builders Academy Australia (BAA), a nationally accredited registered training organisation, and part of the Simonds Group. This pathway will allow graduates of BAA's Diploma in Building and Construction to receive credits and direct entry into the Bachelor of Building (Construction Management), the Bachelor of Building Surveying and as well as the Bachelor of Building Design. Around the same time MoUs were also signed with the Hendry Group and the McKenzie Group, two of the biggest building surveying companies in the country.

The College of Sport and Exercise Science announced a five-year strategic partnership agreement with Melbourne Victory and Victoria University in 2017. The exciting new collaboration will see Victoria University provide sports science and performance support for Melbourne Victory Academy programs, along with a range of unique learning experiences for current and prospective VU students. The partnership with VU will allow students in Master of Sports Science (Football Performance) and Master of Sport Business and Integrity the opportunity to participate in internships.

Undergraduate students in sports science, and coaching and sport management will also be able to undertake student placements as part of Victory's sports science and performance program.

The College of Health and Biomedicine established a fully-funded thirteen week course called Foundations at VU. This course provides students with an alternative pathway, to reach their goal of studying a higher education undergraduate or diploma course.

The University celebrated many victories in 2017. The College of Business continued to deliver its highly regarded Master of Business Administration in 2017, which was again ranked in Tier 1 by CEO Magazine and ranked in the top Business Schools by AFR Boss Magazine. Building on its reputation for excellence, the College's MBA Professional was also ranked 4 stars by the Graduate Management Association of Australia. In the Times Higher Education World University Subject Rankings 2017 results Computer Science ranked 2nd best among Victorian universities (ninth in Australia), while its Engineering and Technology ranked 3rd in the state (14th in Australia).

The College of Law and Justice hosted the seventh annual Michael Kirby Justice Oration in 2017. The Hon. Michael Kirby served on the High Court of Australia with great distinction for thirteen years (1996–2009). The annual Michael Kirby Justice Oration pays tribute to his commitment to social justice and human rights. His relationship as friend, colleague and mentor to Victoria University's College of Law and Justice as an adjunct professor is also warmly acknowledged. The annual Oration was delivered by Emeritus Professor Gillian Triggs, former President of the Australian Human Rights Commission and international lawyer.

The University is increasingly involved in entrepreneurial education and is committed to encouraging innovation while nurturing student achievement. In 2017, seventeen students from the College of Business participated in the prestigious European Innovation Academy program overseas.

Also, VU students participated in the Young Leaders and Entrepreneurs Study Tour to China in both 2016 and 2017, through the Victoria Business Confucius Institute. The College of Engineering and Science continued to undertake its work in outreach in 2017 through its 'Be a Chemist for a day', VU Science Roadshow and VCE Chemistry practicals. These outreach activities were complemented by our VCE Biology practicals, which saw hundreds of year 11 and 12 biology students attend our Werribee campus and undertake hands-on practical work as part of their studies.

Continuing with our tradition of achieving excellence, in 2017 Victoria University celebrated the outstanding performance of its students both internally and externally. These achievements included:

- College of Business – Kyriacos Karaolides (Future Alumni Award) and Mana Rassaeikashuk (Most Popular Entrepreneur, Global Competition for Entrepreneurship in Shanghai)
- College of Health and Biomedicine – Patrick Rowe (Deans' Scholar Award)
- College of Arts and Education – Amy Marks (2017 Spirit of VU Alumni Award), Courtney Webster (Premier's Award for the Victorian Student of the Year 2017 – Internationalisation) and Fotini Musumeci (Deans' Scholar Award)
- College of Law and Justice – Andrew Mitra and Kirsty Wilson (Dr Jim Rangelov Memorial Award), Abanoub William (Outstanding Student Professional Practice – Sunshine Youth Legal Centre), Amanda McDermott (Outstanding Student Legal Services Department and Victoria University Internship Program) and Cindy Farran (Contribution to WestJustice Community Legal Centre)

2017 was a year for honouring the achievements of staff by recognising their outstanding contributions to Victoria University. These recognitions included:

- College of Business – Kathy Michael (Excellence in Learning and Teaching)
- College of Health and Biomedicine – Juliana Antonipillai, Kylie Fitzgerald, Susan Johnston (Excellence in Learning and Teaching)
- College of Engineering and Science – Dr Ming Xie (Endeavour Australia Cheung Kong Research Fellowship) and Dr Xing Yang (Excellence in Research and Research Training – Early Career)
- College of Sport and Exercise Science – Itamar Levinger (Excellence in Research and Research Training - Individual)

Victoria University promotes a vibrant research culture and 2017 saw the University being lauded for its achievements. The College of Business research activity continues to grow, particularly through the Victorian Institute for Strategic Economic Studies, the Centre of Policy Studies and the Tourism Research Group. The College's strength in Tourism Management research was recognised by being ranked 31 in the world by the prestigious Academic Ranking of World Universities (ARWU). Within the College of Engineering and Science, the Institute for Sustainability and Innovation received a distinction in the Water/Wastewater Project of the Year category during the 2017 Global Water Awards for their work on the Australian Antarctic Division potable water recycling project. The Centre for Applied Informatics successfully secured a collaboration grant/award with colleagues from Germany supported by Australia-Germany Joint Research Cooperation Scheme in 2018. The Centre for Environmental Safety and Risk Engineering commenced joint research with the Defence Science and Technology Group (DSTG) on 'Experimental and Numerical Investigations on The Efficacy of Water Mist Systems for Active Suppression of Fires Involving Lithium-Ion Batteries in Enclosures'.

In 2017 the Institute also made major progress towards upgrading its fire testing facilities at Werribee. The state-of-the-art furnace facility for structural fire testing has been fully commissioned and is ready to be used for research and consultancy projects. Funded by Australian Research Council (ARC), VU, four other Victorian universities and an Industry Partner, this facility is unique in the Southern Hemisphere.

VICTORIA POLYTECHNIC

Victoria Polytechnic delivers tailored, work-based and flexible vocational education through three delivery centres: Centre of Health and Wellbeing; Centre of Service Industries and Transition Education; and the Centre of Manufacturing, Technology and Trades. Graduates are equipped with technical and enterprise skills to thrive in the rapidly changing world of work. 2017 saw Victoria Polytechnic receive widespread recognition for its commitment to excellence in the provision of Vocational Education.

Victoria Polytechnic was a Large Training Provider of the Year finalist in the 2017 Victorian Training Awards. Our Blended Learning team won Platinum in the Best Blended Learning Model and Silver in the Best Interactive Scenario Design categories in the LearnX Impact Awards. This team also won the Australian Institute of Training and Development (AITD) Award for Best Implementation of a Blended Learning Solution. Our Blended Learning team leaders presented at the EduTECH Asia conference in Singapore and as part of the TAFE Directors Australia Convention. The Polytechnic's Western Melbourne English Program (WMEP) was selected to present its project 'Dealing with CALD students who have experienced trauma' at the VDC (VET Development Centre) showcase event.

Victoria Polytechnic students competed in the Worldskills Australia Awards, Australia's biggest vocational education and excellence competition. Three students won in the Beauty Therapy Category, Gold – Amy Galbraith, Silver – Emily Osborn and Bronze – Courtney Psalia. Amy Galbraith also won the HBIA (Hair and Beauty Industry Association) Diploma of Beauty Therapy Award. Shari McLaughlin won the HBIA Diploma of Screen and Media Award.

Victoria Polytechnic also equips industry, by providing training solutions for clients such as Linfox, Unisuper, Department of Education and Training and Western Health. The Polytechnic hosted the Victorian Manufacturing Showcase, a premier event sponsored by the Industry Capability Network and Victorian Government. In partnership with the Australian Centre for Career Education, Victoria Polytechnic continues to develop links with secondary schools, hosting 100 students from across Melbourne Secondary Schools in a VET Industry Taster Day themed 'Jobs of the Future'.

Internationally focused, our Early Childhood and Education Support students participated in a study tour to Vietnam. Nursing and Paramedics students undertook a study tour to Vanuatu and our Diploma of Early Childhood students attended a study tour hosted by ITE College (Institute of Technical Education) in Singapore. Victoria Polytechnic also hosted international knowledge exchange visits for Diploma of Health and Wellbeing staff and students from the Republic Polytechnic in Singapore, and for Early Childhood Education staff and students from Temasek Polytechnic in Singapore.

LEARNING AND TEACHING DATA

HIGHER EDUCATION

STUDENT ENROLMENTS AND LOAD	2015	2016	2017
NUMBER OF STUDENTS – TOTAL ¹	27,497	27,201	26,906
NUMBER OF STUDENTS – CSP, UNDERGRADUATE, DOMESTIC	14,063	14,224	13,423
LOAD (EFTSL ²) – TOTAL	19,667	19,463	19,141
LOAD (EFTSL) – CSP, UNDERGRADUATE, DOMESTIC	10,812	10,938	10,229
MAJOR FUNDING GROUP (EFTSL)	2015	2016	2017
AUSTRALIAN FEE PAYING	642	655	732
DOMESTIC TUITION FEE EXEMPT	32	32	26
EXCHANGE	103	102	73
GOVERNMENT FUNDED	11,917	11,932	11,090
INTERNATIONAL OFFSHORE	3,401	3,156	3,154
INTERNATIONAL ONSHORE	2,614	2,466	2,538
INTERNATIONAL VU SYDNEY	632	789	1,199
NO FUND GROUP	27	40	24
RESEARCH TRAINING PROGRAM	300	291	304
COURSE CATEGORY (EFTSL)	2015	2016	2017
UNDERGRADUATE	14,911	15,127	14,647
POSTGRADUATE COURSEWORK	2,416	2,267	2,520
SUBBACHELOR	1,520	1,268	1,217
RESEARCH	521	501	508
NON AWARD	297	301	249
HOME RESIDENCE — WESTERN MELBOURNE REGION ³ (EFTSL)	2015	2016	2017
WESTERN REGIONS	6,447	6,602	6,513
OTHER REGIONS	6,972	7,297	7,576
OVERSEAS	5,976	5,075	4,981
NOT AVAILABLE	271	491	73
CAMPUS LOCATION (EFTSL)	2015	2016	2017
CITY	3,316	3,228	3,221
FOOTSCRAY	9,048	8,990	8,425
ST ALBANS	3,145	3,102	2,875
WERRIBEE	85	74	57
VU SYDNEY	632	789	1,200
OFFSHORE	3,228	3,106	3,111
OTHER ⁴	212	176	252
GENDER (EFTSL)	2015	2016	2017
FEMALE	10,670	10,549	10,351
MALE	8,997	8,914	8,785
OTHER	0	1	6

¹ Student enrolments based on data available on 31 December

³ Based on self-identified home postcode information

² EFTSL = Equivalent Full-time Student Load (eg 8 units over 2 semesters equals 1.0 EFTSL for UG)

⁴ Includes distance venues and online delivery

VOCATIONAL EDUCATION

TOTAL STUDENTS	2015	2016	2017
NUMBER OF STUDENTS	15,854	15,007	14,799
TOTAL STUDENT CONTACT HOURS (SCH)	5,861,080	5,477,711	5,671,660
TOTAL LOAD (EFTSL) ¹	8,140	7,608	7,877
MAJOR FUNDING GROUP ² (EFTSL)	2015	2016	2017
GOVERNMENT FUNDED	5,269	5,319	5,884
FULL FEE-PAYING (DOMESTIC)	539	226	141
INTERNATIONAL (ONSHORE)	456	393	306
INTERNATIONAL (OFFSHORE)	662	745	784
FEE FOR SERVICE	1,214	925	763
COURSE CATEGORY (EFTSL)	2015	2016	2017
POSTGRADUATE COURSEWORK	37	17	20
ADVANCED DIPLOMA/DIPLOMA	2,557	2,324	2,326
CERTIFICATE IV	1,211	1,105	1,025
CERTIFICATE III	1,987	1,841	1,992
CERTIFICATE II & I	1,390	1,347	1,558
OTHER ³	958	974	956
HOME RESIDENCE — WESTERN MELBOURNE REGION ⁴ (EFTSL)	2015	2016	2017
WESTERN REGION	5,374	5,026	5,278
OTHER REGIONS	2,209	1,903	1,949
OVERSEAS	526	669	632
NOT AVAILABLE	31	10	19
CAMPUS LOCATION (EFTSL)	2015	2016	2017
CITY	1,015	759	871
FOOTSCRAY	2,097	1,864	1,880
SUNSHINE ⁵	2,139	2,120	2,277
ST ALBANS	631	730	717
WERRIBEE	763	851	820
OTHER ⁶	973	657	661
OFFSHORE	523	627	651
GENDER (EFTSL)	2015	2016	2017
FEMALE	4,028	3,954	4,171
MALE	4,112	3,654	3,704
OTHER	0	1	3

1 EFTSL = Equivalent Full Time Student Load (student contact hours divided by 720)

2 Major Fund Group — Fee for service includes VETiS

3 Includes ELICOS, VCE/VCAL and non-certificate enrolments

4 Based on self-identified home postcode information

5 Sunshine (includes Newport)

6 Includes workplace, distance venues and online delivery

2.3 STUDENTS

STUDENT WELCOME AND ENGAGEMENT

Student Welcome is an umbrella term for the programs and services that enable commencing and returning students to prepare for study success. Staff from across VU deliver programs that assist students with their academic, administrative and social transition to study. Dedicated orientation programs in 2017 were delivered for higher education, vocational education and international onshore students.

The 2017 Student Welcome program was delivered across eight VU campuses with a focus on Semester 1 and 2 intakes for all cohorts. Over 8,500 commencing students attended with additional participation of over 400 people (students and family members) at a dedicated Family Information Day. Student Life achieved a Net Promoter Score of 44 for Family Information Day indicating that this continues to be a successful community building event for VU. International orientation achieved an overall satisfaction rating of 96% agree/strongly agree.

Student Life has overseen 50 events over eight campuses with close to 15,000 students participating in events throughout 2017. The success of these events made possible by the valuable contribution from over 300 student volunteers.

COMMUNICATIONS

An improved suite of clear and consistent communications was rolled out to Semester 1 and Semester 2 commencing students. Improvements in our engagement with pathways students, transitioning from Victoria Polytechnic to Victoria University, saw a 30% rise in early interest in the bachelor level pathway. A cross-functional project team has also undertaken a large-scale upgrade of VU's digital environment for students. This resulted in an improved and mobile-responsive enrolment experience, as well as a redesigned MyVU student interface, improving access to

services from VU. MyVU is a one-stop digital hub that provides students with personalised information, notifications and communications.

PATHWAYS AND PARTNERSHIPS

Pathways and Partnerships provides strategic direction for over 100 pathways at the University. It interacts with partner stakeholders including TAFE, vocational education and community providers, schools and other external organisations to the University community. It builds on VU's 2016–2020 Strategic Plan to provide fit-for-purpose pathways from TAFE to higher education, bachelor to post graduate studies with flexible entry and exit points for students from all backgrounds. Pathways and Partnerships works extensively with other areas of the University. These areas include Victoria Polytechnic, Higher Education Colleges, Admissions, International and Future Students, to ensure the success of pathways programs.

THE EARLY UNI PATHWAYS PROJECT

In 2017, 56 Year 11 students undertook the nine-week Early Uni Pathways (EUP) Uni-Link program across two VU campuses. 20 year 12 students enrolled in the program, undertaking two first year university units accredited by both VCAA and the University.

A Learning Experience day was held for 25 Year 10 students from one of the EUP partner schools, Essendon Keilor College. Students participated in a hands-on workshop using the wave machine and wind tunnel in the environmental engineering lab. This was followed by a careers session. Outcomes of the project:

- Successful engagement of more than 100 students in university life and learning
- Increased collaboration between school and the tertiary sector facilitating educational transition into the future involving ten LSES secondary schools

- Four Colleges were involved in offering 22 university units to the VCAA for selection by VCE students to count for both VCE and university credit
- Involvement of Asylum Seekers in the Year 11 program.

EMPLOYABILITY AND CAREERS EDUCATION

The 2017–2019 *Victoria University Employability Strategy – Future Ready* was implemented in 2017. The Career Development and Employment (CDE) unit has worked in collaboration with Colleges, Victoria Polytechnic, VU International, Alumni Relations and the Entrepreneurs in Residence to enact the 2017 Implementation Plan.

The Implementation Plan focussed on International Students who found it more difficult to transition to employment after graduation. This year the CDE staff developed and delivered an International Employability Forum including a range of workshops supporting employment success.

The Employability Strategy also launched the Talent Connect Program. Thirty final year students participated in a program of careers coaching and master classes. They were then matched with an Alumni Mentor to support their transition to employment in 2018. The Strategy also saw the development and endorsement of a Minor in Entrepreneurship Education. Students from a range of disciplines able to complete this minor as part of their undergraduate course.

STUDENT LINK RETENTION PROGRAM

In 2017 a university Retention Strategy was developed along with a Retention Implementation Plan. Student Link operationalises the implementation plan through a now established early identification and intervention program.

The program is designed to assist commencing undergraduates with their transition into higher education. Additional benefits include support with the social integration required for them to be successful in a university environment. Student Transition Mentors provided positive engagement opportunities for commencing students in general, as well as interventions for students identified in the Student Link process.

ACADEMIC SUPPORT AND DEVELOPMENT

Academic Support and Development (ASD) comprises College-facing teams for both Maths and Writing support, which embrace the First Year Champions (discipline academics within each College) and dedicated postgraduate support.

These teams offer academic support and development through face-to-face and online curriculum initiatives, co-teaching, assessment-focused workshops, pop-up 'one-stop' shops, resource creation and personalised learning approaches, across all undergraduate levels. Key achievements in 2017:

- Nearly 20,000 student interactions were provided
- Of these, approximately 18,000 were with undergraduate students, 1,200 with postgraduate students and 800 with Research students
- Data from the annual ASD Writing Survey of students who accessed at least one ASD program during 2017 indicated an extraordinary high satisfaction rating (91.6% extremely satisfied/satisfied) with ASD teaching (n=249)
- ASD were successful in winning a Victorian Women's Trust grant with the Edmund Rice Community and Refugee Services.

ACHIEVEMENT SCHOLARSHIPS PROGRAM

The Achievement Scholarships program, established in 2010, offers two scholarships annually to every eligible secondary school in the western region of Melbourne. Over 550 scholarships have been awarded and recipients continue to maintain impressive scholarship retention rates. In recognising VU's commitment to providing pathways to further education, over 35% of recipients of a vocational education scholarship continue on to an additional vocational education course or enrol in a higher education degree. The Achievement Scholarships program is the main focus of Victoria University Foundation's annual fundraising. In 2017 it was supported by VU staff through workplace giving, donations from alumni and the extended VU community through our Annual Giving Fund. Funding grants from the George Alexander Foundation, the Invergowrie Foundation, and the Collier Charitable Fund were also received. The program is also generously supported through contributions to the Chancellor's Centenary Circle. Each year philanthropic individuals contribute at least \$5,000 to the Chancellor's Centenary Circle to support our Achievement Scholars, as well as other scholarship programs.

POSTGRADUATE RESEARCH SCHOLARSHIPS

In 2017, the University continued its steady growth in the number of new research scholarships offered to graduate research students. Research scholarships are funded through a number of sources: Commonwealth and State Government funding, Victoria University funding, and industry and other external funding. In 2017, the University offered the following new research scholarships:

- Victoria University-funded: 32
- Government (RTP Stipend, ARC): 40
- Industry/external: 2

Total value of new research scholarships in 2017: \$2million*

Total value of new Victoria University-funded research scholarships in 2015: \$843,801*

*Calculated on an annual basis irrespective of start date. One new annual Indigenous Postgraduate Scholarship (the Lisa Belleair Postgraduate Research Scholarship) was awarded for the second time through the University Scholarship Program. The Foley Collection scholarship was also created and launched inviting applications from indigenous and non-indigenous applicants who wish to focus their research on an aspect of the Foley Collection.

ALUMNI RELATIONS

2017 was the start of a new strategy for Alumni Relations; with a focus across four key areas of: raising awareness amongst students and alumni; improving the accuracy and completeness of data to assist in maintaining contact with alumni; increasing alumni engagement with VU; and increasing alumni volunteering/being active within VU programs and on behalf of VU.

Working in collaboration with other VU areas, some key achievements and outcomes for 2017 include:

- Alumni were sourced to participate in 95 separate VU projects or activities
- Over 200 alumni volunteered their time and expertise on activities such as speaking at events and graduations; joining course advisory boards or becoming a mentor to a new alumni; with over 100 of those becoming active with VU for the very first time
- Creation of new programs including special events for alumni – the new VU Alumni Knowledge Network Series also showcased nine high achieving alumni as panellists on current topics; and the VU Alumni Mentoring program as part of the VU Talent Connect employability program.

- Our 'reconnect with VU' programs saw: the number of alumni records grow by 9% to almost 250,000; an increase in the number of alumni contactable by email of 11% to 91,000 people with an email success rate of 98%.
- We introduced Facebook live videos of alumni speaking at events, the Alumni Awards and graduations, making these events 'virtually' accessible to alumni not in Melbourne. The December graduations section achieved a reach of over 60,000 people with around 25,000 people watching the videos alone; and a 54% increase in unique visits to the alumni webpages was also achieved following a revamp of information.
- 2017 had record number of Alumni Award nominations and for the first time, more female than male nominees.

The 2017 Alumni Awards again highlighted outstanding achievements of VU alumni across the globe. Recipients this year were:

- Distinguished Alumni Award – Mr Andrew Gaze AM
- Outstanding Leadership Alumni Award – Mr David Jacka OAM
- Outstanding Service Alumni Award – Dr Jade Scott
- Young Achiever Alumni Award – Mr Kot Monoah
- Outstanding Student – Future Alumni Award – Mr Kyriacos Karaolides

VALEDICTORIANS

The following table shows graduate valedictorians during 2017, selected for their outstanding achievements and commitment to their studies.

COLLEGE	STUDENT NAME	COURSE
Arts and Education	Kieran McKissack	Bachelor of Education
	Sucharita Chakravarthy	Master of International Community Development
	Holly Greyhart	Bachelor of Education
	Zenab Tewolde	Bachelor of Youth Work
Business	Chantelle Zimmerman	Bachelor of Business (Banking and Finance)
	Denni Egan	Bachelor of Business
	Timon Dooley	Bachelor of Business
Education	Julie Anne Aquilina	Bachelor of Education
	Naomi Dempsey	Master of Education
Engineering and Science	Sherif Fahmy	Bachelor of Engineering
	Kevin Kit Liong Too Yok	Bachelor of Engineering (Honours) (Electrical & Electronic Engineering)
Health and Biomedicine	Kaitlyn Krahe	Bachelor of Health Science (Paramedic)
	Jack Feehan	Master of Health Science (Osteopathy)
	Brodie Marshall	Bachelor of Nursing
Law and Justice	Niko Kordos	Bachelor of Laws (Graduate Entry)
	Francis Killackey	Bachelor of Laws (Graduate Entry)
Victoria Polytechnic	Amy McKenna	Diploma of Nursing
	Christopher Dennehy	Diploma of Accounting

MEDALLISTS

The following table shows the outstanding student medallists in various categories for 2017.

COLLEGE	MEDALIST	CATEGORY	COURSE
Arts and Education	Sonja Kalow	Medal of Excellence in undergraduate studies	Bachelor of Arts
	Rosnah Hashim	Medal of Excellence in undergraduate studies	Bachelor of Education (Early Childhood/Primary)
Business	Linna Kry	Medal of Excellence in postgraduate by Coursework	Master of Business (Finance)
	Estelle McConnell	Medal of Excellence in undergraduate studies	Bachelor of Business
	Emilia Lewis	Medal of Excellence in postgraduate by Coursework	Master of Business (Marketing)
Engineering and Science	Sherif Fahmy	Medal of Excellence in undergraduate studies	Bachelor of Engineering
	Kevin Kit Liong Too Yok	Medal of Excellence in undergraduate Honours	Bachelor of Engineering (Honours) (Electrical & Electronic Engineering)
	Aaron Vandermey	Medal of Excellence in undergraduate studies	Bachelor of Information Technology (Network And Systems Computing)
Health and Biomedicine	Aidan Smith	Medal of Excellence in undergraduate studies	Bachelor of Health Science (Paramedic)
	Hannah Sehl	Medal of Excellence in undergraduate Honours	Bachelor of Psychological Studies (Honours)
	Lauren Cornall	Medal of Excellence in undergraduate studies	Bachelor of Health Science (Paramedic)
	Amy Quayle	Medal of Excellence: Higher Degree by Research	Doctor of Philosophy
Law and Justice	Iman Osman	Medal of Excellence in undergraduate Honours	Bachelor of Laws
	Taufik Rachman	Medal of Excellence: Higher Degree by Research	Doctor of Philosophy
	Amanda McDermott	Medal of Excellence in undergraduate studies	Bachelor of Laws (Graduate Entry)
Sport and Exercise Science	Beau Branch	Medal of Excellence in undergraduate studies	Bachelor of Sport And Recreation Management
	Lewan Parker	Medal of Excellence: Higher Degree by Research	Doctor of Philosophy
	Kim Wheadon	Medal of Excellence in undergraduate studies	Bachelor of Sport Science (Physical Education) (Secondary)
Victoria Polytechnic	Marketo Roussos-Kumar	Medal of Excellence in Vocational Education	Diploma of Early Childhood Education and Care
	John Achuil Dhieu	Medal of Excellence in Vocational Education	Advanced Diploma of Legal Practice
VU College	Tarik Aycicek	Medal of Excellence in undergraduate studies	Diploma of Information Technology
	Scarlett Nordestgaard	Medal of Excellence in undergraduate studies	Diploma of Business (Enterprise)

2.4 INDUSTRY AND COMMUNITY

VU engages with many stakeholders, and being 'World Class in the West' actively shows VU's commitment to engage with communities near (Footscray), and far, (Timor-Leste) to deliver on this undertaking.

VU ENGAGEMENT STRATEGY

VU engages dynamically with stakeholders externally, eg industry, community, government, schools and donors, while internally students and staff actively engage in university life, contributing to Western Melbourne. For VU to be strategically engaged the Engagement and Government Relations portfolio worked on developing a strategy on active engagement across all sectors to meet the University's mission/vision.

FOOTSCRAY UNIVERSITY TOWN (FUT)

It's been four years since VU and Maribyrnong City Council (MCC) entered a 10 year partnership to foster developing Footscray as a University town. FUT plays significant roles in government/industry/community awareness of VU's role illustrated by state government announcements in the Footscray Learning Precinct (FLP) and redevelopment of Footscray Hospital. MCC's 2017 Community Survey reported 20% of respondents were aware of FUT and virtually all respondents considered local education/employment opportunities are benefits. Highlights include:

VU METROWEST

VU MetroWest engages with local communities as a place for community events, exhibitions and projects. It hosted approximately 250 events, forums and celebrations, including 23,000 visitors and 10 exhibitions in 2017.

FOOTSCRAY LEARNING PRECINCT (FLP)

The FLP is a partnership of the Victorian Department of Education, MCC and VU to develop a ground-breaking cradle-to-grave networked learning precinct. It will enable maternal child health and child care/early childhood/primary/secondary/vocational and higher education, to share facilities in concert in an integrated education precinct. Initial planning/public consultation for this precinct occurred in 2017, and VU's involvement will involve shared facilities on VU's Footscray Park/Footscray Nicholson campuses, hosting a STEM centre of excellence onsite at Footscray Park. Development of a new Year 6–9 high school adjacent to VU's Nicholson campus planned for 2018, establishing a new secondary school containing two junior campuses/one senior campus.

FOOTSCRAY ART PRIZE

The inaugural prize attracted over 800 entries from across Australia. Collaboration amongst VU and MCC, Footscray Community Arts Centre and Rotary Club of Footscray, contributed to Footscray's reputation as a vibrant arts hub, promoting cultural and creative industries.

WESTERN PROJECTIONS FESTIVAL

West Projections festival supported 30 artists, including VU staff and students, over 28 sites including three at VU's Footscray Nicholson Campus. The festival had 800 event participants, and reached approximately 10,000 people over the three weeks in August.

PICTURING FOOTSCRAY

This open-entry photography prize, in its second year, captured the character and personality of the places, and people, of Footscray, attracting 300+ entries with 350 people attending the launch and prize announcement with prizes totalling \$5,000. It engages participants and visitors including tertiary and school students, Artlife disability access group, professional/amateur photography enthusiasts, VU staff and students.

ONE NIGHT IN FOOTSCRAY (ONIF)

The inaugural ONIF brought streets of inner Footscray to life in November. Over 5,000 people attended, 17 locations and involved over 30 artists. Galleries/studios opened late, shopfronts activated with performances and bars transformed by art installations. New audiences were attracted to galleries, providing opportunity to profile Victoria Polytechnic's visual art graduates appreciating record sales and, for many students, their first experience of exhibiting in a professional gallery.

GAME CHANGER CONVERSATIONS

In its third year in partnership with MCC, the opportunities for collaboration with thought leaders in government, community, industry, indigenous and cultural spheres offered a forum for knowledge sharing and idea exchange. Conversations in 2017 involved 46 speakers across nine events including speakers such as Indira Naidoo and Clare Land. Topics were diverse and included multicultural business futures, impact of sports technologies in shaping champions, bringing indigenous ingredients and foods to the table, greening small spaces, bursting the social media bubble, and what is activism?

VU AND TIMOR-LESTE

VU works diligently in T-L on activities displaying continued commitment to the nation and its people. VU hosts the T-L Honorary Consulate and liaises with state government on opportunities for T-L collaboration.

2017 UNTL/VU BIENNIAL CONFERENCE

The conference titled *Finding Pathways to achieve the Sustainable Development Goals* at the Institute of Diplomatic Studies, Dili. The conference focussed on the United Nations Sustainable Development Goals (SDGs), encompassing targets/indicators, to achieve by 2030 addressing climate change/inequitable development. The two day conference, attracted 180 delegates using the SDGs as focus to debate/promote a holistic view for T-L's development. Academics, students, civil society and international partners collaborated on ways to address SDGs in daily life, teaching, study, consumer behaviour and advocacy.

GREEN PAPER

VU stood back to understand its history, purpose, current undertakings and opportunities in T-L. The process involved interviewing internal, and external, stakeholders to get a richer picture of the 'lay of the land'. Meetings with other Universities were held, including ACU, Federation University and Monash University to look at a holistic state of play. The paper was presented to VU's internal reference group recently for discussion with an intended T-L strategy for 2018 and beyond.

2017 BUSINESS HIGHER EDUCATION ROUND TABLE (BHERT) AWARDS

VU was pleased to have two submissions in the BHERT Awards in categories of Community Engagement, along with Research & Development. VU's Community Engagement submission was from the Sir Zelman Cowan Centre for the *Muslim Leaders Education Program* led by Professor Kathy Laster. The Research and Development submission was from the Centre for Chronic Disease for a *Vaccine for Multiple Sclerosis* led by Professor Vasso Apostolopoulos. Both submissions were shortlisted but did not take out their respective award. VU is proud of the work done in these areas and all research with industry and business.

HEALTH, SPORT AND ACTIVE LIVING FLAGSHIP STRATEGY

The flagship of Health, Sport and Active Living was a key strategy for VU across 2017 and this will continue in 2018. This has seen development of a *VU Active Living Program* being piloted, a collaboration with Global Performance Testing (GPT) on performance/health/wellbeing testing in the community. It has produced clean, reliable data and a source of employment for students who conduct performance testing in the field. There have been opportunities linked with the Australian Health Policy Collaboration (AHPC) on utilising Brimbank as a hub for developing commercial products for the wider community. A new course was also developed in sport, health and business with a focus on entrepreneurship.

2.5 RESEARCH

Victoria University (VU) focuses on applied and translational research in the two flagship areas of *Sport, Health and Active Living* and *Sustainable Industries and Liveable Cities*. This focus stems from the desire to make real and lasting impacts upon our stakeholders, and the industries and communities of Melbourne's west and beyond.

Our strategies focus on producing research of the highest quality with the ultimate aim of making a tangible difference to society, industry, and the lives of people. In 2017, the University continued to:

- implement strategies to improve the quality of research;
- prioritise support for research aligned with the flagship areas of strength;
- work to develop a critical mass of high-quality researchers and research students; and
- work to promote and develop domestic and international partnerships with industry and community.

In particular, 2017 saw the adoption of the VU Research Plan (2017–2020) and development of the VU Research Model.

The Research Plan (2017–2020) supports an ambition to be The University of Opportunity and Success and articulates how research will contribute to its realisation. With already strong credentials in applied and translational research, VU is committed to undertake high impact research that shapes healthier, smarter and more sustainable communities.

Building on established research strengths and growing capacity, the Plan outlines how we will develop distinct international reputation in areas of multidisciplinary research focus that align with our flagships: Sport, Health and Active Living and Sustainable Industries and Liveable Cities. We will invest strongly in the future, supporting rising stars, mentoring a new generation of graduate researchers, and building the engagement capacity of our researchers.

The Plan also commits to growing our local, national and international strategic partnerships, both academic and non-academic, and to be known for seamless and responsible engagement with industry, government and community.

The VU Research Model was developed as a key vehicle to implement many of the strategies contained within the VU Research Plan (2017–2020). The model involves identification and prioritisation of areas of research focus to consolidate, align and focus research and research training across the University. A dedicated university-wide organisational department to be known as 'VU Research' will lead, manage and deliver all research activity. This will also include higher degree by research training (HDR) activity at VU. This department and the strategic research and research training activity of VU will be supported through a global budget mechanism. VU Research will be implemented in 2018.

RESEARCH CENTRES AND INSTITUTES

In 2017, the University had six research institutes and six research centres. These are the key vehicles used by the University to coordinate research activities, inculcate a robust research culture, and leverage and build areas of research strength.

The six institutes are:

- Institute of Sport, Exercise and Active Living
- Institute for Sustainability and Innovation
- Institute for Supply Chain and Logistics
- Victoria Institute for Education, Diversity and Lifelong Learning
- Victoria Institute of Strategic Economic Studies
- Mitchell Institute for Education Policy.

The research centres are:

- Centre for Applied Informatics
- Centre for Chronic Disease Prevention and Management

- Centre for Cultural Diversity and Wellbeing
- Centre for Environmental Safety and Risk Engineering
- Centre for International Research on Education Systems
- Centre of Policy Studies.

RESEARCH PERFORMANCE

INTERNATIONAL RANKING

The Times Higher Education (THE) World University Ranking is the key ranking scheme identified by the University due to its balanced approach to ranking and acknowledgement of institution size. In 2017 our THE ranking improved and now ranks in the top 350 or 2% of universities worldwide. Research performance was a significant contributor to this ranking with our citation impact and international outlook scoring particularly high. Also of note was the THE world ranking of 151–175 for the disciplines of Engineering and Computing.

Subject rankings were also released by the Academic Ranking of World Universities (ARWU). These prestigious rankings saw our Sports Science program ranked at 21 and our Tourism program ranked 35 worldwide.

RESEARCH INCOME AND PUBLICATIONS

Data reported to the Commonwealth in 2017 for 2016, revealed continued improvement in research income and publication quantity and quality. The data revealed that while total research income decreased slightly from 2015 to 2016, average income per research staff increased due to a reduction in the total number of academic staff engaged in research.

In 2016, the quantity and quality of the University's research publications output continued to rise as a result of a concerted policy to effect this outcome. The quantity of journal publications increased in 2016 by 15% with a marked increase in the number of journal publications per research-engaged academic. Most importantly, recent SCImago data indicates the number of journal publications in the high quality first quartile (Q1) band made up 68.5% of all journal outputs. This represents a 7.5% increase on the previous year.

The quality of the University's research outputs was also evidenced by VU researcher Dr Tony Birch (Bruce McGuinness Indigenous Postdoctoral Research Fellow) being awarded the 2017 Patrick White Literary Award.

RESEARCH ENGAGEMENT AND IMPACT AND EXCELLENCE IN RESEARCH FOR AUSTRALIA

The University participated in the trial of the new Australian Research Council (ARC) engagement and impact (EI) assessment process in 2017. Data was submitted for the Medical and Health Sciences unit of assessment for Engagement, and for the Engineering and Education units of assessment for Impact. This provided an invaluable insight into the proposed process and will greatly assist the University to prepare for the full ARC EI submission in 2018. Extensive preparatory work was also undertaken in 2017 for the scheduled 2018 Excellence in Research for Australia (ERA) submission. This included the development of new quality control procedures and the implementation of a new 'dashboard' system to support submission development.

HIGHER DEGREE BY RESEARCH

VU continued to perform strongly in Higher Degree by Research Training. Higher Degree by Research (HDR) enrolment increased by 1.6% compared to 2016, thereby arresting a decline in enrolment in recent years. A significant contributor to the increased enrolment was the PhD Integrated program (the new alternative entry PhD pathway). The program continued to attract a new cohort of students, including full fee-paying overseas students. A record number of 143 doctoral students graduated in 2017, representing a 13% increase over 2016. 2017 also saw a major international drive to secure new external sponsor agreements with visits to Indonesia, Vietnam, Thailand and China. Data collected in 2017 revealed high overall levels of student satisfaction with our HDR program. Over 80% of respondents indicated they were positive in their appraisal of their supervision and overall satisfaction of the HDR program.

2.6 INTERNATIONAL

With a longstanding engagement in international education, Victoria University (VU) conducted a broad range of activities in 2017 continuing its commitment to creating opportunity and success for students from diverse countries and cultures, in accordance with our *2016-2020 Strategic Plan*. Under the leadership of the Vice-President, Engagement, Marketing and International VU has continued to deliver VU qualifications in partnership with highly regarded partners in Asia and exceeded the onshore international student growth targets. This year's excellent performance in the *Times Higher Education World University Rankings* — where we climbed 50 places to reach the top 350 globally — has cemented our position in the world's top 2% of universities. This result also reflects the breadth, depth and value of our international engagement activities.

STUDENTS

More than 5,000 international students studied in Melbourne or Sydney in 120-plus courses in 2017, ranging from English language programs to certificates, diplomas, bachelor degrees and postgraduate qualifications. Our new International Foundations courses were registered on the Commonwealth Register of Institutions and Courses for Overseas Students, expanding VU's offering to under 18s. Onshore international students again made significant contributions to the University's academic output, financial health and cultural diversity. Students from India and China represented the largest student cohorts, within a total mix of over 80 nationalities.

Onshore international student enrolments are an important element of the University achieving financial sustainability. The growth achieved in onshore international students (including Study Abroad) in 2017 exceeded targets by 8%. Increased investment in international activities in 2016 and 2017 enabled the University to engage in-country representatives in Indonesia, Vietnam and India and travel to and recruitment activities in a larger number of countries. In 2017, there has also been significant work completed to ensure that marketing assets are personalised and customised.

Offshore, we delivered VU awards to more than 5,300 students in partnership with prestigious universities and institutions in China, Malaysia, Singapore, Vietnam and Sri Lanka. This continued to deliver reputational and financial benefits, especially from the transfer of students from offshore to onshore programs. More than 500 students graduated at VU's Malaysia ceremony, more than 100 students graduated at VU's Vietnam ceremony and various international alumni events were held.

Reflecting our growing internationalisation, VU attracted significantly higher federal government funding to support VU students gain an international study experience. In 2017, VU was awarded more than \$600,000 under the Australian Government's New Colombo Plan Mobility Program. This was more than double the amount of funding in 2016, providing opportunities for more than 150 students to participate in diverse projects across the Indo-Pacific. Additionally, the University was awarded more than \$300,000 under the Australian Government's Endeavour Mobility Grants 2018 round.

Additionally, VU students flourished at an individual level. Two VU students were also selected by the Victoria Government for its new Study Melbourne Language and Internship Program in Beijing. Education student Courtney Webster won the Premier's Award for 2017 Victorian Student of the Year — Internationalisation. While community development student Mia Dunphy was the inaugural VU recipient of an Australian Government New Colombo Scholarship. This will see her study at Universitas Gadjah Mada, one of VU's key partners in Indonesia. Exercise science student Azizulhasni Awang was named Kierin Track Cycling World Champion and Malaysia's first world champion athlete in an Olympic sport.

PARTNERSHIPS

Opportunities to develop and enhance high-value partnerships were numerous in 2017. VU India officially opened as a partnered campus in

Ahmedabad with the Education Centre of Australia and Ganpat University, expanding VU's global footprint through a range of master programs. Our new CUFE-VU Centre for Research on Business and Economics with the Central University of Finance and Economics held its inaugural conference at VU in Melbourne. Our Victorian Business Confucius Institute commenced delivery of award units into VU business courses and held a young entrepreneurs China study tour. Our new partnership in Sri Lanka with the National School of Business Management welcomed its first student cohort.

Highlights of engagement with international governments included the April launch of a new India-Australia Sport Partnership — launched by the Australian Prime Minister Malcolm Turnbull, Indian Minister for Youth Affairs and Sport and cricket legend Sachin Tendulkar. The announcement followed two Memorandum of Understandings with India's Ministry of Youth Affairs and Sport and the National Institute of Sport.

Showcasing VU's credentials to international stakeholders, we welcomed senior delegations of foreign government ministers and bureaucrats, university presidents and their staff from all over the world, especially Asia. In March, we welcomed nine overseas partners to the annual Victoria Abroad Study Overseas Fair and in May we hosted an intense week of training for a large group of local and international recruitment agents.

VU SYDNEY

Marking our 10th anniversary, VU has delivered higher education courses to international students in Sydney with the Education Centre of Australia since 2007. TEQSA has approved a capacity increase for the campus from 900 students to 1,500 students. To accommodate an increased capacity, the campus has now moved into a larger, premium building in Sydney's CBD, heralding a new period of growth and diversification.

2.7 PEOPLE

To support the Strategic Plan 2016 – 2020 objectives, Victoria University focused on leadership, performance, development and engagement across Victoria University.

WORKPLACE PRINCIPLES

The University aims to employ and develop a workforce characterised by flexibility, agility and forward thinking. Our workforce is committed to providing and enabling the best possible student experience in everything we do. This informs the way we expect all staff members to perform their roles. Victoria University is committed to providing an inclusive, respectful and safe workplace where staff are enabled to do their jobs well. Expectations of staff are set out clearly in this and other policies to foster and maintain a professional environment.

The Appropriate Workplace Behaviour Policy promotes a professional, inclusive, safe, and productive workplace at Victoria University. It establishes core professional and behavioural expectations for all VU staff, and outlines the consequences of engaging in behaviour that is not acceptable. This Policy is an outcome of the review of the previous Staff Code of Conduct Policy.

SENIOR LEADERSHIP PROGRAM

Twenty-eight senior leaders attended a three day program to expand their leadership capability. The program focused on topics such as: authentic self, immunity to change, critical self-awareness, building collaboration, partnerships and communicating for cultural impact.

ENTERPRISE AGREEMENT

Victoria University commenced preparation towards the renegotiation of replacement enterprise agreements for the Victoria University enterprise agreement 2013 and the Victoria University (TAFE teaching staff) enterprise agreement 2014 – 2016. It is anticipated that formal negotiations will commence in early 2018.

EMPLOYEE ENGAGEMENT

Victoria University continues to explore opportunities to enhance employee engagement. A number of

key activities have been conducted throughout 2017 towards this critical agenda item and will remain a high priority focus in 2018.

GENDER EQUITY, DIVERSITY AND INCLUSION

Victoria University is committed to supporting and developing a diverse staff and student population. A number of initiatives continued to be implemented and additional initiatives were commenced in 2017. These include:

- launch of the Victoria University Gender Equity Strategy
- launch of the LGBTIQ+ and Gender Diverse Strategy
- unconscious Knowledge and Bias training for leaders and managers
- Aboriginal and Torres Strait Islander cultural awareness training for staff

RESPECT AND RESPONSIBILITY

Victoria University remains committed to implementing the Respect and Responsibility, Preventing Violence against Women Strategy, Ten Point Plan, launched by the Vice-Chancellor in August 2016.

- Engage and education programs for enhancing staff and student knowledge in issues pertaining to Violence against Women and its Prevention
- Develop leadership roles for staff and students in preventing violence against women including AMES leadership program and being awarded a \$50,000 community partnership grant focused on primary prevention of violence.
- Membership of the Preventing Violence Together Partnership 2030, and forged a strong partnerships relationship with Women's Health West and AMES Australia
- Engaged staff, students and the community in the 16 Days of Activism against Gender Based Violence Campaign, which focused on the need to address the primary drivers of Violence against Women

OCCUPATIONAL HEALTH AND SAFETY

The University continues to make significant improvement and progress towards enhancements within the occupational health and safety system, framework and process. Key activities in 2017 include:

- identification and control of critical risks
- critical incident management framework, process, protocols and training
- enhancements to OHS reporting capability
- OHS leadership training and awareness
- high risk plant management systems
- chemical management
- injury and illness early intervention initiatives
- well-being initiatives

OHS PERFORMANCE INDICATORS

WORKCOVER CLAIMS 2006–2017			
YEAR	No PHYSICAL CLAIMS	No PSYCHOLOGICAL CLAIMS	No CLAIMS
2006	42	10	52
2007	34	8	42
2008	41	5	46
2009	33	8	41
2010	29	9	38
2011	38	12	50
2012	26	8	34
2013	23	11	34
2014	14	6	20
2015	17	2	19
2016	14	8	23
2017	12	3	15

In 2017, Victoria University's premium increased. Some of this increase will be the effect of an increase in claims cost and remuneration. In comparison the industry rate was down.

OHS HAZARDS, INCIDENTS, STANDARD CLAIMS, ASSOCIATED COSTS 2015–2017

	2015	2016	2017
Number of lost time standard claims per 100 EFT	0.32	0.38	0.35
Average cost per claim	\$27,123	\$40,815	\$66,366
Hazard/ Injury Reports / 100 EFT	22.3	26.2	24.3

Does not include sessional and casual employees.

WORKFORCE DATA

TABLE 1: WORKFORCE DATA AS AT 31 DECEMBER 2017

	HEADCOUNT			EQUIVALENT FULL TIME (EFT)		
	FEMALE	MALE	TOTALS	FEMALE	MALE	TOTALS
ACADEMIC STAFF						
ONGOING/CONTINUING	168	201	369	157	193	349
CONTRACT/FIXED TERM	78	81	159	60	65	125
SUBTOTALS	24	282	528	217	258	475
PROFESSIONAL STAFF						
ONGOING/CONTINUING	561	274	835	517	270	787
CONTRACT/FIXED TERM	148	72	220	131	70	200
SUBTOTALS	709	346	1,055	647	340	987
VET TEACHING STAFF						
ONGOING/CONTINUING	122	82	204	101	78	179
CONTRACT/FIXED TERM	29	19	48	26	18	44
SUBTOTALS	151	101	252	127	96	223
SENIOR MANAGEMENT						
ONGOING/CONTINUING	-	-	-	0	0	0
CONTRACT/FIXED TERM	2	8	10	2	8	10
SUBTOTALS	2	8	10	2	8	10
ALL STAFF						
ONGOING/CONTINUING	851	557	1,408	774	541	1,315
CONTRACT/FIXED TERM	257	180	437	219	161	380
GRAND TOTALS	1,108	737	1,845	993	702	1,695

Note:

Data was extracted on 2 January 2018.

Staff occupying multiple jobs at 31 December 2017 have been counted for each individual job within the headcount figures. There were 22 staff who held multiple jobs as at 31 December 2017.

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

Does not include sessional and casual employees.

TABLE 2: WORKFORCE TRENDS 2015–2017 BY EMPLOYMENT CATEGORY – HEADCOUNT AND EFT

HEADCOUNT AND EFT		2015	2016	2017
ACADEMIC STAFF	HEADCOUNT	723	681	528
	EFT	652	606	475
PROFESSIONAL STAFF	HEADCOUNT	987	1,025	1,055
	EFT	914	958	987
VET TEACHING STAFF	HEADCOUNT	296	271	252
	EFT	255	232	223
SENIOR MANAGEMENT	HEADCOUNT	13	13	10
	EFT	13	13	10
TOTALS	HEADCOUNT	2,019	1,990	1,845
	EFT	1,834	1,809	1,695

Note:

Data was extracted on 2 January 2018.

Staff occupying multiple jobs at 31 December 2017 have been counted for each individual job within the headcount figures. There were 22 staff who held multiple jobs as at 31 December 2017.

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

Does not include sessional and casual employees.

TABLE 3: WORKFORCE TRENDS 2015–2017 BY EMPLOYMENT CATEGORY AND EMPLOYMENT TYPE – HEADCOUNT

HEADCOUNT ONLY		2015	2016	2017
ACADEMIC STAFF	ONGOING/CONTINUING	502	483	369
	CONTRACT/FIXED TERM	221	198	159
PROFESSIONAL STAFF	ONGOING/CONTINUING	821	840	835
	CONTRACT/FIXED TERM	166	185	220
VET TEACHING STAFF	ONGOING/CONTINUING	242	213	204
	CONTRACT/FIXED TERM	54	58	48
SENIOR MANAGEMENT	ONGOING/CONTINUING	1	0	0
	CONTRACT/FIXED TERM	12	13	10
TOTALS	ONGOING/CONTINUING	1,566	1,536	1,408
	CONTRACT/FIXED TERM	453	454	437
ALL STAFF		2,019	1,990	1,845

Note:

Data was extracted on 2 January 2018.

Staff occupying multiple jobs at 31 December 2017 have been counted for each individual job within the headcount figures. There were 22 staff who held multiple jobs as at 31 December 2017.

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

Does not include sessional and casual employees.

TABLE 4: WORKFORCE BY EMPLOYMENT CLASSIFICATION AND GENDER AS AT 31 DECEMBER 2017 (EXCLUDING CASUAL STAFF)

EMPLOYEE CLASSIFICATION	No OF WOMEN	No OF MEN
ACADEMIC STAFF		
LEVEL A	46	32
LEVEL B	100	92
LEVEL C	64	66
LEVEL D	16	34
LEVEL E AND ABOVE	20	58
TOTAL	246	282
PROFESSIONAL STAFF		
HEW 1 – 5	208	66
HEW 6	158	72
HEW 7	163	66
HEW 8	79	53
HEW 9	59	45
HEW 10	18	14
HEW 10+ AND ABOVE	24	30
TOTAL	709	346

VET TEACHING STAFF		
TEACHER	128	91
SENIOR EDUCATOR 1	3	1
SENIOR EDUCATOR 2	5	2
SENIOR EDUCATOR 3	13	7
HEAD OF SCHOOL / OTHER	2	0
TOTAL	151	101
SENIOR MANAGEMENT		
EXECUTIVES	2	8
GRAND TOTALS	1,108	737

Note:

Data was extracted on 2 January 2018.

Staff occupying multiple jobs at 31 December 2017 have been counted for each individual job within the headcount figures. There were 22 staff who held multiple jobs as at 31 December 2017.

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

Does not include sessional and casual employees.

3 UNIVERSITY GOVERNANCE

3.1 OBJECTIVES

Victoria University is a body politic and corporate pursuant to the *Victoria University Act 2010* (the *Act*).

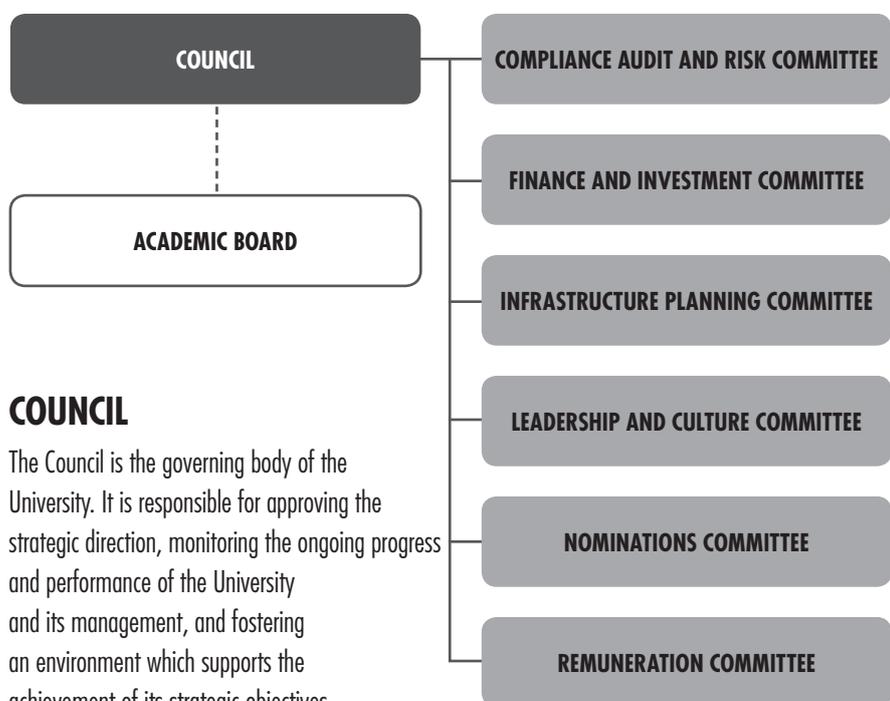
The objectives of the University as provided by Section 5 of the *Act* are:

- to provide and maintain a teaching and learning environment of excellent quality, offering higher education at an international standard
- to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education
- 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 wellbeing of the Victorian, Australian and international communities
- to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community
- to serve the Victorian, Australian and international communities and the public interest by:
 - i enriching cultural and community life
 - ii elevating public awareness of educational, scientific and artistic developments
 - iii promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society
- 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:
 - i realising Aboriginal and Torres Strait Islander aspirations and
 - ii safeguarding the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- to provide programs and services in a way that reflects principles of equity and social justice
- to confer degrees and grant diplomas, certificates, licences and other awards
- to utilise or exploit its expertise and resources, whether commercially or otherwise
- to develop and provide educational, cultural, professional, technical and vocational services, and, in particular, to foster participation in post-secondary education for people living or working in the western metropolitan region of Melbourne.

The powers, functions and duties of the University are set out in the Act and exercised by the University Council subject to the Act and University statutes and regulations.

3.2 GOVERNANCE OVERVIEW

STRUCTURE



COUNCIL

The Council is the governing body of the University. It is responsible for approving the strategic direction, monitoring the ongoing progress and performance of the University and its management, and fostering an environment which supports the achievement of its strategic objectives.

Council makes final decisions on matters of fundamental concern to the University, and is ultimately responsible for overall governance, including academic governance. The Council has the following six standing committees to assist in discharging its responsibilities:

- Compliance, Audit and Risk Committee
- Finance and Investment Committee
- Infrastructure Committee

- Leadership and Culture Committee
- Nominations Committee
- Remuneration Committee.

Membership of the standing committees consists primarily of members of Council.

The table below details the number of times that Council and its standing committees met during 2017:

TABLE 1: COUNCIL AND STANDING COMMITTEE MEETINGS

	MEETINGS	ADDITIONAL MEETINGS	RETREATS	RESOLUTIONS WITHOUT MEETINGS OF COUNCIL
COUNCIL	5	1	1	1
COMPLIANCE, AUDIT AND RISK COMMITTEE	5	-	-	1
FINANCE AND INVESTMENT COMMITTEE	6	1	-	1
INFRASTRUCTURE PLANNING	5	1	-	1
LEADERSHIP AND CULTURE	4	-	-	1
NOMINATIONS COMMITTEE	3	-	-	-
REMUNERATION COMMITTEE	3	-	-	-

Further information regarding University Council and standing committees is available at:

vu.edu.au/about-us/administration-governance/university-council

ACADEMIC BOARD

The Academic Board is responsible to the Council for academic oversight of the University's research, academic programs and courses of study in further education, vocational education and higher education.

The Academic Board provides advice to the Council on the conduct and content of such research, and the delivery of educational and research support services. It also advises on academic programs and courses, the awarding of degrees, diplomas, certificates and other awards.

The committees supporting the work of the Academic Board include the Courses, Research and Research Training and Learning and Teaching Quality Committees.

The Academic Board met ten times in 2017.

STATUTE AND REGULATIONS

There were no University Statutes approved in 2017. The following regulations were made during 2017:

UNIVERSITY REGULATION	DATE MADE BY COUNCIL
<i>Academic Board Regulations 2017</i>	1 July 2017
<i>Deputy Chancellor Regulations 2017</i>	24 August 2017
<i>Awards Regulations 2017</i>	29 August 2017

3.3 COUNCIL MEMBERS

	NAME	CATEGORY OF MEMBERSHIP	PROFESSION / MEMBER OF OTHER BOARDS	FIRST APPOINTED TO COUNCIL	MOST RECENT APPOINTMENT
1	Mr George Pappas	Official Member <i>Chancellor</i>	Chairman – Marmad Pty Ltd Chairman – Zanthryn Pty Ltd Chairman – Pappas Superannuation	01.01.2010	01.01.2015
2	Professor Peter Dawkins	Official Member <i>Vice-Chancellor</i>	Non-executive Director – UniSuper	01.01.2011	19.01.2012
3	Ms Deborah Tyler	Official Member <i>Chair, Academic Board</i>	Nil	04.11.2015	01.11.2017
4	Ms Elizabeth Beattie	Appointed by Government	Nil	01.01.2016	01.01.2016
5	Mr Geoff Dale	Appointed by Government	Dale Family Superannuation Fund	01.01.2010	01.01.2016
6	Ms Gaye Hamilton	Appointed by Government	Director – Western Bulldogs Community Foundation Director – Western Chances	01.07.2012	01.01.2016
7	Ms Virginia Simmons	Appointed by Government	Director – Visis Consulting Director – Board of TAFE South Australia Chair and Trustee – Caroline Chisholm Education Foundation (resigned May 2017)	01.01.2016	01.01.2016
8	Mr Mark Toohy	Appointed by Government	Director – State Trustees Ltd Director – Oakleigh Centre for Intellectually Disabled Citizens Director – MJT Family Trust	21.10.2014	01.01.2017
9	Associate Professor Rufus Black	Appointed by Council	Director – Corrs Chambers Westgarth Chair of Board – Teach for Australia Director – Walter and Eliza Hall Institute President – Museums Victoria Director – Innovation and Science Australia	01.01.2012	01.01.2017
10	Mr Peter George	Appointed by Council	Director – CIE Legal Pty Ltd Director – George Murphy Pty Ltd	25.08.2015	14.03.2017
11	Ms Rhonda Hawkins ¹	Appointed by Council	Director – Evolve Housing Director – Wentworth Institute Director – Fitzgerald Aged Care	01.01.2016	01.01.2016
12	Mr Wayne Kayler-Thomson	Appointed by Council	Director – Wayne Kayler-Thomson Pty Ltd Trustee – Kayler-Thomson Family Superannuation Fund Trustee Director – VicSuper Pty Ltd Director and Company Secretary – Victoria Tourism Ltd	01.01.2010	01.01.2016
13	Mr Kee Wong	Appointed by Council	Director – e-Centric Innovations Pty Ltd Director – Synthesis System Pty Ltd Managing Director – e-Centric Innovations Pty Ltd Managing Director – e-Imagine Pty Ltd Managing Director – Centric128 Pty Ltd Director – W advisory International Pty Ltd Director – KW & WT Investment Pty Ltd Director – KW HL Investment Pty Ltd Director – KW Trading Pty Ltd Immediate past Chairman of AIIA Deputy Chairman of Asia Link Director – AICD Director – LaunchVic Director – Committee for Melbourne	01.01.2015	01.01.2017
14	Ms Ghofran Al-Nasiri	Student elected member	Nil	01.08.2016	01.08.2016
15	Dr Maree Keating ²	Staff elected member	Nil	01.08.2016	01.08.2016
16	Dr Siew Fang Law	Staff elected member	Nil	01.08.2017	01.08.2017

¹ The Council approved Ms Rhonda Hawkins' application for leave of absence from Council of Victoria University, to take effect from 21 June 2017 to 31 March 2018.

² Dr Keating resigned from Council effective 1 July 2017.

3.4 COUNCIL AND COMMITTEES ATTENDANCE

COUNCIL

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Mr George Pappas (Chair and Chancellor)	7	7
Ms Ghofran Al-Nasiri	7	7
Ms Elizabeth Beattie	7	7
Associate Professor Rufus Black	5	7
Mr Geoff Dale	7	7
Professor Peter Dawkins	6	7
Mr Peter George	6	6
Mrs Gaye Hamilton	6	7
Ms Rhonda Hawkins *	3	7
Mr Wayne Kayler-Thomson	7	7
Dr Maree Keating	2	3
Ms Siew Fang Law	3	3
Ms Virginia Simmons	6	7
Mr Mark Toohey	7	7
Ms Deborah Tyler	7	7
Mr Kee Wong	5	7

Ms Rhonda Hawkins was granted leave of absence from Council effective from 21 June 2017 to 31 March 2018.

REMUNERATION COMMITTEE

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Mr George Pappas (Chair)	3	3
Associate Professor Rufus Black	0	1
Mr Geoff Dale	3	3
Mrs Gaye Hamilton	2	2
Mr Mark Toohey	3	3

NOMINATIONS COMMITTEE

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Mrs Gaye Hamilton (Chair)	4	4
Professor Peter Dawkins	2	4
Mr George Pappas	4	4
Ms Virginia Simmons	4	4
Mr Kee Wong	3	4

FINANCE AND INVESTMENT COMMITTEE

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Mr Mark Toohey (Chair)	8	8
Associate Professor Rufus Black	8	8
Mr Tony Brain	4	4
Mr Geoff Dale	8	8
Professor Peter Dawkins	8	8
Mr Peter George	6	8
Ms Jenny Gray	4	8
Mrs Rhonda Hawkins	2	2
Mr Wayne Kayler-Thomson	7	8

COMPLIANCE, AUDIT AND RISK COMMITTEE

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Mr Peter George (Chair)	6	6
Ms Elizabeth Beattie	5	6
M Tim Boyle	6	6
Mr Geoff Dale	3	6
Mr David Fisher	3	3
Mr Alan Fotheringham	6	6
Mrs Gaye Hamilton	5	6

INFRASTRUCTURE PLANNING COMMITTEE

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Associate Professor Rufus Black (Chair)	7	7
Professor Richard Constantine	7	7
Professor Peter Dawkins	6	7
Mr Ian Ford	6	7
Ms Rhonda Hawkins *	6*	7
Professor Kerri-Lee Krause	0	1
Mr John O'Rourke	0	5
Mr Roger Poole	4	6
Mr Kee Wong	5	7

*Ms Rhonda Hawkins leave of absence from Council effective from 21 June 2017 to cease on 31 March 2018. Prior to 21 June 2017 Ms Hawkins was appointed under category 'Council Member'. Post 21 June 2017 Ms Hawkins appointed under category 'VU Management'.

LEADERSHIP AND CULTURE COMMITTEE

MEMBER	TOTAL No MEETINGS ATTENDED	No ELIGIBLE TO ATTEND
Mr Geoff Dale (Chair)	4	4
Ms Lisa Bradley	3	4
Professor Peter Dawkins	4	4
Mr Grant Dreher	3	4
Mr Shaun Eltham	4	4
Mr Ian Ford	3	4
Ms Rhonda Hawkins *	4*	4
Professor Kerri-Lee Krause	1	1
Mr Craig Murphy	4	4
Mr George Pappas	3	4
Ms Virginia Simmons	3	3

*Ms Rhonda Hawkins leave of absence from Council effective from 21 June 2017 to 31 March 2018. Prior to 21 June 2017 Ms Hawkins was appointed under category 'Council Member'. Post 21 June 2017 Ms Hawkins appointed under category 'VU Management'.

3.5 DISCLOSURE STATEMENTS

SUMMARY OF THE APPLICATION AND OPERATION OF THE *FREEDOM OF INFORMATION ACT 1982*

The *Freedom of Information Act 1982* (the *Act*) provides members of the public with a general right to access information held by Victorian agencies. Victoria University is subject to the provisions of the *Act*, and has procedures in place to ensure it meets its compliance obligations. Requests for access to documents under the *Act* must be made in writing to the University's Freedom of Information Coordinator and accompanied by the prescribed application fee.

2017 ACTIVITY

In 2017, the University received 14 requests for access to documents under the *Act*. Most requests were from current or former students or staff, who were seeking information relating to themselves, or information about matters in which they were involved. The following table details activities during the reporting period:

Requests	14
Requests refused	0
Decisions to release	
– In part	3
– In full	6
Decisions denying access in full	0
Decisions where no documents identified	1
Requests not proceeded with by the applicant	2
Requests not finalised by the end of 2017	2
FOI Commissioner reviews	1
Victoria Civil and Administrative Tribunal appeals	0
Requests receiving timely responses	11

Further information regarding Victoria University's Freedom of Information procedures is available at: vu.edu.au/privacy/freedom-of-information-foi

SUMMARY OF THE APPLICATION AND OPERATION OF THE *PROTECTED DISCLOSURE ACT 2012*

Victoria University is committed to the aims and objectives of the *Protected Disclosure Act 2012* (the *Act*) and has developed a Protected Disclosure Policy and Procedure which have been clearly communicated to the University community, and are publicly available at: <https://policy.vu.edu.au/>. The University does not tolerate improper conduct by the organisation, its employees, officers or members, nor the taking of detrimental action in reprisal against those who come forward to disclose such conduct. The requirements under the *Act* are further supported by the University's Anti-Corruption and Fraud Prevention Policy and Procedure.

According to the Independent Broad-based Anti-corruption Commission (IBAC), Victoria University is not permitted to receive disclosures made under the *Act*. Individuals wishing to make a disclosure are instructed to make that disclosure directly to IBAC. Whilst the University is not able to receive protected disclosures, the Protected Disclosure Coordinator, remains available for individuals wishing to make reports or raise concerns that would not give rise to protected disclosures, with the assurance of confidentiality.

STATEMENT OF COMPLIANCE WITH *BUILDING AND MAINTENANCE PROVISIONS OF THE BUILDING ACT 1993*

Victoria University is committed to compliance with the building and maintenance provisions of the *Building Act 1993*. All new Victoria University buildings and renovations are designed and built to comply with the building and maintenance requirements of the *Act*. To ensure compliance with the current building regulations and codes, all relevant projects are referred to an independent building surveyor for certification.

All existing buildings comply with the standards applicable at the time of their construction.

STATEMENT OF COMPLIANCE WITH THE *EDUCATION SERVICES FOR OVERSEAS STUDENTS ACT 2000*

Victoria University is committed to meeting the requirements of the *Education Services for Overseas Students Act 2000*, including the National Code of Practice.

STATEMENT ON NATIONAL COMPETITION POLICY & VICTORIAN INDUSTRY PARTICIPATION POLICY

Victoria University is committed to compliance with the principles of the National Competition Policy, and its obligations under the *Competition and Consumer Act 2010*, including compliance with the Competitive Neutrality Policy, Victoria.

During the 2017 reporting period, Victoria University did not enter into any arrangements in accordance with the Victorian Industry Participation Policy.

SUMMARY OF ENVIRONMENTAL PERFORMANCE

Victoria University is committed to improving environmental sustainability performance across all campuses and developing education for sustainability in its learning, teaching and research.

The University continues to maintain extensive programs for recycling, energy efficiency and water conservation, as well as various sustainability education and awareness initiatives. Environmental sustainability is also embedded into various courses. A number of the University's research centres and institutes conduct environmental sustainability research, such as the Institute of Sustainability and Innovation.

The University's resource usage in 2017 is summarised as follows:

RESOURCE USAGE	2015	2016	2017
Water consumption (KL)	135,630	153,322	131,995
Water consumption per FTE (KL per FTE)	74	84.1	77.9
Energy Usage (MJ)	192,893,000	184,339,000	175,801,057
Energy Usage per FTE (MJ per FTE)	105,200	101,300	103,717
Energy Usage per floor area (MJ per GFA, m ²)	550	570	624 *
Greenhouse Gas Emission (tonnes CO ₂ -e)	38,998	36,653	34,205
Greenhouse Gas Emission per floor area (tonnes CO ₂ -e per GFA, m ²)	0.1121	0.1129	0.1215
Waste – Landfill (Kg)	993,284	911,163	887,566
Waste – Recycling (Kg)	186,075	181,649	194,396
Recycling Rate	15.80%	16.60%	18.00%
Greenhouse Gas Emissions – Waste (tonnes CO ₂ -e)	1,192	1,093	1,065

* University GFA has been adjusted down in 2017 to omit Melton campus 9,622 m² and Student Village 14,260 m²

PAPER USAGE *	2015	2016	2017
No reams used	35,535	33,139	30,579
Usage per FTE	19.38	18.32	18.04

* 95% of the total paper used in 2017 was from 80%–100% recycled content and 5% was from 1%–79% recycled content.

Environmental benefits/impacts, where applicable to the services, form part of the evaluation criteria and decision making for the University's procurement processes.

All new building projects are designed to achieve a high level of environmental sustainability. These projects together with our program of replacing aged infrastructure will ensure continued improvement in Victoria University's environmental performance.

To reduce greenhouse gas emissions and achieve energy savings, a program has been implemented to replace central air conditioning chillers that use R22 gas. The majority of the University's buildings are now free of R22 chillers. The University is implementing a plan to replace its central heating plant in all buildings. The new plant will be 15% more efficient in natural gas consumption. A feasibility study has been conducted for solar power installation for the Footscray Park Campus. The aim is to achieve 5% of electricity consumption from solar power at this campus.

COMPULSORY NON-ACADEMIC FEES AND CHARGES

Victoria University applied the following compulsory Student Services and Amenities Fees in 2017 for eligible domestic students:

HIGHER EDUCATION STUDENTS

STUDENT CATEGORY	SEMESTER FEE	ANNUAL MAXIMUM FEE
Full-time (studying 0.75 EFTSL or higher)	\$147	\$294
Part-time domestic (studying less than 0.75 EFTSL)	\$73.50	\$147

TAFE STUDENTS

STUDENT CATEGORY	ANNUAL MAXIMUM FEE
Full-time (studying 541 hours or more per year)	\$205.80
Part-time (studying between 50 and 540 hours per year)	\$102.90
Eligible concession card holders	\$88.20

The fees are used to improve non-academic services, facilities and amenities for students that enrich the student experience. Students are encouraged to provide feedback regarding how the fees are used and can apply, along with staff, each year for SSAF Student Experience Grants.

In 2017 the SSAF Consultative Committee (convened by Student Services with membership comprising of both staff and students) met regularly to review SSAF spend and funding performance, discuss student feedback and award grants.

The amount of compulsory non-academic fees and charges collected by the University is also disclosed in the Notes to Financial Statements – 6 Fees and Charges.

Further information regarding Victoria University student fees and charges is available at: <https://www.vu.edu.au/current-students/your-course/fees/your-ssaf-contribution/where-your-ssaf-goes>

RELEVANT MINISTER

The relevant minister for Victoria University's 2017 annual reporting period was The Hon Gayle Tierney, MP Minister for Training and Skills.

ADDITIONAL INFORMATION

Consistent with the requirements of the Financial Management Act 1994, the following information in relation to the following items is available upon request:

- declarations of pecuniary interests
- shares held by senior officers
- publications
- changes in prices, fees, charges, rates and levies
- major external reviews
- major research and development activities
- overseas visits
- major promotional, public relations and marketing activities
- occupational health and safety assessments and measures
- industrial relations
- major committees sponsored
- consultancies and contractors.

Enquiries regarding the above areas should be directed to:

Vice-President Planning, Registrar and University Secretary
Victoria University, Footscray Park Campus,
PO BOX 14428 Melbourne VIC 8001
Email: compliance@vu.edu.au

3.6 RISK MANAGEMENT

OVERVIEW

Victoria University is committed to the maintenance of an effective risk management framework in accordance with the Risk Management Standard (AS/NZS ISO 31000:2009).

Risk management is an integral part of the University's governance. It encompasses the identification and assessment of risks, the adoption of appropriate risk mitigation strategies to effectively manage risks, and regular monitoring, review and reporting of risks. This approach enables Victoria University to proactively maintain a robust risk management framework.

Victoria University has implemented a Risk Management Policy and procedures to ensure that risk management is effectively integrated into the University's strategic planning cycle, and develop a culture of risk management and continuous improvement. The University's risk management framework includes:

- Risk Management Policy and procedures that clearly articulate and assign roles and responsibilities across the organisation;
- Leadership by the Vice-Chancellor and the Senior Executive Group, and oversight by the Compliance, Audit and Risk Committee, to ensure that robust risk management practices operate throughout the University;

- Ongoing development and implementation of a university-wide risk management plan, including the development of risk registers and risk plans for each unit;
- Identification of the University's high-level strategic and enterprise risk profiles by the University's Senior Executive Group, and via the strategic planning process — the integration of high-level risk management to the University's strategic objectives;
- Regular monitoring of risks and progress reports to the Vice-Chancellor and the Compliance, Audit and Risk Committee, including the implementation of action plans developed to mitigate risks;
- Provision of risk management training to staff on how to identify, assess, mitigate, report and review risks in accordance with the University's Risk Management Policy;
- The development of a risk-based strategic internal audit plan that is aligned with the University's high-risk register.

Further, the University's risk management strategy requires all commercial activities to be risk managed appropriately. This will be achieved through the application of mechanisms such as sound business planning, prudent financial management, engagement with reputable institutions and stakeholders, employment of suitably qualified staff, and regular reporting to the Resources Committee.

ATTESTATION ON COMPLIANCE WITH THE AUSTRALIAN/ NEW ZEALAND RISK MANAGEMENT STANDARD

I, Peter Dawkins (Vice-Chancellor and President) certify that Victoria University has risk management processes in place consistent with the Australian/ New Zealand Risk Management Standard (AS/ NZS ISO 31000:2009 or its successor), and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures in accordance with the Victorian Government Risk Management Framework. The Compliance, Audit and Risk Committee verifies this assurance, and that the risk profile of Victoria University has been critically reviewed within the last 12 months.



Peter Dawkins
Vice-Chancellor and President
Victoria University
13 March 2018

3.7 CONSULTANCIES

CONSULTANCIES

In 2017, there were 98 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017 in relation to these consultancies is \$8,605,000 (excluding GST). Details of individual consultancies can be viewed at <http://www.vu.edu.au/about-us/facts-figures/annual-reports>

In 2017, there were 74 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2017 in relation to these consultancies is \$262,000 (excluding GST).

3.8 COMMERCIAL ACTIVITIES

The details of the University's subsidiary companies are as follows:

INCOME STATEMENT

NAME	PRINCIPAL ACTIVITIES	DOMICILE	OWNERSHIP INTEREST	TOTAL REVENUE 2017	TOTAL REVENUE 2016	TOTAL EXPENDITURE 2017	TOTAL EXPENDITURE 2016	TAX / EXTRA ORD ITEMS 2017	TAX / EXTRA ORD ITEMS 2016	OPERATING RESULT*** 2017	OPERATING RESULT*** 2016	UNI OPERATING RESULTS*** 2017	UNI OPERATING RESULTS*** 2016
			%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Victoria University Foundation Ltd *	Trustee for the trust	Australia	100%	-	-	-	-	-	-	-	-	-	-
Victoria University Foundation Trust	Fund raising for VU	Australia	100%	2,246	1,697	1,419	1,133	-	-	827	564	827	564
Victoria University Enterprises Pty Ltd	Administers IP from research related spin-off companies	Australia	100%	-	-	-	-	-	-	-	-	-	-
Victoria University of Technology (Singapore) Pte Ltd*****	Hub for Singapore activities	Singapore	100%	-	-	-	23	-	-	-	(23)	-	(23)
Victoria University International Pty Ltd	Dormant	Australia	100%	-	-	-	-	-	-	-	-	-	-
VU Online Pty Ltd *****	Trustee for the trust	Australia	100%	-	-	-	-	-	-	-	-	-	-
VU Online *****	Online course provider	Australia	100%	-	-	-	-	-	-	-	-	-	-
Total - University Commercial Activities				2,246	1,697	1,419	1,156	-	-	827	541	827	541

BALANCE SHEET

NAME	WORKING CAPITAL 2017	WORKING CAPITAL 2016	PHYSICAL ASSETS 2017	PHYSICAL ASSETS 2016	TOTAL ASSETS 2017	TOTAL ASSETS 2016	INTERNAL BORROWINGS 2017	INTERNAL BORROWINGS 2016	EXTERNAL BORROWINGS 2017	EXTERNAL BORROWINGS 2016	TOTAL LIABILITIES 2017	TOTAL LIABILITIES 2016	EQUITY 2017	EQUITY 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Victoria University Foundation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria University Foundation Trust*	585	5,389	28	23	-	5,439	-	-	-	-	29	27	6,326	5,412
Victoria University Enterprises Pty Ltd ****	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria University of Technology (Singapore) Pte Ltd*****	-	806	-	-	-	806	-	-	-	-	-	-	-	806
Victoria University International Pty Ltd**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VU Online Pty Ltd *****	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VU Online *****	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - University Commercial Activities	585	6,195	28	23	-	6,245	-	-	-	-	29	27	6,326	6,218

* Victoria University Foundation Ltd, a company limited by guarantee acts as trustee of Victoria University Foundation.

** Company has \$2 share capital which is represented in its cash assets.

*** Before other economic flows included in the net result.

**** Company has shareholdings in a research spin-off company, which is valued at nominal value of \$1. Hence, the total asset value at 31 December is \$1.

***** Company no longer required and deregistered during 2017.

***** Entities established in December 2017.

4 FINANCIAL STATEMENTS

4.1 FINANCIAL OVERVIEW 2017

(1) INTRODUCTION

Victoria University (VU) and its controlled entities (the Group) posted a total net operating deficit of \$29.2m for the year ending 31 December 2017. This has resulted in a negative operating margin of 6.6%, (2016: 2.5%) on gross revenue.

It is important to note that the University's deficit was mainly due to separation costs, development of campus master plan and strategic initiative costs undertaken as part of the Towards Success Program to build its teaching and learning capabilities. These expenses have been incurred to achieve the University's strategic objectives to secure long-term financial sustainability and a positive surplus position from the financial year 2018 onwards.

Table one, (Key Financial Data - Group), shows that Group revenue increased by 3.1% from the 2016 level of \$430.5m. Group expenses had increased by 7.2% during the financial year.

During 2017, the Group experienced an increase of \$152.4m in the value of its net asset base, representing an 18.2% increase (2016: 2.1%). The Group's net assets at 31 December 2017 were \$990.4m, an increase of \$152.4m, primarily due to the revaluation of land holdings and buildings. The Group's liquidity ratio is 0.7 (2016:0.7).

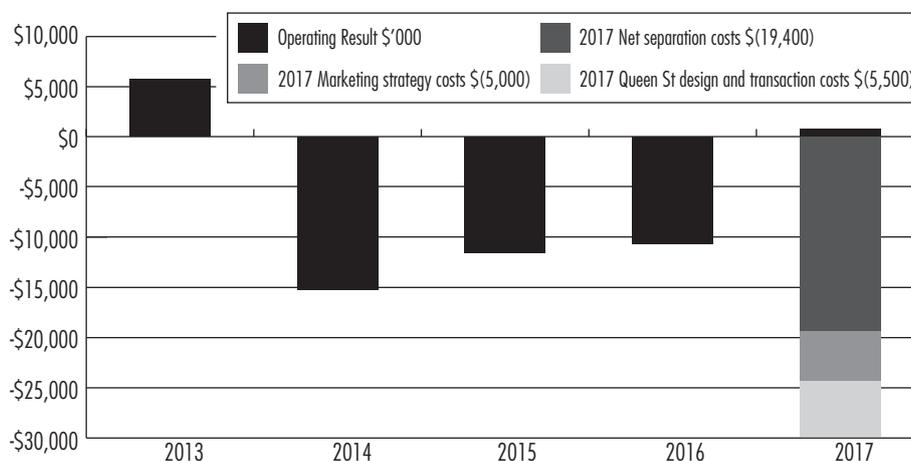
TABLE ONE: KEY FINANCIAL DATA - GROUP

	2013	2014	2015	2016	2017
	\$M	\$M	\$M	\$M	\$M
Revenue	442.3	428.5	420.3	430.5	443.8
Expenses	436.4	444.1	432.1	441.4	473.0
Operating Surplus/Deficit after tax	5.9	(15.6)	(11.8)	(10.9)	(29.2)
Operating Margin %*	1.3%	(3.6)%	(2.8)%	(2.5)%	(6.6)%
Net Assets	802.0	788.4	820.9	838.0	990.4
Liquidity Ratio	1.36	1.27	1.26	0.68	0.71

*Operating margin calculations exclude deferred government superannuation contributions

GROUP OPERATING RESULTS FOR PERIOD 2013–2017

The impact of significant costs in 2017 on the operating result are shown below:



Refer to section 3 for further details on the Queen St design and transaction costs. Separation costs are \$27m less \$8m savings.

(2) REVENUE

The increase in Group revenue amounted to \$13.4m or 3.1% (2016: 2.4% growth), total revenue generated for the year amounted to \$443.8m.

The increase in revenue is largely attributed to:

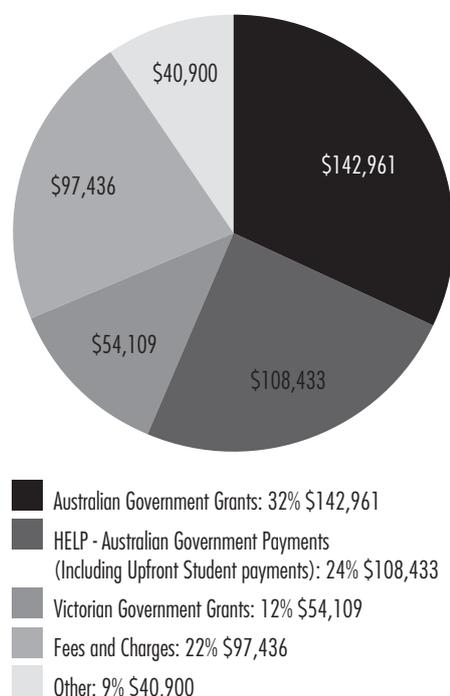
- Increase in State government funding of \$17.1m as a result of \$9.3m from VET delivery and \$7.7m due to increase in

state government funded capital projects for the Wyndham Tech School and the Sunshine Skills Development Hub.

- Increase in course fees and charges of \$5.9m, primarily as a result of fee-paying onshore overseas students and fee-paying domestic postgraduate students.
- Increase in investment income of \$4.5m from receipt of dividends and gains on available for sale financial assets.
- The above increase in revenues was offset by a decline in income from Australian Government grants of \$10.8m and HELP (deferred and upfront) of \$4.8m.

Commonwealth Government funding (including HELP-Australian Government payments) continued to be the main source of funding for the Group, closely followed by fees and charges and Victorian government grants. This is further illustrated below:

SOURCE OF INCOME \$'000



Note that 'Other Income' is comprised of investment, consultancies and contract research (Non-Government related funding), sale of goods, property leases, childcare fees, fees and other miscellaneous income.

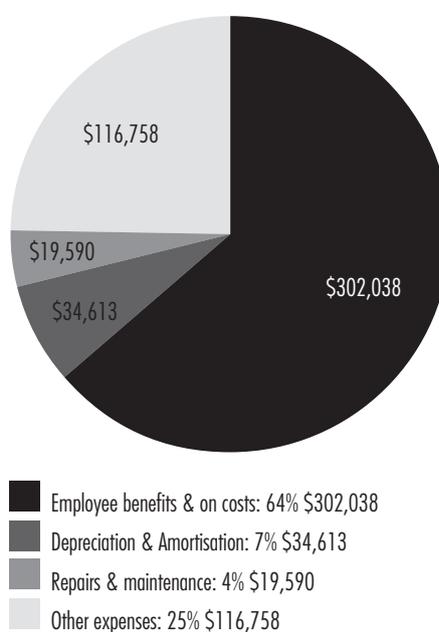
(3) EXPENSES

The Group expenses increased by \$31.7m during 2017 (7.2% increase on 2016). Separation costs of \$27.4m were the main contributor resulting from the implementation of the Towards Success Program. The Program included restructuring in higher education to develop the First Year Model for 2018, and the centralisation of research for the VU Research Model.

Non-salary costs primarily increased in depreciation and amortisation by \$1.0m, and in repairs, maintenance, cleaning and security consulting due to additional costs incurred to develop the campus master plan across the Queen Street precinct and to enhance the student experience.

The following graph shows the composition of the group's main expense categories:

EXPENDITURES \$'000



The main components of 'Other Expenses' are scholarships, grants & prizes, telecommunications, non-capitalised equipment, travel & staff development, energy costs, printing & stationary, consumables, postage, advertising/marketing, legal and professional fees, borrowing costs and impairment.

(4) MAJOR BALANCE SHEET MOVEMENTS

Victoria University Group has continued to maintain a strong and healthy net asset position; as at 31 December 2017 the Group held net assets of \$990.4m (2016: \$838.0m). This increase was largely due to the revaluation of land and buildings.

(5) REPORT ON KEY PERFORMANCE INDICATORS

The University's Strategic Plan 2016-2020 establishes Key Performance Indicators (KPIs) against which outcomes are monitored and reported as indicators of progress towards the achievement of strategic objectives.

The non-government income ratio (with HELP schemes included as Government Income) measures the proportion of University revenue generated from non-government income sources as a proportion of total income. There has been little change in this ratio in recent years. Measured against our benchmark competitors, Australian Universities, the contribution of non-government to government income remains below the benchmark ratio of 42:58; VU's group ratio for 2017 was 32:68 (2016 was 31:69).

The current ratio KPI is a liquidity ratio measuring the University's ability to meet its short-term financial obligations. At 31 December 2017, the Group's current ratio was 0.7 (2016: 0.7) compared to the Australian Universities benchmark of 1.2.

The Groups' operating margin of negative 6.6% is significantly below the Australian Universities benchmark ratio of 5.2% (national).

4.2 FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED
31 DECEMBER 2017

	2017 000s \$	2016 000s \$	2015 000s \$	2014 000s \$	2013 000s \$
CONSOLIDATED INCOME STATEMENT					
Income from Continuing Operations					
Government Sources					
Australian Government grants	142,961	153,799	147,955	149,156	157,476
HELP- Australian Government Payments	103,371	107,454	105,128	102,253	98,456
State and Local Government financial assistance	54,109	36,975	30,562	38,469	57,668
Non-Government Sources					
Fees and charges	97,436	91,574	97,025	96,344	88,764
Other income	45,962	40,659	39,582	42,255	39,934
Total revenue	443,839	430,461	420,252	428,477	442,298
Total operating expenses	473,000	441,335	432,064	444,083	436,417
Operating result for the year	(29,161)	(10,874)	(11,812)	(15,606)	5,881
Accumulated funds at the beginning of year	400,480	411,918	424,060	439,892	434,153
	371,319	401,044	412,248	424,286	440,034
Transfer to/(from) reserves	(1,519)	(564)	(330)	(226)	(142)
Accumulated funds at end of year	369,799	400,480	411,918	424,060	439,892
Consolidated Balance Sheet					
Current assets	85,160	72,912	135,955	124,249	132,141
Non-current assets	1,221,965	1,070,495	994,209	921,016	919,880
Current liabilities	(120,465)	(107,922)	(107,647)	(97,916)	(97,343)
Non-current liabilities	(196,289)	(197,491)	(201,596)	(158,943)	(152,663)
Net Assets	990,371	837,994	820,921	788,406	802,015
Reserves	620,572	437,514	409,003	364,346	362,123
Accumulated funds	369,799	400,480	411,918	424,060	439,892
Total Equity	990,371	837,994	820,921	788,406	802,015

Note: From 2014, deferred government superannuation contributions (previously recognised in revenue) and the corresponding deferred employee benefits for superannuation (previously recognised in operating expenses) have been recognised in the 'Statement of Comprehensive Income'. As a result, the 2013 comparatives for revenue and expenses have been restated. There is no impact to operating result.

4.3 REPORT BY THE MEMBERS OF COUNCIL

Victoria University

ABN: 83776954731

Report By The Members Of The Council

31 December 2017

The members of the Council present their report on the consolidated entity consisting of Victoria University and the entities it controlled at the end of, or during, the year ended 31 December 2017.

1. General Information

Members

A list of Victoria University Council members during 2017 is shown in note 26 of the notes to the financial statements. The number of meetings of the members of Victoria University Council and each Council committee held during the year ended 31 December 2017, and the number of meetings attended by each member are as disclosed in the annual report.

Principal Activities

During the year, the principal continuing activities of the consolidated entity consisted of the provision of educational and related services.

No significant changes in the nature of the activities of the consolidated entity occurred during the year.

2. Operating Results and Review of Operations for the Year

Review of Operations

Information on the operations and financial position of the University and the consolidated entity are as set out in the financial report.

3. Other items

Significant Changes in state of Affairs

No significant changes in the Group's state of affairs occurred during the year.

Matter Subsequent to the End of the Financial Year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

No significant developments have arisen since the end of the financial year which significantly affect the results of the operations, or the state of affairs of the consolidated entity in future financial years.

Environmental Regulation

The University is subject to environmental regulation in respect of its building works. The relevant authorities are provided with regular updates, and to the best of our knowledge, all activities have been undertaken in compliance with the requirements of the planning approvals.

Victoria University

ABN: 83776954731

**Report By The Members Of The Council
31 December 2017**

Insurance of Officers

As provided under the Constitution, the University indemnifies members of the Council against all actions and claims (whether arising during or after the term of the office of that member) in respect of any act or thing done or omitted to be done in good faith in their capacity as members. During the year, the University paid an insurance premium in respect of a contract insuring its members and senior employees against a liability of this nature. In accordance with normal commercial practices, under the terms of the insurance contract, the nature of the liabilities insured against and the amount of premiums paid are confidential.

Proceedings on Behalf of Victoria University

No person has applied for leave of court to bring proceedings on behalf of the University or intervene in any proceedings to which the University is a party for the purpose of taking responsibility on behalf of the University for all or any part of those proceedings.

The University was not a party to any such proceedings during the year.

This report is made in accordance with a resolution of the members of the Council.



Chancellor



Vice-Chancellor and President

Dated at Melbourne on the 19 day of April 2018

4.4 2017 FINANCIAL STATEMENTS INDEX

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AUDITOR-GENERAL'S INDEPENDENCE DECLARATION



Auditor-General's Independence Declaration

To the Directors, Victoria University

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Victoria University for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
19 April 2018

A handwritten signature in black ink, appearing to read "Charlotte Jeffries".

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the Council of Victoria University

Opinion	<p>I have audited the consolidated financial report of Victoria University (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 income statements and 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• statements by the Chancellor, Vice-Chancellor and President, and Principal Accounting Officer. <p>In my opinion the financial report is in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> including:</p> <ul style="list-style-type: none">• presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2017 and their financial performance and cash flows for the year then ended• complying with Australian Accounting Standards.
----------------	---

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 the Act 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 auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and 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>
--------------------------	--

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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.

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

- 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 and business activities within the university and the consolidated entity to express an opinion on the financial report. I am 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.

I also provide the Council with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
19 April 2018



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

STATEMENT BY THE CHANCELLOR, THE VICE-CHANCELLOR AND PRESIDENT AND PRINCIPAL ACCOUNTING OFFICER

Victoria University ABN: 83776954731

Statement by the Chancellor, Vice-Chancellor and President and Principal Accounting Officer

In our opinion:

(a) the financial statements of Victoria University and the consolidated entity present fairly the financial transactions during the financial year ended 31 December 2017 and the financial position for the year ended on that date;

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

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

(d) the financial statements have been prepared in accordance with *Australian Accounting Standards*, applicable requirements of the *Financial Management Act 1994* including Financial Reporting Directions, the *Australian Charities and Not-for-profits Commission Act 2012*, other mandatory professional reporting requirements and the Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period as issued by the Australian Government, Department of Education and Training.

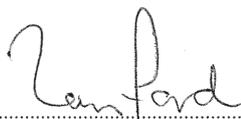
In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate and there are reasonable grounds to believe that Victoria University and the consolidated entity will be able to pay its debts as and when they fall due.



G Pappas
Chancellor



P Dawkins
Vice-Chancellor and President



I Ford
Vice-President Finance and Chief Financial Officer
Principal Accounting Officer

Dated at Melbourne on the 19 day of April 2018

INCOME STATEMENT

FOR THE YEAR ENDED
31 DECEMBER 2017

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		000s \$	000s \$	000s \$	000s \$
INCOME FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	3	142,961	153,799	142,961	153,799
HELP - Australian Government payments	3	103,371	107,454	103,371	107,454
State and local government financial assistance	4	54,109	36,975	54,109	36,975
HECS-HELP - Student payments		5,062	5,754	5,066	5,754
Fees and charges	5	97,436	91,574	97,436	91,574
Royalties, trademarks and licences		48	30	48	30
Investment revenue	6	7,795	3,339	7,677	3,194
Consultancy and contracts	7	12,891	12,378	13,218	12,523
Other revenue and income	8	20,166	19,158	18,207	17,627
Total income from continuing operations		443,839	430,461	442,093	428,930
EXPENSES FROM CONTINUING OPERATIONS					
Employee related expenses	9	302,038	279,086	302,038	279,080
Depreciation and amortisation	10	34,613	33,570	34,613	33,570
Repairs, maintenance, cleaning and security	11	19,590	13,779	19,590	13,779
Borrowing costs	12	729	466	729	466
Impairment/reversal of impairment	13	427	461	429	459
Other expenses	14	115,602	113,972	114,682	112,991
Total expenses from continuing operations		473,000	441,335	472,082	440,345
Net result for the period		(29,161)	(10,874)	(29,989)	(11,415)

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 DECEMBER 2017

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		000s \$	000s \$	000s \$	000s \$
Net result for the period		(29,161)	(10,874)	(29,989)	(11,415)
Items that will not be reclassified subsequently to profit or loss					
Gain/(loss) on revaluation of land, buildings and artwork	25(b)	179,614	26,677	179,611	26,677
(Impairment)/reversal of impairment	25(b)	-	(3,815)	-	(3,811)
(Decrease)/increase in Deferred government contribution for superannuation	37	(410)	(2,014)	(410)	(2,014)
Decrease/(increase) in Deferred employee benefits for superannuation	37	410	2,014	410	2,014
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	25(b)	-	(11)	-	-
Gain/(loss) on available for sale financial assets	25(b)	2,731	5,095	2,647	5,095
Adjustment from subsidiary	25(b)	(115)	-	-	-
Other comprehensive income for the period		182,230	27,946	182,258	27,961
Total comprehensive income for the period		153,069	17,072	152,269	16,546

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED
31 DECEMBER 2017

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		000s \$	000s \$	000s \$	000s \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	15	32,444	22,570	31,831	18,880
Trade and other receivables	16	28,326	26,676	28,345	26,676
Other financial assets	17	16,200	14,955	16,200	12,455
Other non-financial assets	18	8,190	8,711	8,190	8,711
TOTAL CURRENT ASSETS		85,160	72,912	84,566	66,722
NON-CURRENT ASSETS					
Trade and other receivables	16	141,556	141,532	141,556	141,532
Other financial assets	17	22,616	63,128	17,053	63,278
Property, plant and equipment	19	991,210	803,427	991,182	803,404
Intangible assets	20	60,278	55,167	60,278	55,167
Other non-financial assets	18	6,305	7,241	6,305	7,241
TOTAL NON-CURRENT ASSETS		1,221,965	1,070,495	1,216,374	1,070,622
TOTAL ASSETS		1,307,125	1,143,407	1,300,940	1,137,344
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	21	49,534	34,043	49,526	34,049
Borrowings	22	177	177	177	177
Provisions	23	55,102	58,136	55,102	58,136
Other liabilities	24	15,652	15,566	15,652	15,566
TOTAL CURRENT LIABILITIES		120,465	107,922	120,456	107,928
NON-CURRENT LIABILITIES					
Trade and other payables	21	298	242	298	242
Borrowings	22	244	421	244	421
Provisions	23	147,392	146,928	147,392	146,928
Other liabilities	24	48,355	49,900	48,355	49,900
TOTAL NON-CURRENT LIABILITIES		196,289	197,491	196,289	197,491
TOTAL LIABILITIES		316,754	305,413	316,745	305,419
NET ASSETS		990,371	837,994	984,195	831,925
EQUITY					
Reserves	25	620,572	437,514	614,271	432,013
Retained earnings	25	369,799	400,480	369,924	399,912
TOTAL EQUITY		990,371	837,994	984,195	831,925

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED
31 DECEMBER 2017

	RESERVES 000s \$	RETAINED EARNINGS 000s \$	TOTAL 000s \$
2016 - Consolidated			
Balance at 1 January 2016	409,003	411,918	820,921
Operating result for the period	-	(10,874)	(10,874)
Revaluation increment/(decrement)	26,677	-	26,677
Adjustments from translation of foreign controlled entities	(11)	-	(11)
Transfers from retained earnings to general reserve	564	(564)	-
Impairment/reversal of impairment	(3,815)	-	(3,815)
Gain/(loss) on revaluation of available for sale financial assets	5,095	-	5,095
Balance at 31 December 2016	437,514	400,480	837,994
2017 - Consolidated			
Balance at 1 January 2017	437,514	400,480	837,994
Operating result for the period	-	(29,161)	(29,161)
Revaluation increment/(decrement)	179,614	-	179,614
Ordinary dividends	-	(692)	(692)
Adjustments from subsidiary	(115)	-	(115)
Transfers from retained earnings to general reserve	827	(827)	-
Gain/(loss) on revaluation of available for sale financial assets	2,731	-	2,731
Balance at 31 December 2017	620,572	369,799	990,371
2016 - University			
Balance at 1 January 2016	404,051	411,328	815,379
Operating result for the period	-	(11,415)	(11,415)
Revaluation increment/(decrement)	26,677	-	26,677
Impairment/reversal of impairment	(3,811)	-	(3,811)
Gain/(loss) on revaluation of available for sale financial assets	5,095	-	5,095
Balance at 31 December 2016	432,013	399,912	831,925
2017 - University			
Balance at 1 January 2017	432,013	399,912	831,925
Operating result for the period	-	(29,989)	(29,989)
Revaluation increment/(decrement)	179,611	-	179,611
Gain/(loss) on revaluation of available for sale financial assets	2,647	-	2,647
Balance at 31 December 2017	614,271	369,924	984,195

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
31 DECEMBER 2017

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		000s \$	000s \$	000s \$	000s \$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Australian Government Grants received		235,980	253,570	235,980	253,570
OS-HELP (net)		231	450	231	450
Superannuation Supplementation		7,044	7,775	7,044	7,775
State Government Grants received		52,878	34,921	52,878	34,921
Local Government Grants received		6	2,056	6	2,056
HECS-HELP - Student payments		5,062	5,754	5,066	5,754
Dividends received		4,020	-	4,015	-
Interest received		3,774	3,340	3,662	3,195
Interest paid		(759)	(469)	(759)	(469)
Royalties received		48	30	48	30
Receipts from student fees and other customers (inc. of GST)		140,911	130,940	139,201	129,549
Payments to suppliers and employees (inc. of GST)		(440,784)	(423,078)	(439,876)	(422,057)
GST recovered/paid		8,428	6,852	8,484	6,882
Net cash provided by/(used in) operating activities	33	16,839	22,141	15,980	21,656
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment		38	82	38	82
Payments for property, plant and equipment		(33,076)	(20,426)	(33,076)	(20,426)
Payments for financial assets		-	(59,584)	-	(59,584)
Payments for intangible asset		(14,942)	(7,066)	(14,942)	(7,066)
Proceeds from sale of financial assets		41,998	22,100	45,128	20,000
Net cash provided by/(used in) investing activities		(5,982)	(64,894)	(2,852)	(66,994)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		(177)	-	(177)	-
Proceeds from borrowings		-	598	-	598
Other financing outflows		(806)	-	-	-
Net cash provided by/(used in) financing activities		(983)	598	(177)	598
Net increase/(decrease) in cash and cash equivalents		9,874	(42,155)	12,951	(44,740)
Cash and cash equivalents at beginning of year		22,570	64,736	18,880	63,620
Effects of exchange rate changes on cash and cash equivalents	25(b)	-	(11)	-	-
Cash and cash equivalents at the end of the financial year	15	32,444	22,570	31,831	18,880

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report for the year ended 31 December 2017 are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial report includes separate financial statements for the University as the parent entity and the consolidated entity, consisting of the University and its subsidiaries. The University and its subsidiaries are referred to in this financial report as the Group or the consolidated entity.

The principal address of the University is:

Ballarat Road
Footscray VIC 3011
Australia

(A) BASIS OF PREPARATION

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

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

- *Higher Education Support Act 2003 (Financial Statement Guidelines)*
- *Financial Management Act 1994 and*
- *Australian Charities and Not-for-Profits Commission Act 2012.*

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

DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the members of Victoria University on 19 April 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.

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 judgement in the process of applying Victoria University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

(B) FOREIGN CURRENCY TRANSACTIONS

(I) FUNCTIONAL AND PRESENTATION CURRENCY

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

(II) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Exchange differences arising on the translation of non-monetary financial assets and liabilities are reported as part of the foreign currency translation reserve in equity.

(III) GROUP ENTITIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation on the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to equity.

(C) INCOME TAX

Victoria University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997.

(D) ROUNDING OF AMOUNTS

Amounts have been rounded off to the nearest thousand dollars unless otherwise specified.

(E) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets 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 of 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 as a current asset or liability 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.

(F) COMPARATIVE AMOUNTS

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year, in accordance with AASB 101 Presentation of Financial Statements.

(G) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

As at balance date, certain new accounting standards and interpretations have been published that are not mandatory for the financial year ending 31 December 2017. Victoria University has not, and does not intend to, adopt these standards early. Victoria University's assessment of the impact of these new standards and interpretations is set out below:

STANDARD/INTERPRETATION	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	EXPECTED IMPACT ON THE FINANCIAL STATEMENTS OF THE GROUP
AASB 9 Financial Instruments* AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) AASB 2012-6 Amendments to Australian Accounting Standards - Mandatoy Effective Date of AASB 9 and Transitional Disclosures AASB 2014-1 Amendments to Australian Accounting Standards AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 AASB 2017-6 Amendments to Australian Accounting Standards - Prepayment features with negative compensation	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The assessment also identified that there will be a change in the way financial instruments are disclosed. The financial impact of available for sale financial assets will now be reported through other comprehensive income and no longer recycled to the profit and loss. The change in fair value attributable to changes in own credit risk in respect of liabilities designated at fair value will be reported through other comprehensive income and no longer recycled to the profit and loss.
AASB 15 Revenue from contracts with customers* AASB 2014-5 Amendments to Australian Accounting Standards - Effective Date of AASB 15 AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications of AASB 15 AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for NFP entities AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for NFP entities	1 January 2019	The change in revenue recognition requirements in AASB 15 may cause changes to the timing and amount to revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 is likely to have a material impact on the Group but cannot be quantified at this stage.
AASB 16 Leases	1 January 2019	The assessment has identified that \$55m worth of operating leases will come on balance sheet, recognition of the right of use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right of use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating profit. No change for lessors.
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	Each revenue stream, including grant agreements are currently being reviewed to determine the impact of AASB 1058. It is anticipated that some grant agreements which were previously recognised immediatly on receipt may be able to be deferred as the performance obligation is satisfied. The impact of AASB 1058 is likely to have a material impact on the Group but cannot be quantified at this stage.
AASB 1059 Service Concession Arrangements: Grantors	1 January 2019	The assessment has identified that there will be no impact to the Group resulting from AASB 1059.
AASB 2014-10 Sale or contribution of Assets between an Investor and its Associate and Joint Venture	1 January 2019	The assessment has identified that there will be no material impact arising from AASB 2014-10 to the reporting Group.

* For the current year, given the number of consequential amendments to AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, the standards/interpretations have been grouped together to provide an appropriate view of the impact of the standards and the applicable amendments to the reporting Group.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017 reporting period (as listed below). In general these amending standards include editorial and references changes that are expected to have no impact on the reporting Group.

AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112)

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107

AASB 2016-5 Amendments to Australian Accounting Standards - Classification And Measurements of Share-based Payment Transactions

AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments

AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-16 cycle

AASB 2017-3 Amendments to Australian Accounting Standards - Clarifications to AASB 4

AASB 2017-4 Amendments to Australian Accounting Standards - Uncertainty over Income Tax Treatments

AASB 2017-5 Amendments to Australian Accounting Standards - Effective date of amendments to AASB 10 and AASB 128 and editorial corrections

AASB 2017-7 Amendments to Australian Accounting Standards - Long-term interests in associates and joint ventures

2 DISAGGREGATED INFORMATION

(A) GEOGRAPHICAL - CONSOLIDATED ENTITY

	REVENUE*		RESULTS		ASSETS	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Australia	434,060	419,992	(34,516)	(16,573)	1,305,040	1,140,802
Asia	9,779	10,952	5,355	5,699	2,085	2,605
	443,839	430,944	(29,161)	(10,874)	1,307,125	1,143,407
Total Geographical	443,839	430,944	(29,161)	(10,874)	1,307,125	1,143,407

* The above revenue is the total revenue including the gross proceeds on sale of non-current assets, whereas the income statement revenue includes the net (loss) or gain on disposal of non-current assets, i.e. proceeds less written down value of assets sold. Refer to note 19(a) for the written down value included in the income statement in arriving at the net gain or loss on disposal of property, plant and equipment.

(B) INDUSTRY - PARENT ENTITY

INCOME STATEMENT						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2017 000s \$	2017 000s \$	2017 000s \$	2016 000s \$	2016 000s \$	2016 000s \$
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	142,934	27	142,961	153,772	27	153,799
HELP - Australian Government payments	96,005	7,366	103,371	98,906	8,548	107,454
State and local government financial assistance	3,952	50,157	54,109	1,113	35,862	36,975
HECS-HELP - Student payments	5,066	-	5,066	5,754	-	5,754
Fees and charges	78,431	19,005	97,436	71,182	20,392	91,574
Royalties, trademarks and licenses	44	4	48	30	-	30
Investment income	6,527	1,150	7,677	2,715	479	3,194
Consultancy and contracts	13,219	(1)	13,218	12,523	-	12,523
Other revenue and income	15,441	2,766	18,207	15,688	1,939	17,627
Total income from continuing operations	361,619	80,474	442,093	361,683	67,247	428,930
Expenses from continuing operations						
Employee related expenses	247,459	54,579	302,038	225,398	53,682	279,080
Depreciation and amortisation	24,478	10,136	34,614	24,507	9,063	33,570
Repairs, maintenance, cleaning and security	16,565	3,025	19,589	11,738	2,042	13,779
Borrowing costs	620	109	729	396	70	466
Impairment/reversal of impairment	369	60	429	45	414	459
Other expenses	98,200	16,482	114,682	94,620	18,371	112,991
Total expenses from continuing operations	387,691	84,391	472,081	356,704	83,642	440,345
Net result for the period	(26,072)	(3,917)	(29,989)	4,979	(16,395)	(11,415)
STATEMENT OF COMPREHENSIVE INCOME						
Net result for the period	(26,072)	(3,917)	(29,989)	4,979	(16,395)	(11,415)
Items that will not be reclassified subsequently to profit or loss						
(Decrease)/increase in Deferred government contributions for superannuation	(410)	-	(410)	(2,014)	-	(2,014)
Decrease/(increase) in Deferred employee benefits for superannuation	410	-	410	2,014	-	2,014
Gain/(loss) on revaluation of land, buildings and artwork	130,155	49,456	179,611	21,639	5,038	26,677
(Impairment)/reversal of impairment	-	-	-	(3,779)	(32)	(3,811)
Items that may be reclassified to profit or loss						
Gain/(loss) on value of available-for-sale financial assets	1,932	715	2,647	4,583	512	5,095
Other comprehensive income for the period	132,087	50,171	182,258	22,443	5,518	27,961
Total comprehensive income for the period	106,015	46,254	152,269	27,422	(10,877)	16,546

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF FINANCIAL POSITION						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2017 000s \$	2017 000s \$	2017 000s \$	2016 000s \$	2016 000s \$	2016 000s \$
ASSETS						
Current Assets						
Cash and cash equivalents	74,831	(43,000)	31,831	58,877	(39,997)	18,880
Trade and other receivables	21,166	7,179	28,345	21,398	5,278	26,676
Other financial assets	11,664	4,536	16,200	9,367	3,088	12,455
Other non-financial assets	6,986	1,204	8,190	7,396	1,315	8,711
Total Current Assets	114,647	(30,081)	84,566	97,038	(30,316)	66,722
Non-Current Assets						
Trade and other receivables	141,552	4	141,556	141,528	4	141,532
Other financial assets	16,533	520	17,053	62,758	520	63,278
Property, plant and equipment	683,829	307,353	991,182	544,413	258,991	803,404
Intangible assets	47,275	13,003	60,278	43,957	11,210	55,167
Other non-financial assets	5,803	502	6,305	6,557	684	7,241
Total Non-Current Assets	894,992	321,382	1,216,374	799,213	271,409	1,070,622
TOTAL ASSETS	1,009,639	291,301	1,300,940	896,251	241,093	1,137,344
LIABILITIES						
Current Liabilities						
Trade and other payables	28,279	22,613	50,892	15,248	18,801	34,049
Borrowings	150	27	177	150	27	177
Provisions	43,543	11,558	55,102	46,534	11,602	58,136
Other liabilities	8,916	5,369	14,285	9,809	5,757	15,566
Total Current Liabilities	80,888	39,567	120,456	71,741	36,187	107,928
Non-Current Liabilities						
Trade and other payables	235	63	298	199	43	242
Borrowings	207	37	244	358	63	421
Provisions	146,114	1,278	147,392	145,522	1,406	146,928
Other liabilities	47,924	431	48,355	49,446	454	49,900
Total Non-Current Liabilities	194,480	1,809	196,289	195,525	1,966	197,491
TOTAL LIABILITIES	275,368	41,376	316,745	267,266	38,153	305,419
NET ASSETS	734,271	249,925	984,195	628,985	202,940	831,925
EQUITY						
Reserves	455,493	158,778	614,271	324,139	107,874	432,013
Retained surplus	278,778	91,146	369,924	304,846	95,066	399,912
TOTAL EQUITY	734,271	249,925	984,195	628,985	202,940	831,925

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF CHANGES IN EQUITY									
	RESERVES			RETAINED EARNINGS			TOTAL		
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$
Balance as 1 January 2016	301,695	102,356	404,051	299,867	111,461	411,328	601,562	213,817	815,378
Operating result for the period	-	-	-	4,979	(16,395)	(11,415)	4,979	(16,395)	(11,415)
Revaluation increment/(decrement)	21,639	5,038	26,677	-	-	-	21,639	5,038	26,677
Impairment/reversal of impairment	(3,779)	(32)	(3,811)	-	-	-	(3,779)	(32)	(3,811)
Gain/(loss) on available for sale financial assets	4,583	512	5,095	-	-	-	4,583	512	5,095
Balance at 31 December 2016	324,139	107,874	432,013	304,846	95,066	399,912	628,985	202,940	831,925
Balance at 1 January 2017	324,139	107,874	432,013	304,846	95,066	399,912	628,985	202,940	831,925
Operating result for the period	-	-	-	(26,072)	(3,917)	(29,988)	(26,072)	(3,917)	(29,989)
Revaluation increment/(decrement)	130,155	49,456	179,611	-	-	-	130,155	49,456	179,611
Gain/(loss) on available for sale financial assets	1,199	1,448	2,647	-	-	-	1,199	1,448	2,647
Balance at 31 December 2017	455,493	158,778	614,271	278,778	91,146	369,924	734,271	249,924	984,195

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF CASH FLOWS						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2017 000s \$	2017 000s \$	2017 000s \$	2016 000s \$	2016 000s \$	2016 000s \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Australian Government Grants	230,170	5,810	235,980	244,996	8,574	253,570
OS-HELP (net)	231	-	231	450	-	450
Superannuation Supplementation	7,044	-	7,044	7,775	-	7,775
State Government Grants	3,945	48,933	52,878	959	33,962	34,921
Local Government Grants received	7	(1)	6	155	1,901	2,056
HECS-HELP - Student Payments	5,066	-	5,066	5,754	-	5,754
Receipts from student fees and other customers	113,080	26,120	139,200	106,680	22,869	129,549
Royalties received	44	4	48	30	-	30
Interest received	3,115	547	3,662	2,716	479	3,195
Payments to suppliers and employees (inclusive of GST)	(364,673)	(75,200)	(439,873)	(345,866)	(76,191)	(422,057)
Interest paid	(645)	(114)	(759)	(399)	(70)	(469)
GST recovered/paid	7,307	1,177	8,484	5,698	1,184	6,882
Dividends received	3,413	602	4,015	-	-	-
Net cash provided by/(used in) operating activities	8,104	7,878	15,980	28,948	(7,292)	21,656
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment	24	14	38	12	70	82
Payments for property, plant and equipment	(26,945)	(6,131)	(33,076)	(16,476)	(3,950)	(20,426)
Payments for financial assets	-	-	-	(59,584)	-	(59,584)
Proceeds from sale of financial assets	45,128	-	45,128	20,000	-	20,000
Payments for intangibles	(10,204)	(4,738)	(14,942)	(4,119)	(2,947)	(7,066)
Net cash provided by/(used in) investing activities	8,003	(10,855)	(2,852)	(60,167)	(6,827)	(66,994)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings	-	-	-	508	90	598
Repayment of borrowings	(150)	(27)	(177)	-	-	-
Net cash provided by/(used in) financing activities	(150)	(27)	(177)	508	90	598
Net increase/(decrease) in cash and cash equivalents	15,957	(3,004)	12,953	(30,711)	(14,029)	(44,740)
Cash and cash equivalents at the beginning of the financial year	58,877	(39,997)	18,880	89,588	(25,968)	63,620
Cash and cash equivalents at the end of the financial year	74,833	(42,999)	31,831	58,877	(39,997)	18,880

3 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)

(A) COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		000s \$	000s \$	000s \$	000s \$
Commonwealth Grants Scheme #1		117,537	127,759	117,537	127,759
Indigenous Student Success Program #3		291	295	291	295
Access and Participation Program		3,786	4,678	3,786	4,678
Disability Performance Funding #2		141	137	141	137
Promotion of Excellence in Learning and Teaching		-	23	-	23
Superannuation Supplementation		7,546	7,486	7,546	7,486
Total Commonwealth Grants Scheme and Other Grants	38(a)	129,301	140,378	129,301	140,378

(B) HIGHER EDUCATION LOAN PROGRAMS

HECS - HELP		82,168	85,923	82,168	85,923
FEE - HELP #4		10,869	9,920	10,869	9,920
VET FEE - HELP		1,846	8,548	1,846	8,548
SA - HELP		2,968	3,063	2,968	3,063
VET Student Loan Program		5,520	-	5,520	-
Total Higher Education Loan Programs	38(b)	103,371	107,454	103,371	107,454

(C) SCHOLARSHIPS

Research Training Program #5		7,309	7,115	7,309	7,115
Total Scholarships	38(c)	7,309	7,115	7,309	7,115

(D) EDUCATION RESEARCH

Research Support Program #6		4,392	4,299	4,392	4,299
Total Education Research	38(c)	4,392	4,299	4,392	4,299

(E) OTHER CAPITAL FUNDING

Linkage Infrastructure Equipment and Facilities Grant		240	-	240	-
Other Capital Funding	38(e)	240	-	240	-

(F) AUSTRALIAN RESEARCH COUNCIL

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
(i) Discovery					
Discovery - Projects	38(f) (i)	246	770	246	770
(ii) Linkages					
Linkages - Projects	38(f) (ii)	209	272	209	272
Total ARC		455	1,042	455	1,042

(G) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

Non-Capital					
Other		1,070	698	1,070	698
National Health & Medical Research Council		194	268	194	268
Total Other Australian Government Financial Assistance	38(g)	1,264	965	1,264	965
Total Australian Government Financial Assistance		246,332	261,253	246,332	261,253

#1 Includes the basic CGS grant amount and CGS-Enabling Loading, Allocated Places and Non Designated Courses.

#2 Includes additional support for students with disabilities and Australian Disability Clearinghouse on Education and Training.

#3 Replaced the Indigenous Commonwealth Scholarship Program and the Indigenous Support Program as of 1 January 2017.

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

#5 Replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

#6 Replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in University in 2017.

		CONSOLIDATED		UNIVERSITY	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Reconciliation					
Australian Government grants (A + C + D + E + F + G)		142,961	153,799	142,961	153,799
HECS - HELP payments		82,168	85,923	82,168	85,923
FEE - HELP payments		10,869	9,920	10,869	9,920
VET FEE - HELP payments		1,846	8,548	1,846	8,548
SA - HELP		2,968	3,063	2,968	3,063
VET Student Loan Program		5,520	-	5,520	-
Total Australian Government financial assistance		246,332	261,253	246,332	261,253

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of any taxes paid and returns.

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 Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in notes 3 through 6.

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

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.

4 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Non-capital				
TAFE - Recurrent funding	6,175	3,212	6,175	3,212
TAFE - Specific funded programs	2,242	2,443	2,242	2,443
TAFE - Fee for service	24	-	24	-
TAFE - Other	-	1,900	-	1,900
Higher Education - Other	689	333	689	333
TAFE Contestable Income	35,717	27,510	35,717	27,510
Total Non-capital	44,847	35,398	44,847	35,398
Capital				
Higher Education - Capital	3,262	780	3,262	780
TAFE - Capital	6,000	797	6,000	797
Total capital	9,262	1,577	9,262	1,577
Total State and Local Government financial assistance	54,109	36,975	54,109	36,975

5 FEES AND CHARGES

Course Fees and Charges				
Fee-paying onshore overseas students	64,205	59,211	64,205	59,211
Fee-paying offshore overseas students	10,154	11,039	10,154	11,039
Fee-paying domestic postgraduate students	4,311	2,668	4,311	2,668
Fee-paying domestic undergraduate students	187	215	187	215
Fee-paying domestic non-award students	457	389	457	389
Other domestic course fees and charges:				
TAFE tuition fees and full fee Australian Award	5,032	4,919	5,032	4,919
Fee for service	8,022	8,072	8,022	8,072
Total Course Fees and Charges	92,368	86,513	92,368	86,513
Other Non-Course Fees and Charges				
Student Services and Amenities Fees from students	1,496	1,474	1,496	1,474
Enrolment fees	101	1	101	1
Student accommodation	326	523	326	523
Other	624	786	624	786
Graduation fees	534	602	534	602
Student material fees	1,987	1,675	1,987	1,675
Total Other Fees and Charges	5,068	5,061	5,068	5,061
Total Fees and Charges	97,436	91,574	97,436	91,574

Accounting Policy

Fees and charges are recognised as income when earned, except to the extent that fees and charges relate to courses to be held in future periods. Such income (or portion thereof) is treated as income in advance in liabilities.

6 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Interest Income:					
Interest revenue		483	818	370	673
Dividends received		4,020	2,469	4,015	2,469
Gain/(loss) on available for sale investments		3,292	52	3,292	52
Total investment revenue		7,795	3,339	7,677	3,194
Total investment income		7,795	3,339	7,677	3,194

Accounting Policy

Interest revenue is recognised as it is earned. Dividend revenue is recognised as received.

7 CONSULTANCY AND CONTRACTS

Consultancy		285	313	285	313
Contract research		119	-	119	-
Other contract revenue		12,487	12,066	12,814	12,210
Total consultancy and contracts		12,891	12,378	13,218	12,523

8 OTHER REVENUE AND INCOME

Other revenue and income					
Sale of goods		2,865	3,710	2,865	3,710
Commissions, subscriptions and sale of publications		1,709	1,332	1,709	1,332
Facilities and equipment hire		1,282	1,188	1,282	1,188
Seminar/conference income		681	607	679	607
Parking meter and fines		2,084	1,903	2,084	1,903
Childcare		2,791	2,635	2,791	2,635
Disbursements oncharged/reimbursements		1,145	1,652	1,145	1,652
Library fees and fines		30	16	30	16
Health unit fees		373	330	373	330
Non-government grants		57	92	57	92
Property leases		2,644	2,239	2,644	2,239
Donations and bequests		1,830	1,529	1,003	888
Scholarships and prizes		1,417	1,311	275	418
Net gain/(loss) on disposal of property, plant and equipment	19(a)	-	(403)	-	(403)
Foreign exchange gains		261	377	261	377
Miscellaneous		997	640	1,009	643
Total other revenue and income		20,166	19,158	18,207	17,627

Accounting Policy

Revenue from the provision of goods or services is recognised when goods are delivered or services have been rendered. Where for fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are deferred and disclosed as revenue in advance.

All other revenue are recognised in the year to which they apply.

9 EMPLOYEE RELATED EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Academic				
Salaries	102,761	109,444	102,761	109,444
Contributions to superannuation and pension schemes				
Contributions to funded schemes	14,961	15,394	14,961	15,394
Contributions to unfunded schemes	6,404	6,438	6,404	6,438
Payroll tax	6,806	6,573	6,806	6,573
Worker's compensation	742	684	742	684
Long service leave expense	2,068	2,445	2,068	2,445
Annual leave	6,773	8,055	6,773	8,055
Other	66	71	66	71
Separation costs	20,464	5,600	20,464	5,600
Total academic	161,045	154,704	161,045	154,704
Non-academic				
Salaries	98,491	91,449	98,491	91,444
Contributions to superannuation and pension schemes				
Contributions to funded schemes	15,531	14,272	15,531	14,272
Contribution to unfunded schemes	1,603	1,618	1,603	1,618
Payroll tax	6,062	5,509	6,062	5,509
Worker's compensation	721	574	721	574
Long service leave expense	3,188	1,512	3,188	1,512
Annual leave	8,333	7,108	8,333	7,108
Other	99	107	99	107
Separation costs	6,965	2,232	6,965	2,232
Total non-academic	140,993	124,382	140,993	124,376
Total employee related expenses	302,038	279,086	302,038	279,080

Accounting Policy

Employee related expenses include all costs related to employment, including wages and salaries, contributions to superannuation and pension schemes, payroll tax and workers compensation, annual leave, long service leave and separation costs.

The University provides for benefits accruing to employees but payable in future periods in respect of wages and salaries, annual leave and long service leave, and related on costs for services rendered up to the reporting date. In measuring the employee benefits, consideration is given to expected future wage and salary levels, and periods of service. Expected future payments are discounted to reflect the estimated timing and amount of payment.

Separation costs are recognised either when the Group can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring.

10 DEPRECIATION AND AMORTISATION

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Depreciation				
Buildings	14,933	14,860	14,933	14,860
Leasehold Improvements	1,755	1,223	1,755	1,223
Library collections	1,948	1,888	1,948	1,888
Leased building	1,230	1,089	1,230	1,089
Plant and equipment	5,580	6,001	5,580	6,001
Total depreciation	25,446	25,061	25,446	25,061
Amortisation				
Computer software, other	9,167	8,509	9,167	8,509
Total depreciation and amortisation	34,613	33,570	34,613	33,570

Depreciation and amortisation is calculated and recognised in accordance with the accounting policy set out in Note 19.

11 REPAIRS, MAINTENANCE, CLEANING AND SECURITY

Repairs and maintenance	11,386	6,736	11,386	6,736
Cleaning	3,461	3,243	3,461	3,243
Security	4,615	3,682	4,615	3,682
Others	128	118	128	118
Total repairs, maintenance, cleaning and security	19,590	13,779	19,590	13,779

Accounting Policy

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.

12 BORROWING COSTS

Other borrowing costs*	729	466	729	466
Less: Amount capitalised	-	-	-	-
Total borrowing costs expensed	729	466	729	466

*Other borrowing costs include a loan facility fee.

13 IMPAIRMENT/REVERSAL OF IMPAIRMENT

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Student fees and charges	367	434	367	434
Trade receivables	62	(7)	62	(7)
Impairment of assets	(2)	34	-	32
Total impairment of assets/reversal of impairment	427	461	429	459

Accounting Policy

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Alternately, intangible assets are carried at a revalued amount after initial recognition and are revalued by reference to an active market on a regular basis, so that the carrying amount of the asset does not differ materially from its fair value at reporting date.

14 OTHER EXPENSES

Purchases	372	406	372	406
Advertising, marketing and promotional expenses	10,623	7,913	10,623	7,913
Consulting, legal and professional fees	20,123	22,891	20,114	22,867
Class materials and consumables	3,585	4,166	3,585	4,166
Donations	27	8	56	8
Fees and subscriptions	15,537	14,881	15,537	14,874
Non-capitalised equipment	2,822	2,622	2,822	2,618
Operating lease rental expenses	14,550	12,321	14,550	12,321
Printing and stationeries	5,737	6,229	5,737	6,229
Refund of income received in prior year	227	193	227	193
Postage and freight	755	782	755	782
Scholarships, grants and prizes	9,455	10,175	8,518	9,232
Student placement and practicum expenses	3,579	3,889	3,579	3,889
Telecommunications	10,752	9,759	10,752	9,759
Travel, staff development and entertainment	6,478	7,366	6,478	7,366
Energy costs	5,476	6,083	5,476	6,083
Net loss on disposal of property, plant and equipment	101	-	101	-
Other operating expenses	5,403	4,287	5,400	4,284
Total other expenses	115,602	113,972	114,682	112,991

Accounting Policy

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 29).

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.

Other expenses are recognised on an accrual basis.

15 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Cash at bank and on hand	32,444	19,970	31,831	18,880
Deposits - Other	-	2600	-	-
Total cash and cash equivalents	32,444	22,570	31,831	18,880

(A) RECONCILIATION TO CASH AT THE END OF THE YEAR

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Balances as above	32,444	22,570	31,831	18,880
Balance as per Statement of Cash Flows	32,444	22,570	31,831	18,880

(B) CASH AT BANK AND ON HAND

Cash in operating accounts earns floating interest rates between 0.05% and 1.50% (2016: 0.01% and 1.80%).

(C) DEPOSITS – OTHER

There are no deposits - other as at 31 December 2017, (2016: 2.70% maturity of 90 days).

Accounting Policy

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

16 TRADE AND OTHER RECEIVABLES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Current					
Trade receivables		17,531	16,393	17,550	16,393
Less: Provision for impaired receivables		(50)	(19)	(50)	(19)
Student Loans		-	1	-	1
Less: Provision for impaired receivables		-	(1)	-	(1)
Student fees		6,061	5,804	6,061	5,804
Less: Provision for impaired receivables		(2,898)	(3,617)	(2,898)	(3,617)
Deferred government benefit for superannuation	37	7,682	8,115	7,682	8,115
Total current receivables		28,326	26,676	28,345	26,676
Non-current					
Sundry receivables		27	27	27	27
Deferred government benefit for superannuation	37	141,529	141,506	141,529	141,506
Total non-current receivables		141,556	141,532	141,556	141,532
Total receivables		169,882	168,208	169,901	168,208

(A) IMPAIRED RECEIVABLES

As at 31 December 2017 current receivables of the Group with a nominal value of \$2.9 million (2016: \$3.6 million) were impaired. The amount of the provision was \$2.9 million (2016: \$3.6 million). The impaired receivables mainly relate to student fees and charges, and the remainder relates to trade and sundry debtors, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables are expected to be recovered.

The ageing of these receivables is as follows:

	CONSOLIDATED	
	2017 000s \$	2016 000s \$
Current Receivables		
0 to 3 months	310	444
3 to 6 months	527	677
Over 6 months	2,111	2,516
Total current impaired receivables	2,948	3,637

The impaired receivables between 0 and 3 months primarily relate to student fees.

The impaired receivables aged between 3 and 6 months primarily relate to student fees receivable, with trade receivables being a small segment, that are still outstanding yet management has determined that recoverability may still occur due to the student debt recovery process.

(A) IMPAIRED RECEIVABLES (CONTINUED)

The impaired receivables aged over 6 months mainly relate to student fees receivables still outstanding yet management has determined that recoverability may still occur through the student debt recovery process.

As at 31 December 2017 trade receivables was \$4.04 million (2016: \$3.97 million) which 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 are as follows:

	CONSOLIDATED	
	2017	2016
	000s	000s
	\$	\$
Trade Receivables		
Between 1 to 3 months	3,184	3,067
Between 3 to 6 months	288	173
Over 6 months	567	731
	<u>4,039</u>	<u>3,971</u>

	CONSOLIDATED	
	2017	2016
	000s	000s
	\$	\$
Movements in the provision for impaired receivables are as follows:		
At 1 January	3,637	3,214
Provision for impairment/reversal of impairment recognised during the year	505	546
Receivables written off/written back during the year as uncollectible	(1,194)	(123)
	<u>2,948</u>	<u>3,637</u>

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

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

Accounting Policy

Trade receivables are recognised initially at fair value and carried at nominal value less provision for impairment. Trade receivables are due for settlement no more than 30 days (2016: 30 days) from the date of recognition of debtors. Student fees are generally due before the start of the teaching period, or 10 days from the issue of the invoice.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of financial position and in the income statement within expenses. Subsequent recoveries of amounts previously written off are credited against expenses in the income statement.

17 OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Current				
Financial asset at fair value through profit and loss	-	44	-	44
Available for sale:				
Available for sale financial assets at fair value*	-	3,884	-	1,384
Other financial assets - listed shares	16,200	11,027	16,200	11,027
Total current other financial assets	16,200	14,955	16,200	12,455
Non-Current				
Shares in controlled entities at cost	-	-	150	150
Other shares at cost**	2,027	2,027	2,027	2,027
Less: Accumulated impairment losses	(320)	(320)	(320)	(320)
Available for sale financial assets*	20,909	61,421	15,196	61,421
Total non-current other financial assets	22,616	63,128	17,053	63,278
Total other financial assets	38,816	78,083	33,253	75,733

* All available-for-sale investments are managed funds, and term deposits denominated in Australian dollars.

** Other Shares include investments in UniSuper Ltd, International Training Australia Pty Ltd, AARNet Pty Ltd and VERNet Pty Ltd.

Accounting Policy

Classification

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term.

(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 are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Available-for-sale financial assets

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

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. 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 income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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

Subsequent measurement

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

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

Impairment

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

18 OTHER NON-FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Current				
Prepayments*	8,190	8,711	8,190	8,711
Non-current				
Prepayments*	6,305	7,241	6,305	7,241
Total other non-financial assets	14,495	15,952	14,495	15,952

*The Prepayments include the amount of the Victoria University, University of Melbourne and Western Health Teaching, Training and Research facility at the Sunshine Hospital Campus.

Accounting Policy

Prepayments are recognised when payment is made in advance of receiving goods or services.

19 PROPERTY, PLANT AND EQUIPMENT

	LAND 000s \$	BUILDINGS 000s \$	WORK IN PROGRESS* 000s \$	LEASEHOLD IMPROVEMENTS 000s \$	PLANT AND EQUIPMENT 000s \$	WORKS OF ART 000s \$	LIBRARY 000s \$	TOTAL 000s \$
University								
At 1 January 2016								
- Cost	-	-	58,077	-	-	-	17,713	75,790
- Valuation	195,393	493,359	-	2,742	24,531	547	-	716,572
Accumulated depreciation	-	-	-	-	-	-	(7,995)	(7,995)
Net book amount	195,393	493,359	58,077	2,742	24,531	547	9,718	784,367
Year ended 31 December 2016								
Opening net book amount	195,393	493,359	58,077	2,742	24,531	547	9,718	784,367
Additions	61	2,178	9,288	1,646	5,758	10	2,539	21,480
Disposals/transfers (written down value)	-	(19)	-	(10)	(139)	-	(11)	(179)
Impairment	-	(3,810)	-	-	(32)	-	-	(3,842)
Impairment reversal	-	19	-	-	-	-	-	19
Transfers between asset classes/adjustments	-	54,315	(56,841)	273	2,196	-	-	(57)
Revaluation increments/decrements**	26,677	-	-	-	-	-	-	26,677
Depreciation expense	-	(15,949)	-	(1,223)	(6,001)	-	(1,888)	(25,061)
Closing net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404
At 31 December 2016								
- Cost	-	-	10,524	-	-	-	18,587	29,111
- Valuation	222,131	530,093	-	3,428	26,313	557	-	782,522
Accumulated depreciation	-	-	-	-	-	-	(8,229)	(8,229)
Net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404
Year ended 31 December 2017								
Opening net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404
Additions	1,200	5,009	16,339	1,140	6,718	34	2,636	33,076
Disposals	-	(85)	-	-	(23)	-	(18)	(126)
Transfer between asset classes/adjustments	-	6,739	(7,394)	792	527	-	-	664
Revaluation increments/decrements**	190,811	(11,602)	-	-	-	280	121	179,610
Depreciation expense	-	(16,163)	-	(1,756)	(5,579)	-	(1,948)	(25,446)
Closing net book amount	414,142	513,991	19,469	3,604	27,956	871	11,149	991,182
At 31 December 2017								
- Cost	-	-	19,469	-	-	-	19,474	38,943
- Valuation	414,142	513,991	-	3,604	27,956	871	-	960,564
Accumulated depreciation	-	-	-	-	-	-	(8,325)	(8,325)
Net book amount	414,142	513,991	19,469	3,604	27,956	871	11,149	991,182

* Work in progress for 2017 consists of construction in progress of \$14.83m (2016: \$8.90m) and data and telephone network installations of \$4.64m (2016: \$1.62m).

** For details on revaluations, refer to Note 25(b).

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LAND 000s \$	BUILDINGS 000s \$	WORK IN PROGRESS* 000s \$	LEASEHOLD IMPROVEMENTS 000s \$	PLANT AND EQUIPMENT 000s \$	WORKS OF ART 000s \$	LIBRARY 000s \$	TOTAL 000s \$
Consolidated								
At 1 January 2016								
- Cost	-	-	58,077	-	-	-	17,713	75,790
- Valuation	195,393	493,359	-	2,742	24,531	576	-	716,601
Accumulated depreciation	-	-	-	-	-	-	(7,995)	(7,995)
Net book amount	195,393	493,359	58,077	2,742	24,531	576	9,718	784,396
Year ended 31 December 2016								
Opening net book amount	195,393	493,359	58,077	2,742	24,531	576	9,718	784,396
Additions	61	2,178	9,288	1,646	5,758	10	2,539	21,480
Disposals/ transfers (written down value)	-	(19)	-	(10)	(139)	-	(11)	(179)
Transfer between asset classes/adjustments	-	54,315	(56,841)	273	2,196	-	-	(57)
Revaluation increments/ decrements**	26,677	-	-	-	-	(4)	-	26,673
Impairment	-	(3,810)	-	-	(32)	(2)	-	(3,844)
Impairment reversal	-	19	-	-	-	-	-	19
Depreciation expense	-	(15,949)	-	(1,223)	(6,001)	-	(1,888)	(25,061)
Closing net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427
At 31 December 2016								
- Cost	-	-	10,524	-	-	-	18,587	29,111
- Valuation	222,131	530,093	-	3,428	26,313	580	-	782,545
Accumulated depreciation	-	-	-	-	-	-	(8,229)	(8,229)
Net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427
Year ended 31 December 2017								
Opening net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427
Additions	1,200	5,009	16,339	1,140	6,718	34	2,636	33,076
Disposals	-	(85)	-	-	(23)	-	(18)	(126)
Transfer between asset classes/ adjustments	-	6,739	(7,394)	792	527	-	-	664
Revaluation increments/ (decrements)**	190,811	(11,602)	-	-	-	285	121	179,615
Depreciation expense	-	(16,163)	-	(1,756)	(5,579)	-	(1,948)	(25,446)
Closing net book amount	414,142	513,991	19,469	3,604	27,956	899	11,149	991,210
At 31 December 2017								
- Cost	-	-	19,469	-	-	-	19,474	38,943
- Valuation	414,142	513,991	-	3,604	27,956	899	-	960,592
Accumulated depreciation	-	-	-	-	-	-	(8,325)	(8,325)
Net book amount	414,142	513,991	19,469	3,604	27,956	899	11,149	991,210

* Work in progress for 2017 consists of construction in progress of \$14.83m (2016: \$8.90m) and data and telephone network installations of \$4.64m (2016: \$1.62m).

** For details on revaluations refer to Note 25(b).

(A) OPERATING RESULT FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Proceeds from sale of property, plant and equipment	38	81	38	81
Written down value of assets sold and disposed of	(124)	(160)	(124)	(160)
Incidental cost of sale	(15)	(324)	(15)	(324)
Written down value of assets sold	(139)	(484)	(139)	(484)
Net gain/(loss) on disposal of property, plant and equipment	(101)	(403)	(101)	(403)

Key estimates and judgements

The estimation of useful lives, residual value, depreciation and amortisation methods requires significant management judgement and are reviewed annually.

Land, construction in progress, works of art and library collections are not depreciated. Depreciation of all tangible fixed assets is calculated using the straight line method to allocate their cost or revalued amount, net of their residual values, over their estimated useful lives, as follows:

Building

- Structural 40 years
- Components 4-35 years

Plant and equipment

- Furniture and fittings 10 years
- Computer equipment 4-7 years
- Motor vehicles 5 years
- Other
 - Other equipment 8-25 years
 - Infrastructure 3-5 years

Library collections

- Books 10 years
- Serials 5 years
- Audio Visual and software 4 years

Leasehold Improvements 1-11 years

There were no changes to estimated useful lives of tangible fixed assets in 2017 apart from leasehold improvements (2-11 years in 2016)

Accounting Policy

The University capitalisation thresholds are as follows: \$5,000 for property, plant and equipment. Items under \$5,000 are expensed with exception to Works of Art, and Library collections which are capitalised and \$100,000 for intangible assets. There has been no change to the capitalisation threshold from the prior year (2016).

Each class of property, plant and equipment is carried at cost or fair values, and where applicable, net of any accumulated depreciation and impairment losses.

Valuation of Land and Buildings

Land and buildings are shown at fair value, based on periodic, but at least every five years, 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 carrying amount is adjusted to the revalued amount of the asset. The valuation of the land and buildings is based on the highest and best use of the asset. The fair value of the land and buildings as at 31 December 2017 (refer note 35(d)) was based on valuations conducted by an independent valuer appointed by the Valuer General of Victoria.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increase of the same asset class are recognised in other comprehensive income before reducing the balance of the relevant asset revaluation reserve in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Valuation of other items of property, plant and equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

20 INTANGIBLE ASSETS

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
At 31 December				
Cost	106,253	92,129	106,253	92,129
Accumulated amortisation and impairment	(45,975)	(36,962)	(45,975)	(36,962)
Net book amount	60,278	55,167	60,278	55,167

	CONSOLIDATED		UNIVERSITY	
	COMPUTER SOFTWARE 000s \$	TOTAL 000s \$	COMPUTER SOFTWARE 000s \$	TOTAL 000s \$
Year ended 31 December 2016				
Opening balance	56,555	56,555	56,555	56,555
Additions (work in progress \$3,721)	7,438	7,438	7,438	7,438
Transfers	56	56	56	56
Amortisation	(8,510)	(8,510)	(8,510)	(8,510)
Impairment	(372)	(372)	(372)	(372)
Closing value at 31 December 2016	55,167	55,167	55,167	55,167

	CONSOLIDATED		UNIVERSITY	
	COMPUTER SOFTWARE 000s \$	TOTAL 000s \$	COMPUTER SOFTWARE 000s \$	TOTAL 000s \$
Year ended 31 December 2017				
Opening balance	55,167	55,167	55,167	55,167
Additions (work in progress \$13,250)	14,943	14,943	14,943	14,943
Transfers	(665)	(665)	(665)	(665)
Amortisation	(9,167)	(9,167)	(9,167)	(9,167)
Closing value at 31 December 2017	60,278	60,278	60,278	60,278

Accounting Policy

(i) Research and development

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

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of management costs. Other development expenditure is recognised in the income statement as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development expenditures are recorded as intangible assets and amortised from the point at which the asset is available for use. Amortisation is calculated using the straight line method with a useful life between 3-11 years (2016: between 3-11 years). The student management system, Callista, is amortised over 10 years (2016: 10 years).

(ii) Computer software

Software is capitalised only when the amounts are greater than the University's capitalisation threshold and they satisfy the conditions for capitalisation. Software is recognised at cost and assessed for amortisation over the useful life of 4 years (2016: 4 years). Useful life of the software is assessed annually and adjusted where appropriate.

21 TRADE AND OTHER PAYABLES

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Current				
OS-HELP Liability to Australian Government	2,154	1,923	2,154	1,923
Trade creditors	18,399	12,251	18,399	12,251
Sundry creditors and other accruals	19,508	18,023	19,500	18,029
Separation costs accrual	9,473	1,846	9,473	1,846
Total current trade and other payables	49,534	34,043	49,526	34,049
Non-current				
Sundry creditors and other accruals	298	242	298	242
Total non-current trade and other payables	298	242	298	242
Total trade and other payables	49,832	34,285	49,824	34,291

Accounting Policy

Trade and other payables 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 45 days of recognition (2016: 45 days). Other accruals represent expenses incurred but not yet invoiced.

(A) FOREIGN CURRENCY RISK

The carrying amounts of the Group's and University's trade and other payables are denominated in the following currencies:

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Australian Dollars	49,625	34,143	49,625	34,149
	49,625	34,143	49,625	34,149

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34.

22 BORROWINGS

(A) FINANCING ARRANGEMENTS

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Bank loan facility				
Total facilities	50,000	50,000	50,000	50,000
Unused at balance date	50,000	50,000	50,000	50,000
Current borrowings				
Borrowings	177	177	177	177
Total	177	177	177	177
Non-current borrowings				
Borrowings	244	421	244	421
Total	244	421	244	421

(B) DETAILS OF BORROWINGS

Bank loan facility

Unrestricted access was available at reporting date to the following line of credit.

At 31 December 2017, the University has a loan facility of \$50m (2016: \$50m), no amounts had been drawn down under this facility.

The University has entered into an interest-free financing arrangement for 3-5 years for the purchase of IT equipment and software licences.

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

23 PROVISIONS

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Annual leave	9,655	10,775	9,655	10,775
Defined benefit obligation	7,682	8,115	7,682	8,115
Short-term provisions				
Leasehold Make Good Provisions	164	-	164	-
	17,501	18,890	17,501	18,890
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual leave	8,073	9,025	8,073	9,025
Long service leave	29,528	30,221	29,528	30,221
	37,601	39,246	37,601	39,246
Total current provisions	55,102	58,136	55,102	58,136
Non-current provisions				
Employee benefits				
Defined benefit obligation	141,529	141,506	141,529	141,506
Long service leave	4,849	5,368	4,849	5,368
Long-term provisions				
Leasehold Make Good Provisions	1,014	54	1,014	54
Total non-current provisions	147,392	146,928	147,392	146,928
Total provisions	202,494	205,064	202,494	205,064

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	LEASEHOLD MAKE GOOD PROVISION 000s \$	TOTAL 000s \$
Consolidated 2017		
Carrying amount at start of year 1 January	54	54
Additional provisions recognised	1,124	1,124
Carrying amount at end of year 31 December	1,178	1,178

Accounting Policy

Employee benefits

Employee benefits expected to be settled within 12 months are measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits not expected to be settled within 12 months are measured at present value of the estimated future cash outflows to be made for those benefits.

Liabilities for long service are discounted to determine the present value of expected future payments to be made in respect of services provided by employees up to reporting date. The discount rate of 2.68% (2016: 2.72%) is based on interest rates applicable to Australian Government Securities.

Leasehold Make Good Provisions

Leasehold Make Good Provisions are taken up for leased properties if there is an obligation in the lease agreements.

24 OTHER LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Current				
Australian Government Unspent Financial Assistance	1,367	2,952	1,367	2,952
Rental income in advance	1,615	1,604	1,615	1,604
Student fees - in advance	11,400	11,010	11,400	11,010
Other current liability	1,270	-	1,270	-
Total current other liabilities	15,652	15,566	15,652	15,566
Non-current				
Rental income in advance	48,355	49,900	48,355	49,900
Total non-current other liabilities	48,355	49,900	48,355	49,900
Total other liabilities	64,007	65,466	64,007	65,466

25 RESERVES AND RETAINED SURPLUS

(A) COMPOSITION

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Equity at the end of the year comprises:					
Accumulated Funds	25(b)	369,799	400,480	369,924	399,912
Reserves					
Foreign currency translation reserve	25(b)	-	115	-	-
Asset revaluation reserve	25(b)	597,344	417,729	597,341	417,730
Special purpose reserve	25(b)	6,214	5,387	-	-
Available for sale financial assets reserve	25(b)	17,014	14,283	16,930	14,283
Total Reserves	25(b)	620,572	437,514	614,271	432,013
Total Equity		990,371	837,994	984,195	831,925

(B) MOVEMENTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017	2016	2017	2016
		000s \$	000s \$	000s \$	000s \$
Foreign Currency Translation Reserve					
Balance 1 January		115	126	-	-
Movement due to translation of foreign subsidiary financial statements		-	(11)	-	-
Transfer (from)/to subsidiary		(115)	-	-	-
Balance 31 December	25(a)	-	115	-	-
Asset Revaluation Reserves					
Land					
Balance 1 January		244,576	217,899	244,576	217,899
Net movements due to revaluation		190,811	26,677	190,811	26,677
Balance 31 December	25(a)	435,387	244,576	435,387	244,576
Buildings					
Balance 1 January		172,835	176,646	172,835	176,646
Impairment/reversal of impairment		-	(3,811)	-	(3,811)
Net movements due to revaluation		(11,601)	-	(11,601)	-
Balance 31 December	25(a)	161,234	172,835	161,234	172,835
Artwork					
Balance 1 January		318	322	318	318
Impairment/reversal of impairment		-	(4)	-	-
Net movements due to revaluation		284	-	281	-
Balance 31 December	25(a)	602	318	599	318
Library Collections					
Balance 1 January		-	-	-	-
Net movements due to revaluation		121	-	121	-
Balance 31 December	25(a)	121	-	121	-
Special Purpose Reserve					
Balance 1 January		5,387	4,823	-	-
Transfer from/(to) accumulated funds		827	564	-	-
Balance 31 December	25(a)	6,214	5,387	-	-
Available for sale Financial Assets Reserve					
Balance 1 January		14,283	9,188	14,283	9,188
Net movements in financial assets classified as available for sale		2,731	5,095	2,647	5,095
Balance 31 December	25(a)	17,014	14,283	16,930	14,283
Total reserves		620,572	437,514	614,271	432,013

Movements in retained earnings

Movements in retained earnings were as follows:

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Opening balance	400,480	411,918	399,912	411,328
Net result after income tax for the period	(29,161)	(10,874)	(29,989)	(11,415)
Transfer from/(to) special purpose reserve	(827)	(564)	-	-
Ordinary dividends	(692)	-	-	-
Balance 31 December	369,799	400,480	369,924	399,912

(C) NATURE AND PURPOSE OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Foreign Currency Translation Reserve

The exchange differences arising on the translation of the foreign controlled entity, Victoria University of Technology (Singapore) Pte. Ltd, are taken to the foreign currency translation reserve.

Special Purpose Reserve

The purpose of this reserve is to fund the philanthropic activity of Victoria University Foundation Trust. The special reserves are determined by donation categories and whether they are designated sustainable funds or non-sustainable funds with a special purpose.

Available for Sale Reserve

The available for sale reserve is used to record unrealised market movements of financial assets classified as "Available for sale".

26 KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) NAMES OF RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

(i) Names of Responsible Persons

For the purposes of the *Financial Management Act 1994*, the Minister for Training and Skills and members of the University Council are the responsible persons of the University.

The responsible Minister for the reporting period was the Hon. Gayle Tierney, MP Minister for Training and Skills.

Council Members

Mr George Pappas

Professor Peter Dawkins

Ms Deborah Tyler

Ms Virginia Simmons

Ms Gaye Hamilton

Ms Elizabeth Beattie

Mr Mark Toohey

Mr Geoff Dale

Associate Professor Rufus Black

Ms Rhonda Hawkins (*LOA)

Mr Wayne Kayler-Thomson

Mr Peter George

Mr Kee Wong

Dr Siew Fang Law

Ms Ghofran Al-Nasiri

Dr Maree Keating (until 1 July 2017)

*LOA - the Council approved Ms Rhonda Hawkins' application for leave of absence from Council of Victoria University, to take effect from 21 June 2017 and conclude on 31 March 2018.

(ii) Name of Accountable Officer

Professor Peter Dawkins (Vice Chancellor) is the accountable officer in connection with the management of the University and its subsidiaries.

(iii) Names of Executive Officers

Mr Grant Dreher

Mr Ian Ford

Professor Ian Solomonides

Professor Kerri-Lee Krause (until 16 June 2017)

Professor Peter Dawkins

Professor Richard Constantine

Mr Shaun Eltham

Mr Steve Berridge

Ms Teresa Tjia

Professor Warren Payne

Ms Rhonda Hawkins (from 21 June 2017)

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

The consolidated comparatives in Note 26 does not include Key Management Personnel of Subsidiaries as they are not considered Key Management Personnel within the definition of AASB 124 Related Party Disclosures, paragraph 9.

(B) REMUNERATION OF BOARD MEMBERS AND EXECUTIVES

(i) Remuneration of Council Members

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Remuneration				
Income paid or payable, or otherwise made available, to Council members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities:	351	338	351	338

Remuneration Bands				
Nil to \$9,999	3	3	3	3
\$10,000 to \$19,999	1	-	1	-
\$20,000 to \$29,999	10	10	10	10
\$60,000 to \$69,999	1	1	1	1
Number of executive officers who also act as Council members and their remuneration disclosed under remuneration of executive officers	1	1	1	1
	16	15	16	15

Remuneration of the Minister is reported in the Annual Report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Member's Interests which is completed by each member of Parliament.

(ii) Remuneration of Accountable Officer

Remuneration received by the accountable officer in connection with the management of the Group and the University during the reporting period was:

Base Remuneration in the range of \$700,000 - \$709,999 (\$660,000 - \$669,999 in 2016)

Total Remuneration in the range of \$770,000 - \$779,999 (\$790,000 - \$799,999 in 2016)

(iii) Remuneration of Executive Officers

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Remuneration				
Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties:	3,225	4,081	3,225	4,081

	TOTAL REMUNERATION				BASE REMUNERATION			
	CONSOLIDATED		UNIVERSITY		CONSOLIDATED		UNIVERSITY	
	2017 000s NUMBER	2016 000s NUMBER	2017 000s NUMBER	2016 000s NUMBER	2017 000s NUMBER	2016 000s NUMBER	2017 000s NUMBER	2016 000s NUMBER
\$100,000 to \$109,999	-	-	-	-	-	1	-	1
\$140,000 to \$149,999	-	1	-	1	-	-	-	-
\$170,000 to \$179,999	-	-	-	-	-	1	-	1
\$190,000 to \$199,999	-	1	-	1	-	-	-	-
\$210,000 to \$219,999	1	-	1	-	-	-	-	-
\$240,000 to \$249,999	1	-	1	-	1	1	1	1
\$250,000 to \$259,999	-	-	-	-	1	-	1	-
\$270,000 to \$279,999	-	1	-	1	-	-	-	-
\$280,000 to \$289,999	-	-	-	-	1	2	1	2
\$290,000 to \$299,999	1	-	1	-	-	3	-	3
\$300,000 to \$309,999	-	-	-	-	1	3	1	3
\$310,000 to \$319,999	1	2	1	2	1	-	1	-
\$320,000 to \$329,999	1	3	1	3	2	-	2	-
\$330,000 to \$339,999	1	3	1	3	1	1	1	1
\$340,000 to \$349,999	1	-	1	-	-	-	-	-
\$350,000 to \$359,000	1	-	1	-	-	-	-	-
\$360,000 to \$369,999	-	1	-	1	1	-	1	-
\$380,000 to \$389,999	1	-	1	-	1	-	1	-
\$400,000 to \$409,999	1	-	1	-	-	-	-	-
\$420,000 to \$429,999	-	-	-	-	-	1	-	1
\$480,000 to \$489,999	-	1	-	1	-	-	-	-
	10	13	10	13	10	13	10	13
Total annualised employee equivalent	8	13	8	13	8	13	8	13

Note:

Executive Officers include the principal officers and the directors who report to them and had authority and responsibility for planning, directing and controlling the activities of the Group during the reporting period.

Executives with total remuneration lower than \$100,000 (2017: - Executive and 2016: 1 Executive) are not disclosed in the above remuneration bands however the remuneration paid is disclosed under remuneration.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Short-term employee benefits	2,743	3,467	2,743	3,467
Post-employment benefits	412	486	412	486
Other long-term benefits	59	66	59	66
Termination benefits	11	62	11	62
Total key management personnel compensation	3,225	4,081	3,225	4,081

Remuneration includes salary, superannuation, retirement benefits and other salary related benefits including fringe benefits and associated tax.

Total executive remuneration for the Group has decreased by 21% since 2016, principally due to the reduction of senior executive officers from 13 in 2016 to 10 in 2017.

(D) LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans made to any members of Council or Executive Officers in 2017 (2016: Nil).

(E) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Other related transactions requiring disclosure have been considered, refer to Note 30(c).

27 REMUNERATION OF AUDITORS

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

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Audit of the Financial Statements				
Fees paid to Victorian Auditor-General's Office	145	124	125	111
Fees paid to ShineWing (Singapore)	-	2	-	-
Total	145	126	125	111

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Other services				
Other audit and assurance services				
Fees paid to main audit firm				
Fees paid for Internal Audit Services	836	584	836	584
Total paid for audit and assurance	836	584	836	584
Taxation services				
Taxation services provided by related practice or auditor	-	2	-	-
Total taxation services	-	2	-	-
Other Services				
Other services	13	30	13	30
Total other services	13	30	13	30

It is the Group's policy to seek competitive tenders for all major consulting projects.

28 CONTINGENCIES

(A) GUARANTEES

Guarantees	732	662	732	662
Total Guarantees	732	662	732	662

The guarantees cover leases of office premises between 3-6 years and a lease for space for microwave towers.

(B) LITIGATION

There are a number of legal claims and exposures, which arise from the ordinary course of business, none of which are individually significant. Where the liability is not probable the Group has not provided for such amounts in these financial statements. There are no current, pending or potential legal claims against the Group which are foreseen as materially affecting the financial statements.

(C) CONTINGENT LIABILITIES

(i) The University vacated the Newport campus from 2014, where courses were moved to the Sunshine campus. The land was leased by the State Government and the buildings are owned by the University; the extent of any potential liability cannot be quantified as the University does not expect an outflow of resources for the land being returned to its original condition.

(ii) The University has entered into a series of agreements with the private sector in relation to the construction, operation and maintenance of a 500-bed student accommodation complex for a period of 37 years. In consideration for the private sector financing the construction of the premises the University under the agreements allow the operator of the student accommodation to collect all the rental income from the student accommodation and in addition has provided a financial guarantee effectively underwriting a level of occupancy (approximately 65%). In the event that the guarantee is triggered there is also an ability for the University to recoup the guarantee in subsequent years where occupancy levels are above that forecasted. In 2017, the occupancy levels were sufficient to ensure that no payment was made by the University pursuant to the guarantee. The occupancy levels forecast in the 2018 year also indicate that it is probable that the occupancy levels will be sufficient to result in no payment being made by the University pursuant to the guarantee.

(iii) The University has entered into an agreement with a corporate advisory firm to assist in undertaking the development of one of its city campuses. Upon the successful completion of the project, the corporate advisory firm is entitled to a success fee of \$2m.

(D) CONTINGENT ASSETS

There are no material contingent assets at balance date (2016: Nil).

29 COMMITMENTS

(A) LEASE COMMITMENTS

(i) Operating Leases - as Lessee

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Property leases	64,733	63,026	64,733	63,026
Plant and equipment leases	20,283	4,243	20,283	4,243
Total	85,016	67,269	85,016	67,269
Due within one year	16,701	11,769	16,701	11,769
Due after one year, but within five years	46,959	33,476	46,959	33,476
Later than five years	21,356	22,024	21,356	22,024
	85,016	67,269	85,016	67,269
GST reclaimable on the above	(7,729)	(6,115)	(7,729)	(6,115)
Net commitments	77,287	61,154	77,287	61,154

(ii) Operating Leases - as Lessor

Commitments in relation to leases contracted for at the reporting date but not recognised as assets:

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Due within one year	2,122	2,361	2,122	2,361
Between one year, but within five years	7,047	7,609	7,047	7,609
Later than five years	40,382	41,911	40,382	41,911
	49,551	51,881	49,551	51,881
GST payable on the above	(243)	(328)	(243)	(328)
Net lease income	49,308	51,553	49,308	51,553

(B) CAPITAL COMMITMENTS

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

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Buildings and IT infrastructure Major Works	13,093	12,485	13,093	12,485
Net commitments are payable as follows:				
Due within one year	13,093	7,576	13,093	7,576
Due after one year, but within five years	-	4,909	-	4,909
	13,093	12,485	13,093	12,485
GST claimable on the above	(1,190)	(1,135)	(1,190)	(1,135)
Net commitments	11,903	11,350	11,903	11,350

(C) OTHER EXPENDITURE COMMITMENTS

Commitments in existence at the reporting date but not recognised as liabilities payable:

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Network Service fees	1,097	957	1,097	957
Student Management System Licence Fees	8,032	3,751	8,032	3,751
IT Infrastructure	4,059	1,505	4,059	1,505
CSG Software License fees	105	147	105	147
CSG service fees	340	521	340	521
	13,633	6,881	13,633	6,881
Net commitments are payable as follows:				
Due within one year	5,377	3,510	5,377	3,510
Due after one year but within five years	5,997	3,371	5,997	3,371
Due after five years	2,261	-	2,261	-
	13,635	6,881	13,635	6,881
GST reclaimable on the above	(1,239)	(262)	(1,239)	(262)
Net commitments	12,396	6,619	12,396	6,619

(D) REMUNERATION COMMITMENTS

Commitments for remuneration in existence at the reporting date but not recognised as liabilities payable:

	CONSOLIDATED		UNIVERSITY	
	2017	2016	2017	2016
	000s \$	000s \$	000s \$	000s \$
Due within one year	3,701	3,781	3,701	3,781
Due after one year but within five years	7,440	7,659	7,440	7,659
Later than five years	353	-	353	-
Net commitments	11,494	11,440	11,494	11,440

30 RELATED PARTIES

(A) PARENT ENTITIES

The ultimate parent entity within the Group is the University.

(B) SUBSIDIARIES

The University's interests in its subsidiaries are set out in note 31.

(C) KEY MANAGEMENT PERSONNEL

The terms and conditions of the transactions with responsible persons and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non related parties on an arm's length basis.

The aggregate amounts recognised during the year relating to responsible persons and their related parties were as follows:

Professor R. Constantine - Senior Executive Officer (Director, VERNet Pty Ltd) - 2017: \$612,950 and 2016: \$653,000.

Professor P Dawkins - Accountable Officer (Non-executive Director, Unisuper) - 2017: \$57,700 and 2016: \$88,000 (director's fee). Amount received by the University was subsequently donated to Victoria University Foundation. Refer to Note 30(d).

Mr Kee Wong - Managing Director of e-Centric Innovations Pty Ltd - 2017: \$69,595 and 2016: Nil.

Disclosures relating to responsible officers and specified executives are set out in Note 26.

(D) TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	UNIVERSITY	
	2017 000s \$	2016 000s \$
Donation paid to Victoria University Foundation	88	80
Donation received from staff and Council members of Victoria University	440	425
Donations received from Victoria University Foundation	472	208
Audit fees paid on behalf of Victoria University International Pty Ltd	4	3
Audit fees paid on behalf of Victoria University Enterprises Pty Ltd	4	3
Audit fees paid on behalf of Victoria University of Technology (Singapore) Pte Ltd	5	-

(E) OUTSTANDING BALANCES

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	UNIVERSITY	
	2017 000s \$	2016 000s \$
Amount receivable from Victoria University Foundation	4	5
Amount payable to Victoria University Foundation	-	13

No provisions for impairment has been made in relation to any outstanding receivable balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(F) TERMS AND CONDITIONS

Transactions are at arms length and undertaken on a commercial basis during the course of normal trading.

31 SUBSIDIARIES

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

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

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS	CLASS OF SHARES	EQUITY HOLDING	
			2017 %	2016 %
Victoria University Foundation Ltd (ACN 007 151 895)	Australia	-	100	100
Victoria University Foundation*	Australia	-	100	100
Victoria University Enterprises Pty Ltd (ACN 007 382 818)	Australia	Ordinary	100	100
Victoria University of Technology (Singapore) Pte Ltd**	Singapore	Ordinary	100	100
Victoria University International Pty Ltd (ACN 079 529 089)	Australia	Ordinary	100	100
VU Online ***	Australia	-	100	100
VU Online Pty Ltd (ACN 623 496 186)	Australia	Ordinary	100	100

* Victoria University Foundation Ltd, a company limited by guarantee, acts as a trustee of the Victoria University Foundation.

** Victoria University of Technology (Singapore) Pte Ltd has been wound up on the 4 July 2017.

*** VU Online Pty Ltd acts as a trustee of VU Online.

32 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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

	NOTE	CONSOLIDATED		UNIVERSITY	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Operating result after income tax for the period		(29,161)	(10,874)	(29,989)	(11,415)
<i>Add non cash items</i>					
Depreciation and amortisation	10	34,613	33,570	34,613	33,570
Net (gain)/loss on sale of non-current assets	19(a)	86	79	86	79
Impairment/reversal of impairment	13	367	34	367	32
Impairment of non-financial assets		(2)	434	-	434
Bad debt recovered		62	(7)	62	(7)
<i>Change in operating assets and liabilities</i>					
Increase/(decrease) in Provision for employee benefits		(2,571)	(3,288)	(2,571)	(3,287)
Increase/(decrease) in Trade and Other Payables		12,594	(724)	12,581	(689)
Increase/(decrease) in Other Liabilities		1,492	(1,471)	1,492	(1,471)
(Increase)/decrease in Receivables		(2,099)	4,228	(2,119)	4,250
(Increase)/decrease in Other Non-financial Assets		1,458	160	1,458	160
Net cash provided by / (used in) operating activities		16,839	22,141	15,980	21,656

34 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consists mainly of deposits with banks, short term investments, managed funds and accounts receivables and payables.

The main risks the Group is exposed to through its financial instruments are market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group'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 Group. The Group 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 foreign exchange risks, and ageing analysis for credit risk. Risk management is carried out by the finance department under policies approved by the Council through the Finance and Investment Committee.

(A) MARKET RISK

Market risk is the risk that the value of financial instruments fluctuate due to changes in foreign exchange rates, changes in market interest rates, and changes in market prices.

The Group in its daily operations are 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 affect on the operating result and/or net assets of the Group. e.g. an adverse movement in interest rates or foreign currency exchange rates.

The Council ensures that all market risk exposure is consistent with the business strategy and within the risk tolerance of the Group. Regular risk reports are presented to the Council through the Finance and Investment Committee.

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

(i) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than Australian dollars. This risk is mitigated by majority of the trade receivables being invoiced in Australian dollars.

In addition foreign currency bank accounts are maintained to mitigate any foreign currency risk exposure.

(ii) Price risk

The Group is exposed to price risk in respect of fee for service and contract services which are subject to open market competition.

Financial assets available for sale managed funds are subject to price risk, with changes in underlying securities valuations. Changes in fair value are recorded through other comprehensive income. The Group appoints external, independent investment advisors to monitor financial markets and report to management and the Finance and Investment Committee. The Committee regularly reviews investment performance against established objectives and performance benchmarks, and monitors the asset allocation mix of the investment portfolio.

The price risk for the unlisted securities is immaterial due to them being held at cost. It is therefore, not included in the sensitivity analysis.

(iii) Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group is exposed to interest rate risk associated with cash management activities whereby excess funds are placed with financial institutions and are subjected to changes in the basis of prime interest rate. Management believes that the interest rate risk is manageable and hence, the Group does not use derivative financial instruments to mitigate this.

(iv) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 DECEMBER 2017	INTEREST RATE RISK				FOREIGN EXCHANGE RISK				OTHER PRICE RISK				
	-1%		+1%		-5%		+5%		-1%		+1%		
	CARRYING AMOUNT	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY
000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$
Financial assets													
Cash and Cash Equivalents - at bank	32,444	(324)	(324)	324	324	-	-	-	-	-	-	-	-
Receivables	18,477	-	-	-	-	(244)	(244)	244	244	-	-	-	-
Financial assets - Available for sale managed funds	20,909	-	-	-	-	-	-	-	-	(209)	(209)	209	209
Other financial assets - listed shares*	16,200	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets - unlisted shares	1,707	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Creditors and Payables	50,797	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	421	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(324)	(324)	324	324	(244)	(244)	244	244	(209)	(209)	209	209

31 DECEMBER 2016	INTEREST RATE RISK				FOREIGN EXCHANGE RISK				OTHER PRICE RISK				
	-1%		+1%		-5%		+5%		-1%		+1%		
	CARRYING AMOUNT	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY
000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$
Financial assets													
Cash and Cash Equivalents - at bank	19,970	(200)	(200)	200	200	-	-	-	-	-	-	-	-
Cash and Cash Equivalents - Deposits - Other	2,600	(26)	(26)	26	26	-	-	-	-	-	-	-	-
Receivables - Debtors	16,746	-	-	-	-	(300)	(300)	300	300	-	-	-	-
Financial assets - Available for sale term deposit	2,500	(25)	(25)	25	25	-	-	-	-	-	-	-	-
Other financial assets - Listed shares*	11,027	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets - Available for sale managed funds	62,805	-	-	-	-	-	-	-	-	(628)	(628)	628	628
Financial assets through profit and loss	44	-	-	-	-	110	110	(100)	(100)	-	-	-	-
Other financial assets - unlisted shares	1,707	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Creditors and payables	36,998	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	598	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(251)	(251)	251	251	(190)	(190)	200	200	(628)	(628)	628	628

* The other financial assets - listed shares have restrictions imposed on them and hence no material risk is envisaged at this stage.

(B) CREDIT RISK

The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

The Group minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers within the specified industries, and the majority of customers are concentrated in Australia. These are in relation to consultancy and fee for service activities.

Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days;
- debt collection policies and procedures including use of a debt collection agency.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. No other financial assets carry a significant exposure to credit risk.

The carrying amount of financial assets (as contained in the table in subnote 35(a)) represents the Group's maximum exposure to credit risk.

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter in realising assets or otherwise raising funds to meet commitments.

This risk is minimised as cash and cash equivalent assets are held in highly liquid cash holdings, and the monitoring of cash flows ensures that maximum funds are available for investment. This risk is also mitigated through the bank loan facility of \$50m entered into in 2012 (full balance unused at 31 December 2017 and 31 December 2016). Details of this bank loan facility are outlined in Note 22.

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

	AVERAGE INTEREST RATE		VARIABLE INTEREST RATE		WITHIN 1 YEAR	1 TO 5 YEARS		5+ YEARS		NON INTEREST BEARING		TOTAL	
	2017	2016	2017	2016	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	000s	000s	000s	000s	000s	000s	000s	000s	000s	000s	000s
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:													
Cash and Cash Equivalents - at bank	1.27	1.57	32,444	19,970	-	-	-	-	-	-	-	32,444	19,970
Cash and Cash Equivalents - Deposits - Other	-	2.70	-	2,600	-	-	-	-	-	-	-	-	2,600
Receivables	-	-	-	-	-	-	-	-	-	18,447	16,746	18,447	16,746
Financial assets - Available for sale term deposit	-	2.63	-	-	2,500	-	-	-	-	-	-	-	2,500
Other financial assets - listed shares	-	-	-	-	-	-	-	-	-	16,200	11,027	16,200	11,027
Other financial assets - unlisted shares	-	-	-	-	-	-	-	-	-	1,707	1,707	1,707	1,707
Financial assets - Available for sale managed funds	-	-	-	-	-	-	-	-	-	20,909	62,805	20,909	62,805
Financial assets through profit or loss	-	-	-	-	-	-	-	-	-	-	44	-	44
Total Financial Assets	-	-	32,444	22,570	2,500	-	-	-	-	57,263	92,329	89,707	117,399
Financial Liabilities:													
Payables	-	-	-	-	-	-	-	-	-	50,797	36,998	50,797	36,998
Borrowings	-	-	-	-	-	-	-	-	-	421	598	421	598
Total Financial Liabilities	-	-	-	-	-	-	-	-	-	51,218	37,596	51,218	37,596

35 FAIR VALUE MEASUREMENT

(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, their carrying value approximates 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 Group's carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	CARRYING AMOUNT		FAIR VALUE	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Financial assets				
Cash and cash equivalents - at bank	32,444	19,970	32,444	19,970
Cash and cash equivalents - Deposits - Other	-	2,600	-	2,600
Receivables - Debtors	18,447	16,746	18,447	16,746
Financial assets - Available for sale	-	2,500	-	2,500
Other financial assets - unlisted shares	1,707	1,707	1,707	1,707
Available for sale other financial assets - listed shares	16,200	11,027	16,200	11,027
Available for sale other financial assets - managed funds	20,909	62,805	20,909	62,805
Financial asset at fair value through profit and loss	-	44	-	44
Total financial assets	89,707	117,399	89,707	117,399
Financial Liabilities				
Payables	50,797	36,988	50,797	36,998
Borrowings	421	598	421	598
Total financial liabilities	51,218	37,586	51,218	37,596

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised Financial Instruments

Cash at Bank, Deposits at call, Deposits - other, Receivables, Available for sale investments, Creditors - These financial instruments have a short term to maturity. Accordingly, it is considered that their carrying amounts reflect fair values.

Unlisted shares - These are shares held in small private entities. Since there is no active market for these shares, their fair values cannot be reliably measured, hence they are carried at nominal cost.

Available for sale other financial assets - listed shares - These are shares held in Education Australia and have been valued as at 31 December 2017. Accordingly, it is considered that their carrying amount reflect their fair value.

Available for sale other financial assets - managed funds - These are units held in managed funds and have been valued as at 31 December 2017. Accordingly, it is considered that their carrying amount reflect their fair value.

Financial asset at fair value through profit and loss - This was a derivative financial instrument contract and had been valued as at 31 December 2016. Accordingly, it was considered that its carrying amount reflects its fair value.

Borrowings - short-term and long-term interest-free loan facility due to be repaid in 3-5 years, thus it is considered that the carrying amount reflects its fair value.

Non-current assets or disposal groups classified as held for sale

Non-current assets are classified as held for sale if it is highly probable they will be recovered primarily through sale rather than through continuing use. Once classified as held for sale, assets are no longer depreciated. Non-current assets held for sale are carried at the lower of the carrying amount or the fair value less costs to sell.

The non-current asset held for sale is comprised of the property at Queen Street and Little Lonsdale Street in Melbourne.

(B) FAIR VALUE HIERARCHY

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2017.

THE GROUP'S FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2017	NOTE	2017 000s \$	LEVEL 1 000s \$	LEVEL 2 000s \$	LEVEL 3 000s \$
CONSOLIDATED					
Recurring fair value measurements					
Financial assets					
Available for sale financial assets	17				
Listed shares		16,200	-	-	16,200
Managed funds		20,909	20,909	-	-
Total financial assets		37,109	20,909	-	16,200
Non-financial assets					
Property, plant and equipment	19				
Land		414,142	1,200	70,710	342,232
Building		513,991	-	-	513,991
Leasehold improvement		3,604	-	-	3,604
Plant and equipment - General Equipment		27,956	-	-	27,956
Other plant and equipment - artwork		899	34	865	-
Library collections		11,149	-	211	10,938
Total non-financial assets		971,741	1,234	71,786	898,721
Non-recurring fair value measurements					
Total non-recurring fair value measurements		-	-	-	-

THE GROUP'S FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2016	NOTE	2016 000s \$	LEVEL 1 000s \$	LEVEL 2 000s \$	LEVEL 3 000s \$
CONSOLIDATED					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss	17				
Trading derivatives		44	44	-	-
Available-for-sale financial assets	17				
Term deposits		2,500	2,500	-	-
Listed shares		11,027	-	-	11,027
Managed funds		62,805	62,805	-	-
Total financial assets		76,376	65,349	-	11,027
Non-financial assets					
Property, plant and equipment	19				
Land		222,131	-	34,268	187,863
Building		530,093	-	-	530,093
Leasehold improvement		3,428	-	-	3,428
Other plant and equipment - artwork		580	10	570	-
Plant and equipment - motor vehicles		-	-	-	-
Plant and equipment - General Equipment		26,313	-	-	26,313
Library collections		10,358	-	-	10,358
Total non-financial assets		792,903	10	34,838	758,055
Non-recurring fair value measurements					
Total non-recurring fair value measurements		-	-	-	-

Victoria University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were transfers between levels 1 and 2 for recurring fair value measurements relating to artworks. Based on the fair market valuation update provided by the independent valuer ByJoel Pty Ltd, items purchased on the open market in 2017 were classified as Level 1 and the remainder of the art collection were classified as Level 2.

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (level 1). This is the most representative of fair value in the circumstances.

The fair values of available for sale investments that are disclosed in note 17 were determined by reference to published price quotations in an active market (level 1).

The fair value of listed shares was determined by independent valuer ShineWing Australia Pty Ltd discounted by market factors (level 3).

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

(i) Recurring fair value measurements

For land, the Group obtains external valuations by independent valuers at least every five years. At the end of each reporting period a fair value assessment is made on any movements since the last revaluation, and a determination as to whether an adjustment needs to be made. The valuation by the valuers is made on a market comparison approach, comparing with similar recent sales. The most significant input is price per square metre. Certain parts of land have a public use restriction, and the value is adjusted for this restriction. Land that has no restriction is included in Level 2, and land with the restriction is included in Level 3.

Similar to land, the fair value of buildings is determined through external valuations by independent valuers at least every three years. Many of the buildings held by the Group are of a specialised nature or use, and thus the valuers determine that the most appropriate valuation method to use is depreciated replacement cost. Buildings are included at Level 3.

Leasehold improvements are held at fair value using the depreciated replacement cost analysis, and are included in Level 3.

An independent external valuation is obtained for artwork, categorised as other plant and equipment, at least every three years. This fair value is determined using the market based direct comparison approach, where the asset is compared to recent comparable prices paid for similar assets, with adjustments for points of difference. Artwork is included in Level 1 and 2.

(D) FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

The following table is a reconciliation of the Group's Level 3 items for the periods ended 31 December 2017 and 2016.

LEVEL 3 FAIR VALUE MEASUREMENT 2017	LAND	BUILDINGS	LEASEHOLD	PLANT & EQUIPMENT	LIBRARY	AVAILABLE FOR	TOTAL
	000s \$	000s \$	IMPROVEMENTS 000s \$	- GENERAL EQUIPMENT 000s \$	COLLECTIONS 000s \$	SALE FINANCIAL ASSETS - LISTED SHARES 000s \$	
Consolidated							
Opening balance	187,863	530,093	3,426	26,315	10,358	11,027	769,082
Acquisitions	-	5,009	1,140	6,718	2,636	-	15,503
Transfers out of level 3	(18,460)	-	-	-	(90)	-	(18,550)
Disposals	-	(85)	-	(23)	(18)	-	(126)
Depreciation and impairment	-	(16,163)	(1,756)	(5,579)	(1,948)	-	(25,446)
Transfers from/(to) other asset class	-	6,739	792	527	-	-	8,058
Revaluation increments/(decrements)	172,829	(11,602)	-	-	-	-	161,227
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	5,173	5,173
Closing balance	342,232	513,991	3,602	27,958	10,938	16,200	914,921

LEVEL 3 FAIR VALUE MEASUREMENT 2016	LAND	BUILDINGS	LEASEHOLD	PLANT & EQUIPMENT	LIBRARY	AVAILABLE FOR	TOTAL
	000s \$	000s \$	IMPROVEMENTS 000s \$	- GENERAL EQUIPMENT 000s \$	COLLECTIONS 000s \$	SALE FINANCIAL ASSETS - LISTED SHARES 000s \$	
Consolidated							
Opening balance	89,138	493,359	2,742	24,531	9,718	9,198	628,686
Acquisitions	61	2,178	1,645	5,758	2,539	-	12,181
Transfers from Level 2	89,606	-	-	-	-	-	89,606
Disposals	-	(19)	(11)	(139)	(11)	-	(180)
Transfer from/to other asset class	-	54,315	273	2,196	-	-	56,784
Depreciation and impairment	-	(19,740)	(1,223)	(6,031)	(1,888)	-	(28,882)
Revaluation increments/(decrements)	9,058	-	-	-	-	-	9,058
Recognised in other comprehensive income	-	-	-	-	-	1,829	1,829
Closing balance	187,863	530,093	3,426	26,315	10,358	11,027	769,082

(i) Transfers between levels 2 and 3 and changes in valuation techniques

There were no changes in valuation techniques during the year.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and applies to both financial year 2016 and financial year 2017. See above for the valuation techniques adopted.

DESCRIPTION	FAIR VALUE AT 31 DECEMBER 2017 000s \$	VALUATION TECHNIQUE*	SIGNIFICANT UNOBSERVABLE INPUTS
Land	342,232	Market approach	Community Service Obligation (CSO) and heritage adjustment
Buildings	513,991	Depreciated replacement cost	Useful life of specialised buildings
Leasehold improvements	3,604	Depreciated replacement cost	Useful life of specialised buildings
Plant & equipment - general equipment	27,956	Depreciated replacement cost	Historical cost
Library collections	10,938	Depreciated replacement cost	Historical cost
Available for sale financial assets - listed shares	16,200	Market approach	Discount method to account for any restrictions imposed on the shares

*There were no significant inter-relationships between unobservable inputs that materially affects fair value.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings at least every five years. As at 31 December 2017, the fair value of the land and buildings was determined by an independent valuer engaged by the Valuer General of Victoria.

The available for sale financial assets - listed shares are traded in an active market but due to the restriction in the shareholding, the valuation of these shares has been determined by an appropriately skilled independent third party. Valuation techniques including discounting and other techniques considered appropriate in the circumstance have been employed in pricing or valuing investments. These valuation techniques are inherently subject to estimation uncertainty. Given the inherent subjectivity, the underlying inputs and assumptions are reviewed on an on-going basis to ensure the valuations reflect the best estimates of the economic conditions at reporting date.

36 INTERESTS IN JOINT OPERATIONS AND UNCONSOLIDATED STRUCTURED ENTITIES

(A) JOINT OPERATIONS

As at 31 December 2017, the University has the following joint operation.

NAME OF JOINT OPERATION	NATURE OF RELATIONSHIP	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST/ VOTING RIGHTS HELD	
			2017	2016
Game Insight Group	Partnership agreement	Melbourne - Australia	50%	-

The University's share of assets in the above jointly controlled operations is \$0.4m (2016: Nil). The aim is to use the latest analytics research to provide new data on professional tennis, which may be commercialised in the future.

(B) UNCONSOLIDATED STRUCTURED ENTITIES

The University has contracts in place with several Cooperative Research Centres (CRCs) to provide a cash contribution and in-kind services towards research on various projects that are mostly funded by private sector organisations and other universities.

As a consequence of the University providing services (cash and in-kind contributions) towards the achievement of the project goals, the University is entitled to a proportionate share of the venture if it realises a successful outcome and the venture receives a commercial return.

As at 31 December 2017, these projects were still in their early stages of development and had not yet achieved their potential. Contributions towards these projects are included in operational expenditure.

The University also has contracts in place with private overseas organisations to use university material to deliver courses from offshore locations.

The proceeds from these ventures are included in the University operating income as at 31 December 2017. In all of the above instances, the University does not:

- have any significant involvement or management in these ventures
- have an interest in the other entities except in relation to the income received and expense payable/paid
- have any assets transferred to these entities for their use.

37 SUPERANNUATION COMMITMENTS

The University contributes to the following superannuation schemes on behalf of its employees:

UniSuper

UniSuper is a multi employer superannuation fund operated by UniSuper Limited as the Corporate Trustee and administered by UniSuper Management Pty Ltd, a wholly owned subsidiary of UniSuper Limited. The operations of UniSuper are regulated by the *Superannuation Industry (Supervision) Act 1993*.

(i) UniSuper offers eligible members the choice of two schemes known as the Defined Benefit Division (DBD) (previously referred to as Defined Benefit Plan) or Accumulation Super (2) (previously referred to as Investment Choice Plan). The contribution rate to the schemes is 21% of member's salary of which the member contributes 7% and the University 14%. From 1 July 2006, members can elect to reduce the level of member contributions with corresponding reductions in benefits.

In 2005, UniSuper advised that the Defined Benefit Plan should be disclosed under the multi employer provisions of AASB 119 Employee Benefits which allowed for defined benefit obligations to be reported on a defined contribution basis with some additional information. AASB 119 Employee Benefits states that this is an appropriate solution for a Defined Benefit Plan where the employer does not have access to the information required and there is no reliable basis for allocating the benefits, liabilities, assets and costs between employers.

As a consequence of changes to the UniSuper Trust Deed in December 2006, UniSuper have advised that the foregoing no longer applies and that both the Defined Benefit Division and Accumulation Super (2) plans are defined as Multi Employer Defined Contribution Schemes in accordance with AASB 119 Employee Benefits.

(ii) UniSuper also offers a cash accumulation productivity scheme known as Accumulation Super (1) (previously referred to as the Award Plus Plan (APP)). University employees have no requirement to contribute to the scheme. The University contributes the equivalent of 3% of base salary in respect of these employees who were members of the Defined Benefit Division or the Accumulation Super (2) Plan. Employees who do not qualify for membership of Defined Benefit Division and Accumulation Super (2) will have a minimum contribution 9.5% of their annual salary contributed by the University to Accumulation Super (1) prescribed under the Superannuation Guarantee Charge Act 1992.

Casual and non-permanent employees who do not qualify for membership of the Defined Benefit Division and Accumulation (2) are eligible for Accumulation Super (1).

As at 30 June 2017 the assets of the DBD in aggregate were estimated to be \$2,797 million in excess (30 June 2016: \$2,252 million in excess) of 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 in excess (30 June 2016: \$3,757 million in excess) of 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.

State Superannuation Schemes

The University has a number of employees who are members of State Superannuation Scheme administered by the Government Superannuation Office. These are defined benefits schemes.

Existing arrangements provide for the Commonwealth to reimburse the University on an emerging cost basis for payments made to employees of the unfunded scheme. The superannuation liability, as assessed by the Superannuation Board for future benefits for current employees and pensions was as at 31 December 2017 \$149.21 million (31 December 2016: \$149.62 million).

Any unfunded liability in respect of TAFE employees who are members of the State Superannuation Schemes controlled by the Victorian Superannuation Board will be recognised by the State Government in its Statement of Financial Position.

A small number of University staff are also members of VicSuper, Health Super and other miscellaneous funds.

SUMMARY OF SUPERANNUATION SCHEME PAYMENTS:	2017	2016
	000s \$	000s \$
UniSuper	28,318	27,374
State Superannuation Schemes	7,738	7,762
Others	2,805	2,857
	38,861	37,993

38 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(A) EDUCATION - CGS AND OTHER EDUCATION GRANTS

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	COMMONWEALTH GRANTS SCHEME #1		INDIGENOUS STUDENT SUCCESS PROGRAM #3		ACCESS AND PARTICIPATION FUND	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		117,537	127,759	291	295	3,786	4,677
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(a)	117,537	127,759	291	295	3,786	4,677
Surplus/(deficit) from the previous year		-	-	233	214	-	-
Total revenue including accrued revenue		117,537	127,759	524	509	3,786	4,677
Less expenses including accrued expenses		(117,537)	(127,759)	(317)	(276)	(3,786)	(4,677)
Surplus/(deficit) for the reporting period		-	-	207	233	-	-

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	DISABILITY PERFORMANCE FUNDING #2		DIVERSITY AND STRUCTURAL ADJUSTMENT FUND		PROMO OF EXC IN LEARNING AND TEACHING		TOTAL	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		141	137	-	-	-	20	121,755	132,888
Net accrual adjustments		-	-	-	-	-	3	-	3
Revenue for the period	3(a)	141	137	-	-	-	23	121,755	132,891
Surplus/(deficit) from the previous year		-	-	-	608	99	155	332	977
Total revenue including accrued revenue		141	137	-	608	99	178	122,087	133,868
Less expenses including accrued expenses		(141)	(137)	-	(608)	(41)	(79)	(121,822)	(133,536)
Surplus/(deficit) for the reporting period		-	-	-	-	58	99	265	332

#1 Includes the basic CGS grant amount and CGS – Enabling Loading, Allocated Places and Non Designated Courses.

#2 Includes additional support for students with disabilities and Australian Disability Clearinghouse on Education and Training.

#3 Replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

(B) HIGHER EDUCATION LOAN PROGRAMS (EXCL OS-HELP)

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	HECS-HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE-HELP #4	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Cash Payable/(Receivable) at the beginning of the year		269	340	90	3,152
Financial assistance received in cash during the reporting period		81,739	85,852	10,734	6,858
Cash available for the period		82,008	86,192	10,824	10,010
Revenue earned	3(b)	82,168	85,923	10,869	9,920
Cash Payable/(Receivable) at the end of year		(160)	269	(45)	90

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	VET FEE-HELP		SA-HELP		TOTAL	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Cash Payable/(Receivable) at the beginning of the year		753	(2,122)	75	(84)	1,187	1,286
Financial assistance received in cash during the reporting period		1,509	11,423	2,386	3,222	96,368	107,355
Cash available for the period		2,262	9,301	2,461	3,138	97,555	108,641
Revenue earned	3(b)	1,846	8,548	2,968	3,063	97,851	107,454
Cash Payable/(Receivable) at the end of year		416	753	(507)	75	(296)	1,187

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

VET Student Loan Program is not required to be acquitted here.

(C) DEPARTMENT OF EDUCATION AND TRAINING RESEARCH

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	RESEARCH TRAINING PROGRAM #5		RESEARCH SUPPORT PROGRAM #6		TOTAL	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		7,309	7,115	4,392	4,299	11,701	11,414
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c), 3(d)	7,309	7,115	4,392	4,299	11,701	11,414
Surplus/(deficit) from the previous year		358	198	373	276	731	474
Total revenue including accrued revenue		7,667	7,313	4,765	4,575	12,432	11,888
Less expenses including accrued expenses		(7,667)	(6,955)	(4,765)	(4,202)	(12,432)	(11,157)
Surplus/(deficit) for the reporting period		-	358	-	373	-	731

#5 Replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

#6 Replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

(D) TOTAL HIGHER EDUCATION PROVIDER RESEARCH TRAINING PROGRAM EXPENDITURE

PARENT ENTITY (UNIVERSITY) ONLY	TOTAL DOMESTIC STUDENTS 000s \$	TOTAL OVERSEAS STUDENTS 000s \$
Research Training Program Fees offsets	(4,608)	(293)
Research Training Program Stipends	(1,858)	(198)
Research Training Program Allowances	(3)	(37)
Total for all types of support	(6,469)	(528)

(E) OTHER CAPITAL FUNDING

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	LINKAGE INFRASTRUCTURE EQUIPMENT AND FACILITIES GRANT		TOTAL	
		2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		240	-	240	-
Net accrual adjustments		-	-	-	-
Revenue for the period	3(e)	240	-	240	-
Surplus/(deficit) from the previous year		-	459	-	459
Total revenue including accrued revenue		240	459	240	459
Less expenses including accrued expenses		(104)	(459)	(104)	(459)
Surplus/(deficit) for the reporting period		136	-	136	-

(F) AUSTRALIAN RESEARCH COUNCIL GRANTS

(I) DISCOVERY	NOTE	PROJECTS		TOTAL DISCOVERY	
		2017	2016	2017	2016
PARENT ENTITY (UNIVERSITY) ONLY		000s	000s	000s	000s
		\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		219	752	219	752
Net accrual adjustments		27	18	27	18
Revenue for the period	3 (f) (i)	246	770	246	770
Surplus/(deficit) from the previous year		216	595	216	595
Total revenue including accrued revenue		462	1,365	462	1,365
Less expenses including accrued expenses		(462)	(1,149)	(462)	(1,149)
Surplus/(deficit) for the reporting period		-	216	-	216

(II) LINKAGES	NOTE	PROJECTS		TOTAL LINKAGES	
		2017	2016	2017	2016
PARENT ENTITY (UNIVERSITY) ONLY		000s	000s	000s	000s
		\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		159	194	159	194
Net accrual adjustments		50	78	50	78
Revenue for the period	3 (f) (ii)	209	272	209	272
Surplus/(deficit) from the previous year		43	-	43	-
Total revenue including accrued revenue		252	272	252	272
Less expenses including accrued expenses		(252)	(229)	(252)	(229)
Surplus/(deficit) for the reporting period		-	43	-	43

(G) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2017	2016
		000s	000s
		\$	\$
Cash received during the reporting period	3 (g)	1,264	966
Cash spent during the reporting period		(741)	(579)
Net cash received		523	387
Cash surplus/(deficit) from the previous period		427	40
Cash surplus/(deficit) for reporting period		950	427

(H) OS-HELP

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2017 000s \$	2016 000s \$
Cash received during the reporting period		1,648	2,039
Cash spent during the reporting period		(1,417)	(1,589)
Net cash received		231	450
Cash surplus/(deficit) from the previous period		1,923	1,473
Cash surplus/(deficit) for the reporting period	21	2,154	1,923

(I) SUPERANNUATION SUPPLEMENTATION

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2017 000s \$	2016 000s \$
Cash received during the reporting period		7,044	7,775
Cash available		7,044	7,775
Cash surplus/(deficit) from the previous period		(6,949)	(6,962)
Cash available for current period		95	813
Contributions to specified defined benefit funds	37	(7,738)	(7,762)
Cash surplus/(deficit) for this period		(7,643)	(6,949)

(J) STUDENT SERVICES AND AMENITIES FEE

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2017 000s \$	2016 000s \$
Unspent/(overspent) revenue from previous period		-	176
SA-HELP revenue earned	3(b)	2,968	3,063
Student Services and Amenities Fees direct from students	5	1,496	1,474
Total revenue expendable in period		4,464	4,713
Student services expenses during period		(4,464)	(4,713)
Unspent/ (overspent) student services revenue		-	-

39 EX-GRATIA EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2017 000s \$	2016 000s \$	2017 000s \$	2016 000s \$
The University has made no ex-gratia payments	-	-	-	-

DISCLOSURE INDEX

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 <i>Financial Management Act 1994</i> .	5–41
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	4, 52
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.	4, 52
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>. 	4, 52
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. 	52
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. 	58
7	SD 3.2.1.1 (c)	<ul style="list-style-type: none"> • 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. 	45–46
8	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework.	39
9	FRD 03A	Accounting for Dividends	N/A
10	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	59–60
11	FRD 10A	Disclosure Index	108–110
12	FRD 11A	Disclosure of Ex-gratia Payments	107
13	FRD 17B	Long Service leave and annual leave for employees	83
14	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	87–89

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO/S
15	FRD 22H	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following</p> <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 <p>AND for each consultancy more than \$10,000, a schedule is to be published on the University website listing:</p> <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 	40
16	FRD 22H	Manner of establishment and the relevant Minister	9, 38, 87
17	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	15–32, 33–34
18	FRD 22H	Nature and range of services provided including communities served	15–32
19	FRD 22H	Organisational structure and chart, including responsibilities	13, 14, 34, 35
20	FRD 22H	Names of Council members	35
21	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	12
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>	30–31
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	30–32
24	FRD 22H	Summary of the financial results for the year including previous 4 year comparisons	44
25	FRD 22H	Significant changes in financial position during the year	42–43
26	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	5–6, 7–9, 11, 16–18, 25, 27–28
27	FRD 22H	Major changes or factors affecting performance	12, 42–43
28	FRD 22H	Discussion and analysis of operating results and financial results	12, 42–43
29	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	45–46, 94
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	N/A
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>	37
33	FRD 22H	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	37
34	FRD 22H	Statement where applicable on the implementation and compliance with the National Competition Policy	37
35	FRD 22H	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	37
36	FRD 22H	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A

DISCLOSURE INDEX

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO/S
37	FRD 22H and 24C	Summary of Environmental Performance including a report on office based environmental impacts	37–38
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)	38
39	FRD 25C	Victorian Industry Participation Policy in the Report of Operations	37
40	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
41	FRD 102A	Inventories	N/A
42	FRD 103F	Non-financial physical assets	77–80, 98–102
43	FRD 105B	Borrowing Costs	70
44	FRD 106A	Impairment of assets	53–54, 61, 71, 73–74, 77–79
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	80
47	FRD 110A	Cash flow statements	57, 64
48	FRD 112D	Defined benefit superannuation obligations	83, 103
49	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	41, 94, 102
50	FRD 119A	Transfers through contributed capital	N/A
51	FRD 120K	Accounting and reporting pronouncements applicable to the reporting period	58–60
52	ETRA, s.3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2017	38, 67, 107
53	PAEC	Financial and other information relating to the university's international operations	8, 19–20, 29, 60, 67
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 	41–107

