

# ANNUAL REPORT

2019

# CONTENTS

<b>LETTER TO MINISTER FOR TRAINING AND SKILLS AND MINISTER FOR HIGHER EDUCATION</b>	<b>1</b>
<b>VICE-CHANCELLOR AND PRESIDENT'S REPORT</b>	<b>2</b>
Our Purpose	4
About the University	4
<b>OUR STRATEGIC PLAN</b>	<b>5</b>
A snapshot for 2018–2022	5
Our Strategic Objectives	5
Our Priorities	5
Our Purpose	5
<b>2019 IN REVIEW</b>	<b>6</b>
Rankings	6
Awards	8
Our Schools	9
Our Campuses	15
Research	16
Partnerships	18
Technology Parks	19
International	20
Community	20
Equality	21
Diversity	21
<b>ALUMNI, DONORS AND SPONSORS</b>	<b>22</b>
<b>OUR SERVICES</b>	<b>24</b>
Fields of Study – Schools and Programs Portfolio	24
<b>OUR COUNCIL</b>	<b>25</b>
Council and Committee Structure	28
<b>OUR WORKFORCE</b>	<b>34</b>
Workforce Data	34
<b>OUR ENVIRONMENT</b>	<b>37</b>
<b>ORGANISATIONAL AND REGULATORY INFORMATION</b>	<b>40</b>
Compliance	43
<b>FINANCIAL INFORMATION</b>	<b>46</b>
Financial Summary	47
Five Year Financial Summary	48
Disclosures and Legal Compliance	49
Auditor-General's Independence Declaration	50
Independent Auditor's Report	51
Statement of Income	53
Statement of Comprehensive Income	53
Statement of Financial Position	54
Statement of Changes in Equity	55
Statement of Cash Flows	56
Notes to the Financial Statements	57
Notes to and forming part of the Financial Statements	58
<b>APPENDICES</b>	<b>117</b>
<b>DISCLOSURE INDEX</b>	<b>118</b>

FEDERATION UNIVERSITY AUSTRALIA  
ACKNOWLEDGES THE TRADITIONAL  
CUSTODIANS OF THE LAND WHERE ITS  
CAMPUSES AND CENTRES ARE LOCATED.

**BALLARAT**  
Wadawurrung

**BERWICK**  
Boonwurrung and Wurundjeri

**BRISBANE**  
Turrbal and Jagera

**GIPPSLAND**  
Gunai Kurnai

**NANYA STATION**  
Mutthi Mutthi and Barkindji

**WIMMERA**  
Wotjobaluk, Jaadwa, Jadawadjali,  
Wergaia, Jupagulk



Mr Terry Moran AC

---

## Letter to The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education

On behalf of the Council of Federation University Australia, I am pleased to present the 2019 Annual Report.

The financial report was approved by the university Council on 16 April, 2020 and has been prepared in accordance with the provisions of the *Financial Management Act 1994*.

Federation University has had a successful year in 2019, embedding a new structure and new partnerships to ensure the university's long-term stability and growth.

We have seen growth in student numbers across our Victorian and Brisbane campuses, as well as our Australian partner providers. It was particularly exciting to see the return of international students to our Gippsland campus, where they have been warmly welcomed by the university community.

We have worked closely with the Victorian and Commonwealth Governments throughout 2019, responding to and implementing policy reforms and programs. In particular, the Victorian Government's *Free TAFE for Priority Courses* initiative has had a significant impact on demand for programs at Federation TAFE, while the *Regional Skills Training Fund* has provided grants for specialist equipment for new and existing TAFE facilities.

Federally, we were pleased to see a focus on the future of regional education with the release of the *National Regional, Rural and Remote Education Strategy*. The strategy clearly acknowledges the challenges faced by regional education and recommends real action to address issues with access, equity and aspiration outside of our cities.

We have seen the quality of our research recognised as well above world standard by Excellence in Research for Australia (ERA), with this success to be built on in 2020 via our new *Research and Innovation Strategic Plan 2019-2023*, launched at the end of the year.

In fact our rankings have improved significantly across all measures, reflecting the response of students and employers alike to the new direction for the university, including industry-focused program delivery.

Thank you to all the members of Council throughout my first full year holding the position of Chancellor.

As the university enters its 150th anniversary year, I feel a strong foundation has been built for future success.

**Mr Terry Moran AC**

Chancellor

# VICE-CHANCELLOR AND PRESIDENT'S REPORT



Professor Helen Bartlett

In 2019, Federation University experienced unprecedented success reflected in our outstanding results across a range of indicators, and the expansion of program offerings across all our campuses and international partnerships. Over the past three years we have taken a transformational approach and are seeing the benefits of this as we enter 2020.

This success in the delivery of the university's strategic plan and a program of significant reform was confirmed by the Victorian Auditor-General's Office report, Results of 2018 Audits: Universities Report, which was released in 2019. It confirmed the significant improvement in our financial sustainability and performance revealed in our 2018 Annual Report, showing that Federation University had "...taken steps to streamline their operations by reducing unnecessary expenditure and increasing the efficiency of their employee base... [and] also increased its student numbers through the provision of additional course offerings, and the acquisition of Monash University's Berwick operations."

I'm delighted to have seen this momentum for transformation and growth continue across the organisation in 2019, exceeding our revenue targets to reach \$410 million in revenue in 2019, achieving a net operating result of \$36.8 million, confirmed in this Annual Report.

It is a credit to the university community and the strength of our leadership that these outstanding results and significant reform across the university's operation have been delivered in partnership with our staff. This was evidenced not only by the rapid pace of organisational change but also by the successful negotiation of new enterprise agreements for both university and TAFE staff.

## **2019 in review**

As you will see in this Annual Report, we have made significant investment in our research, programs, partnerships and facilities in 2019.

Building on our outstanding ERA results, we have finalised a new research strategy focused on creating more substantial research partnerships with industry, government and education stakeholders at a local, national and international level. We have identified three research priority areas: health and wellbeing, society and the environment, and virtual, digital and computational environments. New Research Centres that align with our research expertise and the needs of industry and community will be announced in 2020.

We achieved outstanding *Good University Guide 2020* results, and have been rated first in Victoria for teaching quality, full-time graduate employment, starting salary, student support, skills development, overall student experience, first in family and social equity.

A new academic portfolio structure has been embedded across the university. It is operating successfully and will continue to be strengthened in 2020. Following an extensive program review to transform the university's academic offerings, we are introducing 10 new and 13 rebadged Diploma, Bachelor and Master programs that align with market demand, and skills and training needs across our campus network.

International student enrolments have been boosted to 2,093 across all our campuses, a significant increase compared to 2018. TAFE student contact hours have been increased by 20 per cent in 2019 due to free TAFE.

We have introduced a 'Tenancy Plus' model with new Tech Park partners, built around research collaboration and opportunities for Federation students. For example, global cyber security company, CT4, entered into a partnership with the university in 2019 that includes a dedicated TAFE training program leading to placements and employment.

We are building partnerships with TAFEs in our campus regions to provide pathways into higher education. In October, we signed an MoU with TAFE Gippsland and are engaging in discussions with Chisholm Institute in the south east of Melbourne.

A new master plan has been completed for the Ballarat CBD and Mt Helen campuses, and planning is underway for the Gippsland Campus. At Mt Helen, construction of the \$15-million Health and Sports Precinct is complete and planning is underway for upgrades to flexible learning and teaching spaces. The revitalisation of historic buildings at our SMB campus in central Ballarat for teaching spaces will also commence in 2020.

#### **Our commitment to diversity, inclusion and access**

In 2019, one of the proudest moments for the university was receiving formal recognition of our commitment to progressing equal opportunities for women in science, technology, engineering and maths (STEM).

The awarding of the Athena SWAN (Scientific Women's Academic Network) Institutional Bronze accreditation, presented by Science in Australia Gender Equity (SAGE), reflects our commitment to removing the barriers that prevent women from achieving their potential in traditionally male dominated STEM fields.

This is not only a commitment to recruit more women in STEM, but also taking action to ensure we retain all of our talented female academics, and to help them advance and promote their work.

We have also launched a new 'Stretch' Reconciliation Action Plan (RAP), continuing the work of our 'Reflect' and 'Innovate' RAPs, which looked at scoping and implementing reconciliation actions.

Our Stretch RAP challenges the university to embed and measure our achievements in the day-to-day operations of the university, including:

- the creation of learning spaces for Indigenous students
- to reach a new target of two per cent Indigenous employment by 2021
- to ensure students receive Aboriginal and Torres Strait Islander perspectives in their studies, and
- to launch new Aboriginal and Torres Strait Islander Alumni chapters – to not only increase equity in access to education, but also help promote the outstanding work of our ATSI alumni in academia and the community.

I thank the senior team, the Council and the whole university community for their efforts and commitment to Federation University and Federation TAFE in 2019.

As we enter 2020, our 150th year, there is much to celebrate. Together, we will continue to work to strengthen the position of Federation University in its mission of transforming lives and enhancing communities.

#### **Professor Helen Bartlett**

Vice-Chancellor and President

## Our Purpose

Our purpose is to transform lives and enhance communities.

We serve the Victorian, Australian and international communities by enriching cultural and community life, elevating public awareness of educational, scientific and artistic developments, promoting critical and free enquiry, and informed intellectual discourse and public debate within the university and in the wider society.

We provide and maintain a teaching and learning environment of excellent quality, offering world-class higher education and vocational training as well as senior secondary education.

We undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and apply these for the benefit and well-being of our Victorian, Australian and international communities.

We use our expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in the university's teaching, learning, research and advancement of knowledge activities. This enables the university to contribute to realising Aboriginal and Torres Strait Islander aspirations and safeguarding the ancient and rich Aboriginal and Torres Strait Islander cultural heritage.

We provide educational programs and services in a way that reflects principles of equity and social justice, and we equip our graduates to excel in their careers and contribute to the community.

## About the university

### Federation University Australia Act 2010 (the Act)

Federation University Australia was established on 1 January 2014. Formerly known as the University of Ballarat, we legally amended our name under the *University of Ballarat Amendment (Federation University Australia) Act 2013*.

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

### Our History

The University of Ballarat was formally created in 1994, though its lineage dates back to 1870 when the School of Mines Ballarat was established. This was the third institution of higher learning to be created in Australia, and the first in regional Australia.

In 1998, the university merged with three TAFE institutions to become a dual sector institution with multiple campuses.

On 1 January 2014, the University of Ballarat was amalgamated with the Monash University Gippsland campus to form who we are today: Federation University Australia.

In 2016, we announced plans to take possession of Monash University's Berwick campus and commenced teaching at the campus in 2017.

### Our Present

Driven by a strong heritage, today we are known for our focus on educational and social equity, teaching excellence, research distinction, environmental sustainability and, most significantly, regional capacity building.

With our headquarters in Ballarat, we offer programs in higher education and vocational education and training to students in regional Victoria and beyond. While our regional character informs our priorities, it doesn't hold us back from serving the wider community as well – both here in Australia, and around the world.

### Our Future

Our priority is to provide high-quality lifelong learning opportunities for students from all backgrounds. We are focused on furnishing our students with the necessary knowledge, skills and aptitude for further study, to participate in workplaces and to be the best global citizens they can be.

Our extensive network of campuses and partnerships is a strength that we will continue to grow and develop as we work to ensure our long-term financial sustainability. We will also continue to conduct research that has an impact on the communities in which we are located, as well as the wider community.

Focusing on these key priorities will see Federation University become a popular student destination offering a high-quality student experience. It will ensure we can make a positive impact, become a university workplace of choice and build an efficient organisation.






# OUR STRATEGIC PLAN

A snapshot for 2018–2022

## OUR PURPOSE






OUR PURPOSE IS TO TRANSFORM LIVES AND ENHANCE COMMUNITIES

## OUR PRIORITIES

LIFELONG LEARNING	GLOBAL CITIZENS	PARTNERSHIPS	RESEARCH AND IMPACT	SUSTAINABILITY
 <p>Provide future-focused, high-quality lifelong learning opportunities for students from all backgrounds.</p>	 <p>Empower our students with the necessary knowledge, skills and aptitude for further study, to participate in workplaces, and to be the best global citizens they can be.</p>	 <p>Use our network of campuses and partnerships to deliver our courses and programs.</p>	 <p>Conduct research and measure its impact on the communities we're part of, as well as wider society.</p>	 <p>Ensure long-term financial sustainability.</p>

## OUR STRATEGIC OBJECTIVES

BY 2020, WE WILL

BECOME A POPULAR STUDENT DESTINATION	OFFER A HIGH-QUALITY STUDENT EXPERIENCE	MAKE A POSITIVE IMPACT	BECOME A UNIVERSITY WORKPLACE OF CHOICE	BUILD AN EFFICIENT ORGANISATION
				

# 2019 IN REVIEW

## Rankings

### INTERNATIONAL RANKINGS

The quality of our teaching and learning was recognised internationally in the Academic Ranking of World Universities (AWRU, Shanghai Rankings). The university was ranked in the top 100-150 universities worldwide for sports science, hospitality and tourism management subjects, and in the top 500 universities worldwide for our education subjects.

#### TOP 100–150 UNIVERSITIES WORLDWIDE FOR

SPORTS SCIENCE

HOSPITALITY  
AND TOURISM  
MANAGEMENT

#### TOP 500 UNIVERSITIES WORLDWIDE FOR

EDUCATION

### QILT RESULTS

Among Australian universities, Federation University was again highly rated by students and employers alike, achieving strong results in the Federal Government's Quality Indicators in Learning and Teaching (QILT) surveys released in 2019, which review student, graduate and employer satisfaction.

#### WE ARE **#1** IN AUSTRALIA FOR

EMPLOYABILITY  
SKILLS FOR THE  
SECOND YEAR  
RUNNING\*

TEACHING QUALITY\*\*

FEDERATION UNIVERSITY RANKED

### Above National Average in 10 of 13 indicators

INCLUDING EDUCATIONAL EXPERIENCE;  
TEACHING QUALITY; LEARNER ENGAGEMENT;  
LEARNING RESOURCES; STUDENT SUPPORT;  
SKILLS DEVELOPMENT; TEACHING SCALE;  
FULL-TIME EMPLOYMENT; OVERALL  
EMPLOYMENT; AND MEDIAN SALARY.

\* Employer Satisfaction Survey (ESS) 2018, Australian universities, results released January 2019, and ESS 2017

\*\* Student Experience Survey (SES) 2018, Australian universities, postgraduate level, results released March 2019

^ Good Universities Guide 2020, rankings released October 2019



QILT STATE RANKINGS INCLUDE:

WE ARE **#1** IN VICTORIA FOR <sup>\*\*</sup>


STUDENT SUPPORT	SKILLS DEVELOPMENT
LEARNER ENGAGEMENT	EDUCATIONAL EXPERIENCE

**GOOD UNIVERSITIES GUIDE**

Federation University graduates are more likely to get a full-time job and earn a higher starting salary than graduates from any other Victorian university, according to the Good Universities Guide 2020 ratings.

The ratings reflect Federation University's strength in equipping students with the skills employers want and ensuring they receive the highest quality teaching and support throughout their education.

WE ARE **#1** IN AUSTRALIA FOR <sup>^</sup>

	FIRST GENERATION STUDENT ENROLMENTS
--	-------------------------------------

WE ARE **#1** IN VICTORIA FOR <sup>^</sup>

STARTING SALARY FOR GRADUATES (\$62,600 AVERAGE)	GRADUATE FULL-TIME EMPLOYMENT	SKILLS DEVELOPMENT	STUDENT SUPPORT
			
SOCIAL EQUITY	STUDENT TEACHER RATIO	TEACHING QUALITY	IN ADDITION, FEDERATION UNIVERSITY ACHIEVED THE HIGHEST FIVE-STAR RATING IN <b>9 OUT OF 14</b> AREAS. ★★★★★
			

## EXCELLENCE IN RESEARCH AUSTRALIA RESULTS

For the first time, Federation University achieved the highest possible ratings for the quality of its research under the national research evaluation framework, Excellence in Research for Australia (ERA). The university was awarded the highest possible five rating in seven research areas. Overall, 80 per cent of our specific research areas were rated at world standard or above.

# 5

## WELL ABOVE WORLD STANDARD

ENVIRONMENTAL SCIENCE AND MANAGEMENT		CIVIL ENGINEERING	CLINICAL SCIENCES
HUMAN MOVEMENT AND SPORTS SCIENCE	NURSING	APPLIED MATHEMATICS	ENVIRONMENTAL SCIENCES

# 4

## ABOVE WORLD STANDARD

MEDICAL AND HEALTH SCIENCES	ARTIFICIAL INTELLIGENCE AND IMAGE PROCESSING
-----------------------------	--

# 3

## AT WORLD STANDARD

MATHEMATICAL SCIENCES	INFORMATION AND COMPUTING SCIENCES	STUDIES IN HUMAN SOCIETY	PSYCHOLOGY AND COGNITIVE SCIENCES	
PURE MATHEMATICS	EDUCATION SYSTEMS	SOCIOLOGY	PSYCHOLOGY	HISTORICAL STUDIES

## Awards

- Associate Professor Robyn Brandenburg was awarded a Fulbright Research and Teaching Scholarship – the first for the university – to travel to the US to conduct major research into teacher education and performance assessments.
- Dean of the School of Health and Life Sciences, Professor Dara Twomey, was elevated to rank of Fellow of Sports Medicine Australia for her outstanding contribution to the industry in both research and industry engagement.
- Dean of the School of Science, Engineering and Information Technology, Professor Syed Islam, was elevated to Fellow to the Institute of Electrical and Electronics Engineers (IEEE) Class of 2019.
- Professor of Information Technology, Manzur Murshed, was appointed to the 2020 Australian Research Council (ARC) College of Experts.
- Professor Peter Gell was awarded the Hilary Jolly Medal for ‘an outstanding contribution to Australian limnology (aquatic science)’ by the Australian Freshwater Sciences Society.
- TAFE nursing teacher, Brenda Fithall, was a finalist for Teacher of the Year in the 2019 Victorian Training Awards.
- Dr Samia Toukhsati was awarded an Australian Government Endeavour Executive Leadership Award to undertake specialised training in the translation of basic science skills to clinical settings in psycho-physiological assessment methods, nervous system activation, and development of algorithms that enable reliable and valid data analyses.
- Federation TAFE graduate Paul Coon competed for Australia against bricklayers from 16 different countries at the Worldskills Competition in Russia.
- The high quality of accommodation and services for students living on campus at Federation University Australia has been recognised with Director of Campus Life, Colin Marshall, receiving the Roelf Visser Global Initiatives award.

# Our Schools

## New programs to meet community demand

Ensuring our program and educational offerings are better aligned to the needs of industry and the changing workforce has been a key focus for the Academic Portfolio in 2019. Many of these are specifically targeted to our regions to make a positive impact in the community.

A new program approval process saw 10 new undergraduate and postgraduate programs launched.

Growth in renewable energy technology, industry demand and the proximity of the university's Ballarat and Gippsland campuses to Victoria's energy infrastructure contributed to the launch of a suite of new postgraduate engineering programs that will become major offerings in the future.

In Gippsland, we are helping to meet workforce shortages in the healthcare sector with the launch of a new Occupational Therapy (OT) bachelor degree. Occupational therapists help children and adults of all ages, whose health or disability

makes it hard for them to do everyday tasks. Victorian Government data shows that Gippsland has the second lowest proportion of occupational therapists in the state.

We laid the groundwork in 2019 to offer the Nursing program via direct delivery in Bairnsdale in 2020, offering placements and experience for students without having to leave their communities.

Federation TAFE in Horsham has expanded the Diploma of Community Services, Diploma of Nursing and Certificate III in Individual Support for the first time in 2019, thanks to Free TAFE for Wimmera students.

At Cranbourne library, Federation University students are enjoying the benefits of a new study space to collaborate and learn, which is important given more than 70 per cent of Berwick campus students living in the area.



## School of Science, Engineering and Information Technology

2019 has been an exciting year for the School of Science, Engineering and Information Technology (SSEIT) with continuing development and implementation of the new university structure and the establishment of new research, teaching programs and international partnerships.

A number of SSEIT staff have received recognition in their disciplines:

- Associate Professor Madhu Chetty was elected as Vice-Chair, Institute of Electrical Engineers (IEEE) Victorian Section
- Centre for Informatics and Applied Optimisation (CIAO) Director, Professor Alex Kruger's 40 years of research was recognised by the mathematics community through an international workshop and special issues of two leading journals
- Geotechnical and Hydrogeological Engineering Research Group (GHERG) Director, Professor Thomas Baumgartl was one of two winners internationally of the K+S Brine Challenge which included applications from across 16 countries
- Dr Fatemeh Javidan was featured in the Regional Universities Network's *RUN Women in Science, Technology and Engineering in Regional Australia* campaign.

The School was successfully awarded a number of large grants including the Digital Health & Soil Collaborative Research Centre (CRC); Australian Paper; CSIRO; Westpac; ARC Linkage; Worksafe; and ARC Discovery, Worksafe Victoria grants and other small and medium grants.

The School has hosted 28 international and domestic research visitors from Azerbaijan, China, Finland, England, France, Germany, Iraq, Pakistan, Poland, PNG, Spain and the USA.

Our engagement with industry partners continues to expand each year in research, consultancy and student support. Of particular note, 10 students from geoscience and mining engineering were invited by Rio Tinto to visit their Greater Brockman operation in the Pilbara region of Western Australia over a week to experience the 'mine of the future' supplying the global seaborne iron ore trade. It was a fantastic experience for them.

The School developed four new engineering programs in 2019:

- Bachelor of Engineering (Electrical and Information Engineering) (Honours)
- Master of Engineering Technology (Mechatronic Systems Engineering)
- Master of Engineering Technology (Renewable Energy and Electrical Power Systems)
- Master of Engineering Project Management.

During 2019 staff, postgraduates and students of the School provided a number of outreach events targeting schools and community groups. All events and projects have a strong educational focus linked clearly to the school curriculum and are selected to highlight the science, technology, engineering and mathematics (STEM) research expertise and study opportunities available in SSEIT and other Federation University schools. All activities aim to raise the profile of our university's staff and programs.

A new award titled 'The Henry Sutton Award' was created by the Dean in 2019 for the best innovative project in Engineering. Scott Murphy, a civil engineering student, was the inaugural winner for a water engineering project. The School's award ceremony is a vital student and industry engagement opportunity which often results in students gaining graduate employment.

## School of Nursing and Healthcare Professions

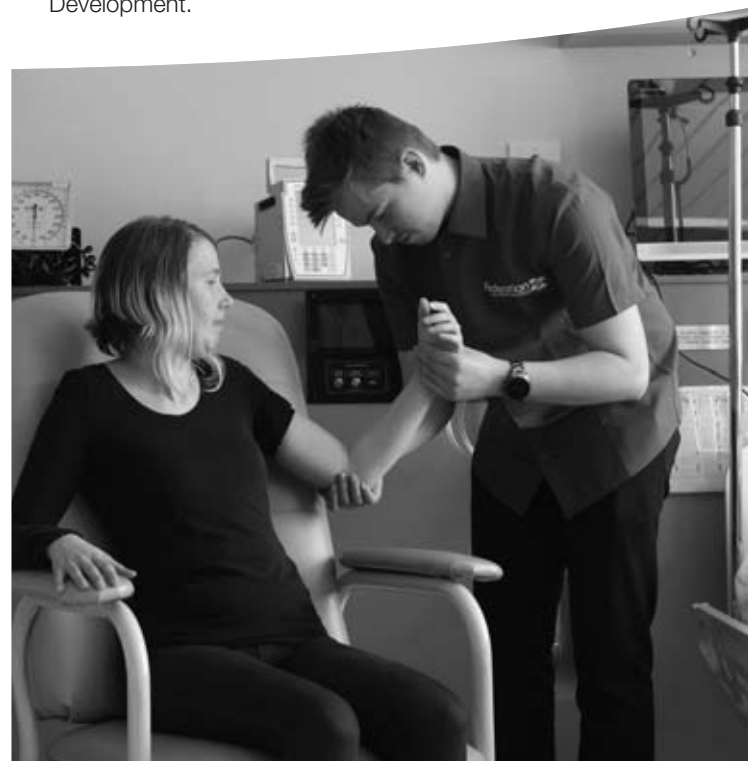
The School of Nursing and Healthcare Professions reviewed its research strategy in 2019 and created three new pillars: Population Health, Clinical Quality and Safety and Workforce, with connecting themes of bio-psycho-social wellbeing, lifespan and rural and regional populations. The School joined the Melbourne Ageing Collaboration, engaging in a range of collaborative ageing-related research projects on topics including mental health, grief and dementia.

Allied Health programs are being further developed in the School, such as our OT offering in Gippsland. A number of new programs within the School's graduate suite have also been introduced including, mental health and advanced nursing, with new programs being considered for future years.

During 2019, the School recruited two high profile academics to support its new strategy and new program development, Professor Colette Browning and Associate Professor Aziz Rahman. Professor Browning is a Fellow of the Australian Psychological Society, and an international leader in psychology, health and ageing. Associate Professor Rahman is a public health specialist and a medical Doctor, working in the areas of public health research and teaching within Australian and international settings.

International connections included:

- The 'Inspired by Singapore' study tour bringing together 80 Australian and Singaporean nursing and design undergraduates looking at solutions to promote and support healthy ageing
- A Memorandum of Understanding with Central South University, Hunan Province, China for research collaboration, enrolment of PhD students, and staff/student exchange and placement
- Cultural and knowledge exchange with Universitas Airlangga, Indonesia. Associate Professor Rahman facilitated the Indonesian visit to our Berwick campus and spoke at the International Summit of World University Associations for Community Development.



## Federation Business School

The university's focus on industry collaboration is reflected in the launch of Federation Business School's new Master of Business Administration (MBA) in 2019. The MBA was co-designed with Runway Ballarat, an entrepreneurial accelerator located in our Ballarat Technology Park. Designed with a local context in mind, the program also maintains a global perspective on modern organisations. The revised curriculum focuses on developing leaders who are agile, decisive, innovative and ethically responsible, while the partnership with Runway allows students to put their learning into practice in a real-world start-up environment.

In line with the Federation Business School's commitment to innovation and excellence, the School was selected to lead the Federation University Alternative Teaching Pilot Project, launched in 2019. Dr Helen Weadon, Associate Dean Learning and Quality, is leading the project for the School, which is trialling alternative ways of delivering teaching to provide equitable and engaging learning opportunities for all students.

In 2019, 13 high achieving students from the Federation Business School were accepted into the Global Victoria Intellect Program, providing the students with industry experience in international market research and analysis, and reinforcing the university's strong focus on industry collaboration.

The Federation Business School continues to look to the future, with plans to move its program delivery to Ballarat's central business district in 2020 to better support work-integrated learning opportunities and industry partnerships.

## School of Health and Life Sciences

The School of Health and Life Sciences has developed new partnerships in 2019 with a strong connection to the School's research and programs, such as the sponsorship of Cycling Australia's 2019 Road National Cycling Championships.

The School's new \$15 million Health and Sports Precinct was under construction for most of 2019 and was completed for semester one in 2020. It provides a new state-of-the-art gym equipped to facilitate high quality learning experiences for students, unique work integrated learning opportunities, world class research and an amazing training venue for elite and sub-elite athletes in the community.

In 2019, a new Master of Professional Psychology commenced, providing students with the core competencies required to pursue registration as a general psychologist.

Organised by the School of Health and Sciences, the university jointly hosted the biennial *Biodiversity Across the Borders Conference*. The theme for the conference was climate change and future landscapes. The conference is one of the leading biodiversity and ecology events in the nation, attracting world class speakers and attended by over 650 delegates.

Volunteers from the School and other disciplines, including staff and students contributed more than 150 hours to the Conoco Phillips Science Experience at our Ballarat and Gippsland campuses. Year 9 and 10 students from around the state spent three fascinating days exploring their passion for STEM (botany, psychology, engineering, physiology, computer graphics, ecology or anatomy) under the expert guidance of our scientists and students, for lab activities, field trips and research talks.

Fourteen students in the Veterinary and Wildlife and the Environment and Conservation Science degree programs travelled to Nepal in January and spent three weeks at the National Trust for Nature Conservation's Biodiversity Conservation Centre, observing and participating in community conservation programs.

## School of Education

The School of Education launched a range of new program and initiatives in 2019 including:

- the development of the Diploma of University Studies
- successful review of the Outdoor Education program
- the Accelerated Academic Support Pilot Program at Berwick campus
- three new Memorandums of Understanding – with Jiangsu Second Normal University in Nanjing, Anshan Normal University and AI English
- an articulation agreement with Lianyungang Normal College for students to enter the B.Ed Studies program, and
- the development of a Centre for Lifelong Learning, with a new postgraduate course with Bacchus Marsh Grammar the first of many new developments.

The School was also active in delivering a number of symposia and conferences, showcasing outstanding research capability, teaching and learning quality. Subject matter ranged from innovative new methods in early childhood education, to the vocational education experience, and social justice and inclusion and diversity in education.

Sixteen people were also funded by the School to attend national and international conferences with others self-funding, creating a stronger presence and opportunity for collaboration.

The School of Education secured five new research grants equalling more than \$370,000 for a range of educational research projects currently underway.

Our reputation in research was also recognised by the Fulbright Commission. A School of Education academic received Federation University's first ever Fulbright Research and Teaching Scholarship. The highly-prestigious scholarship will allow Associate Professor Robyn Brandenburg to travel to Montclair University in the United States to conduct major research that will look at the effectiveness of teacher education and performance standards, from Australian and US perspectives.

## School of Arts

From flashy 80s rock opera to the nationally recognised Ballarat Foto Biennale, the Federation University Arts Academy, within the School of Arts, played a significant role in shaping the arts landscape in our regions.

Acclaimed performances included Ariel Songs, an immersive theatre project based on Shakespeare's *The Tempest*, devised by Director of the Arts Academy, Associate Professor Richard Chew (composer and musical director), Associate Professor Kim Durban (director) and Angela Campbell (dramaturg/project co-ordinator). Ariel Songs was premiered at the gala opening of Ballarat Civic Hall, a featured event in the 2019 Begonia Festival and a finalist in the Ballarat Heritage and Design Excellence Awards 2019.

The School also brought international artist Lior to Ballarat for "A Concert for Compassion" – an orchestral and choral concert to mark Ballarat City Council's signing of the Global Charter for Compassion. The concert featured the Victorian premiere of Associate Professor Chew's post-conflict oratorio *Stari Most* and songs by Lior, with featured students from the Arts Academy, Loreto College, soloists from the State Opera of South Australia and internationally acclaimed violinist, Dunja Lavrova.

Senior Lecturer in the School of Arts, Dr Jill Orr's internationally acclaimed performance installations came to Abbotsford Convent in 2019. The live performance titled *Laundry*, was presented in the Magdalen Laundries at the Convent, a space that has a rich history. The performance was a response to the history of the site and the women who worked there.

EJ Barker Fellowship recipient, Dr Angela Campbell travelled to Scotland to investigate a number of arts. This included a week long residential workshop to study Voice with world renowned specialist Kristin Linklater at the Kristin Linklater Voice Centre (KLVC) in Orkney along with 13 other students from around the world.



## Federation TAFE

2019 was a very successful year for Federation TAFE, which changed its name from FedUni TAFE, to support the rollout of new branding across the organisation and to clearly identify to the community that Federation TAFE is part of a dual-sector institution, Federation University Australia.

Strengthening industry links and collaborations was an important focus for the year. The successful introduction of the Victorian Government's *Free TAFE for Priority Courses* initiative saw student numbers grow and new courses being offered to vocational education students in Western Victoria and Wimmera regions.

### FREE TAFE

Total TAFE activity in 2019 experienced a growth of 20 per cent equating to approximately 200,000 additional student contact hours.

Some of the more popular courses from our existing suite of offerings were:

- Certificate III in Horticulture (60 students)
- Certificate II in Engineering studies (58 students)
- Certificate II in Furniture Making (38 students), and
- Certificate III in Individual Support (36 students).

New courses added for delivery were:

- Certificate IV in Accounting and Bookkeeping (104 students)
- Advanced Diploma in Building Surveying (30 students)
- Certificate IV in Education Support (22 students)
- Certificate III in Education Support (22 students)
- Diploma of Building & Construction (15 students)
- Certificate II in Salon Assistant (13 students)
- Certificate IV in Agriculture (seven students).

Further interest has been generated with more than 10,800 enquiries received since mid-2019, expressing interest in 2020 Free TAFE programs. Future opportunities will come from the Certificate IV Cyber Security; Certificate IV Child, Youth and Family Intervention; Diploma of Mental Health;

Diploma of Horticulture; business programs aligned to the Ballarat GovHub development; and workplace delivery of the Diploma of Community Services to upskill the workforce at the Ballarat and District Aboriginal Cooperative.

### WORKING WITH GOVERNMENT AND INDUSTRY

In 2019, Federation TAFE attracted more than \$2.65 million in grant funding through the Victorian Government's Regional and Specialist Training Fund (RSTF) to assist with new and existing programs.

The largest project was the fit out of the new Baking Training Centre, located at the SMB campus in Ballarat, with specialist equipment for the delivery of the new Baking Training Package. Federation TAFE is one of the largest training providers in Victoria for baking apprentices. RSTF grants also funded new specialist equipment for Fusion Welding and the Cyber Security Lab, as well as learning and assessment resources.

Strong industry engagement produced a partnership with WestVic delivering a Prep4Work program throughout the year, engaging unemployed people in customised engineering training in preparation for work.

The Skills and Job Centres have continued to expand services and have provided Job Readiness programs to more than 270 people, while 820 individuals have received support, advice or referral.

Federation TAFE is also looking ahead at our offering in the renewable energy sector to complement our existing accredited Global Wind Organisation (GWO) training. A business plan, funded by the Victorian Government, has been developed for the construction of a dedicated renewable energy training and research centre, with funding being sought.

Our contract with Corrections Victoria to deliver programs into H.M.P. Langi Kal Kal and Hopkins Correctional Centre continues to be an important part of our business. Our unique capability and dual sector status has helped secure new additional contracts, strengthening our position as preferred provider for Grampians region prison education.



## SUPPORTING YOUTH ACCESS TO QUALITY VOCATIONAL EDUCATION

---

Once again, we made it our priority to provide educational opportunities to young people from all walks of life, through a variety of programs:

- The Skills First Reconnect program assists vulnerable young people who leave school early and often face multiple barriers to re-engagement with education, training and the workforce. During the year we had three Reconnect programs running, each very successful, with Reconnect C achieving number one in Victoria
- The Employability Skills Training (ETS) or Youth JobsPaTH program is a Federal Government work placement initiative. This year strong collaborations were established, in particular with the Department of Environment, Land, Water and Planning (DELWP), Ballarat Health Services, PDF Food Services, Commerce Ballarat, Highlands LLEN and the Ballarat Golf Club
- VET delivered in Secondary Schools (VETDSS) and the Pathways to School Based Apprenticeships (SBA) programs have also helped more than 400 students with pathways into nursing, hairdressing, electro-technology and plumbing.

## FEDERATION COLLEGE

---

Federation College engaged with 240 students studying across the three levels of VCAL – Foundation, Intermediate and Senior. The Access Community Education (ACE) program was also integrated into the VCAL studies. The Certificate for General Education for Adults (CGEA), English as an Additional Language (EAL) and Kickstart programs were also successful throughout the year. P-TECH was another program with strong industry links with IBM that is preparing senior VCAL students for paid internships over summer before returning to further study at Certificate IV or Diploma levels.

## WORLDSKILLS IN WESTERN VICTORIA

---

Federation TAFE takes a leading role in the Worldskills Regional Competition across Western Victoria. The bi-annual competitions were conducted across 15 discipline areas, where students faced challenges in their field, culminating in a medal presentation in November. Our 15 medallists have been invited to register and train for Team Victoria to compete at the National Competition in Perth, then potentially on the world stage. Success has followed our Worldskills winners, bricklayer Paul Coon competed at an international level in Russia, and former Apprentice of the Year and Worldskills gold medallist Alyssa Heard received an Australian Overseas Foundation Scholarship to take her passion for cooking overseas.

## BALLARAT TECH SCHOOL

---

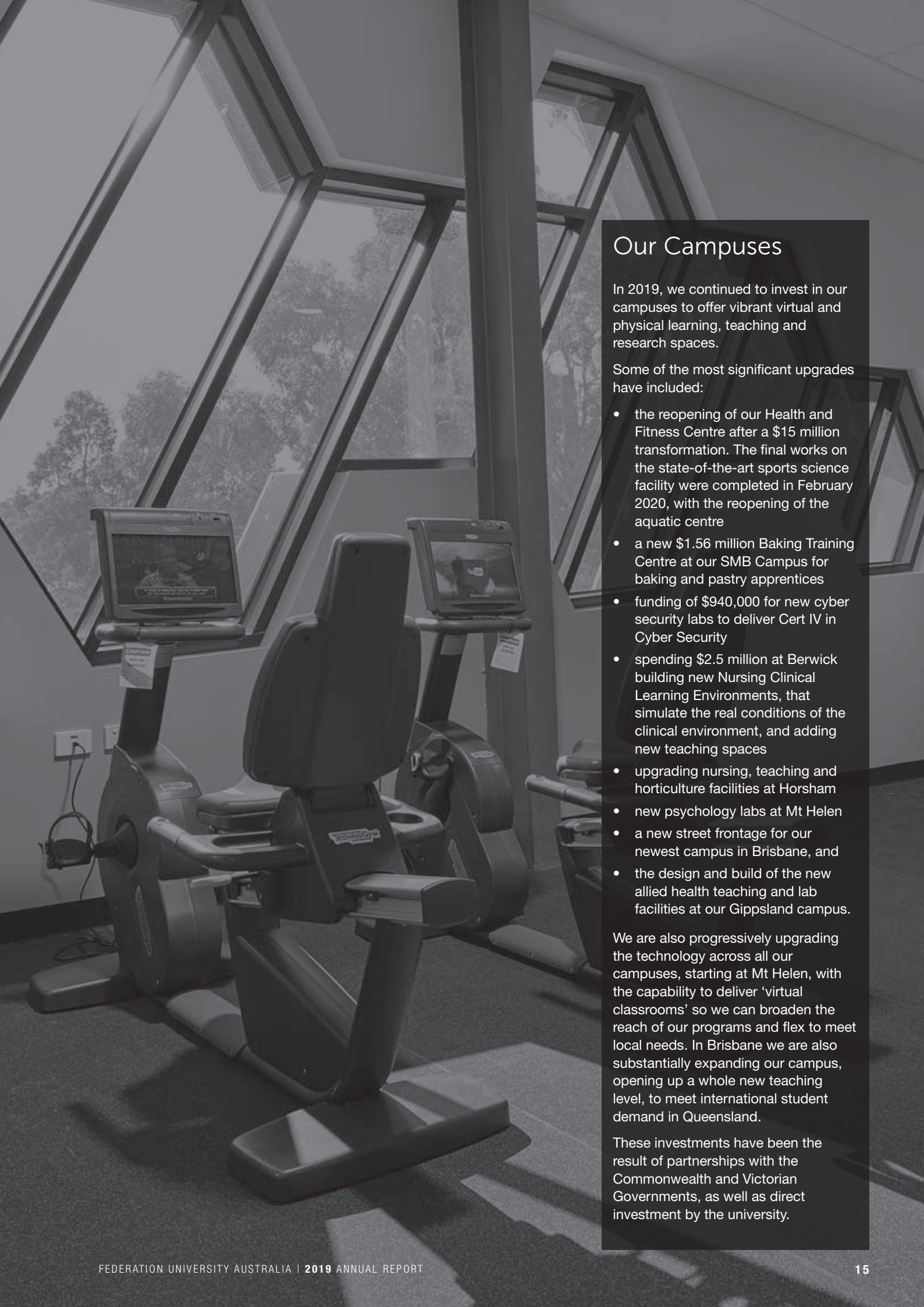
The Ballarat Tech School is a centre of science, technology, engineering and maths (STEM) excellence, which partners with local schools (public and private) to prepare students with the skills for the future workforce and to facilitate industry-based STEM leaning experiences. Its programs focus on everything from automation, robotics and virtual reality, to soil science, sustainable design and waste reduction.

The innovative approach of its students to waste reduction was celebrated this year with a nomination for a Premier's Sustainability Award. Ballarat Tech School's War on Waste program inspires and empowers students, other schools and businesses in the battle against plastic waste, encouraging them to consider the long-term effects of waste on our environment and to use circular economy thinking.

Ballarat Tech School works predominantly with year seven to 10 students and has again achieved and surpassed its student KPIs with 6,640 students undertaking learning programs, attending from partner schools. The Tech School supported White Night in 2019 and had more than 3,000 people visit the Action Reaction installation. Other popular programs included Girls in STEM, IBM pathways program, Thales project, Bushfoods Innovation and the CSIRO Bees with Backpacks (a world of data) project.







## Our Campuses

In 2019, we continued to invest in our campuses to offer vibrant virtual and physical learning, teaching and research spaces.

Some of the most significant upgrades have included:

- the reopening of our Health and Fitness Centre after a \$15 million transformation. The final works on the state-of-the-art sports science facility were completed in February 2020, with the reopening of the aquatic centre
- a new \$1.56 million Baking Training Centre at our SMB Campus for baking and pastry apprentices
- funding of \$940,000 for new cyber security labs to deliver Cert IV in Cyber Security
- spending \$2.5 million at Berwick building new Nursing Clinical Learning Environments, that simulate the real conditions of the clinical environment, and adding new teaching spaces
- upgrading nursing, teaching and horticulture facilities at Horsham
- new psychology labs at Mt Helen
- a new street frontage for our newest campus in Brisbane, and
- the design and build of the new allied health teaching and lab facilities at our Gippsland campus.

We are also progressively upgrading the technology across all our campuses, starting at Mt Helen, with the capability to deliver 'virtual classrooms' so we can broaden the reach of our programs and flex to meet local needs. In Brisbane we are also substantially expanding our campus, opening up a whole new teaching level, to meet international student demand in Queensland.

These investments have been the result of partnerships with the Commonwealth and Victorian Governments, as well as direct investment by the university.



## Research

Delivering excellence in research was a high priority for Federation University in 2019, with the development of a new research strategy and the achievement of outstanding research results.

In 2019, our researchers were awarded grants worth more than \$4.5 million for research including:

- complex water resource systems, Australasia soils, shrubland and coastal environments
- ovarian cancer, colorectal cancer and leukaemia
- digital monitoring for mental health and wellbeing
- sports spectator profiling using big data, and sports participation
- conservation strategies in relation to koalas, and threatened invertebrates, and
- a range of healthcare related research projects.

### NEW RESEARCH STRATEGY

---

The university's new Research and Innovation Strategic Plan 2019-2023 builds on the outstanding ERA results achieved in 2019, prioritising multi-disciplinary research in key areas where we can make an impact. The university will continue to implement the new strategy in 2020 with the announcement of new research centres to support the new research priority areas and emerging research areas outlined in the strategy. These include:

#### Research Priority Areas

1. Health and Wellbeing
2. Society and the Environment
3. Virtual, Digital and Computational Environments

#### Emerging Research Areas

1. Education
2. Engineering
3. History and Archaeology
4. Commerce, Management, Tourism and Services

The strategy will see the university invest in our researchers through early career research mentoring, support for involvement in national fellowships schemes, establishing a visiting distinguished collaborator scheme, engagement with mobility schemes, business opportunities and investment in new equipment.



#### GRAND CHALLENGES EXPLORATIONS GRANT TAKES ON TYPHOID FEVER

A Federation University research team won a grant from the Bill & Melinda Gates Foundation to battle the spread of typhoid fever – a bacterial infection which kills more than 100,000 people a year.

The team was awarded the \$147,000 grant from the Foundation's Global Grand Challenges initiative to carry out the research in Papua New Guinea where the disease remains a common cause of illness.

Typhoid fever occurs in resource-poor countries where sanitation and hygiene are lacking. About 136,000 people a year die from the illness, which is also difficult to diagnose.

The research team will determine whether the bacteria that causes typhoid fever (*Salmonella Typhi*) can persist in streams, rivers, tanks and ground water for long periods. An understanding of the survival of the bacteria in water could potentially lead to strategies to better treat the water, or at the least avoid using the water.



#### FROZEN IN TIME – LOOKING TO THE PAST TO PROTECT ANTARCTICA'S SEABIRDS

Federation University researchers have “raided the freezers” at the Australian Antarctic Division to begin work on a long-term study into the health of seabirds on the frozen continent.

The team was awarded an Australian Antarctic Science Grant of \$148,000 to support the study which will allow researchers to analyse samples collected from several species over the past 20 years.

The work will reveal how microbial communities have changed over time, while researchers will also look at the prevalence of pathogens in the faecal samples.

The collaboration with the Australian Antarctic Division would look at the prevalence of pathogens in seabirds.

The research will also become an important baseline for future environmental impact assessments. If new bases are built on Antarctica, for instance, the researchers will be able to monitor for changes in animal health.



# Partnerships

In 2019, we partnered with industry and other institutions to provide a unique learning experience for our students, foster research collaborations, create new pathways into University and to enhance our communities. This includes new partnerships with:

- **World Academy of Sport** – the World Academy of Sport is an international leader in sport education, offering students an opportunity to enrol in the Bachelor of International Sport Management undergraduate degree online in Australasia, the Asia-Pacific, UK, Europe and India.
- **CT4** – is a specialist in the Asia Pacific region in cyber security. The partnership with the university helps to establish professional placements for students, as the university currently does with IBM, as well as recruitment opportunities to recent TAFE graduates as part of the first round of CT4 recruitment.

Some of our strongest partnerships are with Chinese institutions, offering opportunities for articulation into Masters and PhD programs, as well as collaborative research.

- **Federation University Information Engineering Institute at Hebei University of Science and Technology (HUST)** – Federation University has become one of only six Australian universities to be granted approved institute status in China, allowing the establishment of a major information technology centre at HUST. While there are 126 universities in the Hebei Province, this joint institute is one of only two in the Province, and the only one with information technology. The partnership will see 800 students through the program over the first four years and will also provide opportunities for joint research and research grant applications.
- **AiEnglish** – the partnership with the Chinese language school gives the university's School of Education students the opportunity to teach English class to students in China via virtual classrooms. The memorandum of understanding (MOU) will see the company establish operations at the university's Mt Helen Technology Park, including virtual teaching centres for around 100 Ballarat staff.
- **HUST Environmental Science joint program** – in 2019, our first cohort of students through the Federation University HUST environmental science program graduated, while our fifth cohort commenced, marking a significant milestone in the collaboration of our Universities since 2015. This collaboration allows students to complete their final years of study in Australia.
- **Zhejiang University of Technology Civil Engineering joint program** – this transnational educational partnership commenced in 2013 with 98 students, with Federation University working with ZUT to deliver civil engineering to one of the top industrial universities in China.

## SUPPORTING LIFELONG EDUCATION

New partnerships with education providers in Gippsland and Berwick will provide multiple entrance routes to Federation University for students across Victoria.

In a first for the Gippsland region, Federation University and TAFE Gippsland signed a landmark MOU to advance and support tertiary education in the region.

Under the agreement, TAFE Gippsland students of Nursing, Community Services, Business, Education, and Conservation and Land Management can graduate a year earlier through guaranteed credits, to help address local workforce shortages.

The new East Gippsland University Study Hub opened in Bairnsdale to support local students to undergo university studies without having to relocate from home. The study hub is hosted by the Gippsland East Local Learning Employment Network, in partnership with East Gippsland Shire Council, Federation University and TAFE Gippsland, and uses the latest technologies for students to complete university contact hours and attend tutorials via Skype.

In Berwick, an MOU signed with Hallam Senior College will give Year 10, 11 and 12 students access to mentoring, study support and university facilities at Federation's Berwick campus. Currently only around 16 per cent of the school's Year 12 students go on to study at university. This partnership aims to increase that figure by breaking down real and perceived barriers to education.

An MOU signed between the university and the City of Casey will also see us work together to help establish Berwick as a hub for education, jobs and health services in Melbourne's south-east.

Other important partnerships that we have continued in 2019 include:

- Ballarat Health Services – Grampians Health Workforce
- Regional Incubator for Social and Economic Research (RISER) – Horsham
- Runway and Bendigo Bank – Federation Business School partnerships
- IBM Earn to Learn partnership.





## Technology Parks

Our partnerships with industry are underpinned by our network of Federation University Technology Parks (Tech Parks) – innovation precincts that foster collaborations, employment placements for students, partnerships and research opportunities.

In 2019, the Mt Helen Tech Park welcomed another global technology company, supported by a new Victorian Government partnership. CT4 specialises in delivering cloud-based security services to corporate clients. The company will recruit 62 staff for its new facility at Federation University's Global Innovation Centre, with plans to expand in future. The Mt Helen facility will service clients across the Asia Pacific and will be an expansion of CT4's current activities in Malaysia.

The Technology Parks are run across three sites in Ballarat CBD, Gippsland and Mt Helen, and host 64 businesses and agencies who collectively employ in excess of 2,100 full-time positions.

The Tech Park provides outstanding infrastructure, but more importantly partners with business to meet the challenge of ensuring an appropriately skilled workforce is available as businesses grow. Tech Park tenants are able to partner with the university in three core domains:

- ongoing workforce development of staff through access to our dual sector university
- vocational placement programs
- long term research partnerships.

Since their establishment in 1995, our Tech Parks have grown, with 64 enterprises including IBM, Emergency Services Telecommunications Authority, State Revenue Office, Serco, Concentrix, Primary Health Care, Fiona Elsey Cancer Research, and Southern Cross Austereo.

## International

Federation University experienced significant growth in on-campus international student numbers in 2019, with student numbers almost doubling compared to the previous year.

We welcomed more than 1,400 new international student enrolments, with students from 35 countries, including a group of 40 Saudi Arabian government-sponsored students commencing studies in Ballarat with support from Federation University and the Saudi Arabian Cultural Mission, Canberra.

The university also saw a significant increase in international student enrolment numbers at our four international on-shore partner providers located in Melbourne, Sydney and Adelaide, from 6,470 in 2018 to 7,190 in 2019.

Inaugural Welcome Lunches for new International students were hosted in Ballarat and Churchill, to acknowledge the valuable cultural experiences and insights they bring to our university communities. University leadership, senior academic staff and local dignitaries met with the students to learn more about their home countries.

## Community

We started 2019 with one of our most action-packed events, our naming rights sponsorship with Cycling Australia, for the Road National Cycling Championships. The five-day event sets the pace for the Australian summer of cycling and brings Australia's cycling elite to our Mt Helen Campus and neighbouring Buninyong.

At Berwick, the dais was opened up to the public to tell powerful personal stories about multicultural life and the refugee experience in Victoria through 'Ask Islam' and the 'Smart Lunch' series of open community forums.

In Brisbane, a number of our students were chosen as Brisbane City International Student Ambassadors. The program adopts students from a variety of backgrounds to share their study journeys through social media with prospective international students.

Federation University was active in developing international and national relationships and connections during 2019, including furthering our relationship with China through our partnership with HUST (outlined above).

Global Victoria (a Victorian State Government initiative), together with Federation University, offered students the opportunity to work on a virtual, two-week real-world business experience. Thirty-eight Federation University international and domestic students from Federation Business School, the School of Arts and the School of Science, Engineering and Information Technology were selected and will participate in the program commencing February 2020.

Federation University continued to receive government funding to promote student mobility. The appointment of a designated Coordinator, Student Mobility late in 2019 assisted with the development and support enabling almost 60 students to experience short-term mobility projects in Asia-Pacific countries through the New Colombo Plan (NCP) and Endeavour Leadership Programs.

We supported fundraising for early childhood education, through our naming-rights sponsorship of Run for a Cause with the Ballarat Foundation. A healthy community event featuring a range of runs, walks and even a half-marathon to benefit seven local charities, aimed at giving children a better start at education.

The university also hosted Winter Appeal lunches in Churchill and Mt Helen to raise over \$16,000 and donations of household goods, for a range of charitable causes including the Gippsland CFA and families in need in Ballarat.

Our sponsorship support follows a review to ensure that we align with university and community values in determining where to place our support.



## Equality

Federation University Australia has been awarded an international accreditation for its progress and commitment to removing the barriers that prevent women from achieving their potential in traditionally male dominated careers in science, technology, engineering and maths (STEM).

The Athena SWAN (Scientific Women's Academic Network) Institutional Bronze Award is presented by Science in Australia Gender Equity (SAGE) and endorses a four year program of actions to improve gender equity in Federation's academic workforce, developed in consultation with SAGE.

This reflects the university's commitment to not only recruit more women in STEM fields but to also ensure that we don't lose our female talent, via more than 40 priorities including gender and cultural diversity, organisational culture, recruitment, induction, career development and promotion.

To fulfil this plan, the university will offer a range of initiatives, such as extra training for managers in gender equity and diversity, support for early career researchers and for researchers returning from maternity leave, support preparing for academic promotion and a program to address the impact of unconscious bias on women's career prospects.

## Diversity

A significant moment of celebration for the university was the dual-naming of our Wimmera campus library to Werrunangity larr Wimmerata: 'A quiet place in the Wimmera'. The new name derives from the local Wergaia language, which was rejuvenated and translated by a local language committee led by Aunty Jennifer Beer, in consultation with the Barengi Gadjin Land Council.

Our commitment to reconciliation was also recognised at the Tertiary Education Management Awards, with a high commendation for the Wayn-Gurr Derk Indigenous Community Garden, meaning 'Good Ground' in Wadawurrung language. The gardens aim to share with the community access to local indigenous foods, and education on how to prepare them.

The renaming of University spaces is an action within our new Stretch Reconciliation Action Plan 2019-2022 (RAP), launched in 2019. Some of the key deliverables under our RAP include:

- creating learning spaces for Aboriginal and Torres Strait Islander (ATSI) students
- achieving a new target of two per cent ATSI employment by 2021
- ensuring students receive ATSI perspectives in their studies, and
- launching our ATSI Alumni chapters – to not only increase equity in access to education, but also help promote their brilliant work in academia and the community.

**PICTURED:** Women in STEM. From left, Dr Fatemah Javidan, Professor Helen Bartlett, Professor Britt Klein



# ALUMNI, DONORS AND SPONSORS

Our Alumni, donors and sponsors are valued members of our university community, contributing both financially and through mentoring and sharing their valuable expertise with our students and staff.

## Alumni

More than 110,000 students have graduated from the university since its foundation in the 1870s, with nearly a quarter international alumni across 87 countries.

Eleven outstanding alumni members were honoured at the university's 2019 Alumni Awards for their contribution to the communities in which they live and work, including leaders in high performance sport, electronic gaming, business and information among 11 distinguished Federation University Australia graduates to be recognised at the 2019 Alumni Awards.

The 2019 Alumni Award recipients are:

- **Michael Poulton** – 2019 Alumnus of the Year  
Michael has distinguished himself in the world of high performance sport. He lectured at the university for many years and has worked with the AFL, Tennis Australia and Athletics Australia.
- **Dayle Stevens** – Alumna of the Year Award  
Dayle is an award winning technology executive. She spent her early years as an IT consultant and is now one of Australia's top 50 Chief Information Officers.
- **Samuel Mayo** – International Alumnus of the Year Award  
Samuel is at the forefront of competitive gaming. Since moving overseas he has worked for major companies including Electronic Arts and NVIDIA.
- **Rodney Beach** – Distinguished Alumnus Award  
Rodney is a passionate ambassador for the learning and development sector. He founded Liberate eLearning, a leading provider of digital learning.
- **Benjamin Cole** – Distinguished Alumnus Award  
Benjamin is an award winning graphic designer. He has worked with Adidas and is now a Design Director at Xtep, one of China's leading sporting apparel manufacturers.
- **Dr Elizabeth Lewis-Gray** – Distinguished Alumnus Award  
In 1995 Dr Lewis-Gray started a multi-national business from her backyard marketing her husband's mineral processing inventions. Today that business is one of the most successful businesses in its field, boasting over 400 installations across 44 countries.
- **Dr Gregory McRae** – Distinguished Alumnus Award  
Gregory is one of the nation's leading scientists of the past 40 years, both in Australia and the USA, and has founded four companies.
- **Vernon Wall** – Distinguished Alumnus Award  
Vernon's commitment to community theatre over the past 45 years in Ballarat and Bendigo has made him a leader in his field.
- **Julia Margaret (Bella) Guerin** – Distinguished Alumna (Posthumously)  
Julia Margaret (Bella) Guerin was known for her public radicalism, feminism and skilled oratory. She was the first woman to graduate from an Australian university, the University of Melbourne, with a Bachelor of Arts in 1883 and a Master of Arts in 1886.
- **Dr Jeanette Watson** – Distinguished Alumna Award  
Jeanette (Jan) Watson has always been a pioneer. She was the first female science student at the School of Mines Ballarat (SMB) despite meeting resistance from both the faculty and her fellow students. After graduating in 1947 she worked as a metallurgical chemist in Ballarat and then Melbourne, where she also studied geology part-time at the Melbourne Technical College, another first.
- **Dr David Stratton** – Distinguished Alumnus (Posthumously)  
David was awarded the University of Ballarat's first Doctor of Information Technology doctorate for his research in distributed computer systems and went on to lead the Distributed Simulation Laboratory, later the Virtual Reality and Simulation Laboratory. David passed away late in 2019.



# Donors and Sponsors

We thank all of our donors and sponsors for their contributions.

## CHANCELLOR'S CIRCLE

- Dr Kiran Mazumdar-Shaw

## STAFF DONATIONS

- Dr Danielle Auldist
- Professor Helen Bartlett
- Dr Biswajit Banik
- Ms Vanessa Brady
- Mrs Shani Clark
- Ms Rose Counsel
- Ms Sharon Davis
- Mrs Lisanne Doyle
- Professor Erik Eklund
- Mr Peter Eltringham
- Mrs Angela Jenkins
- Ms Nina Fotinatos
- Mr Gregory Jakob
- Associate Professor Geoffrey Lord
- Professor John McDonald
- Mr Colin Marshall
- Mr Andrew Matheson
- Ms Denise O'Brien
- Dr Caroline Perkins
- Mrs Raylene Reese
- Mr Alan Saunders
- Ms Mary-Ann Seebeck
- Mrs Claire Shaw
- Ms Marion Slawson
- Ms Margaret Stewart
- Ms Pam Sutcliffe
- Mr Adrian Tinetti
- Professor Dara Twomey
- Mr Jeremie van Delft
- Dr Carole Wilson

## ALUMNI DONATIONS

- Mr Allan Ballard
- Mr Stephen Densley
- Mr Anh Tuan Nguyen
- Ms Valerie Odewahn
- Mr Paul Odgers
- Mr John Thomas O'Loughlin
- Mr Claude Pogliani
- Mr Carl Smith
- Mr Uchitha Wickramaarachchi
- Mr Andrew Wilson

## SCHOLARSHIPS, GRANTS AND BURSARIES

More than 450 scholarships were awarded to university and TAFE students in 2019, via our Foundation, Year 12, High Achiever, International Excellence, Indigenous, Asylum Seeker and a range of other programs.

These scholarships are supported by the university, government, charity, donors and sponsors, in a strong commitment to education and helping students overcome economic disadvantage.

Nearly 2,000 grants and bursaries were also provided to help our students with placements and equipment purchases.

Overall, in excess of \$7 million was distributed to support students to achieve their academic and professional goals.

## STUDENT SCHOLARSHIPS

- Mr Shane Armstrong
- Bendigo Bank – Ballarat & Western Vic Collaborative Marketing Fund
- Bendigo Bank Wimmera
- Buninyong Community Bank
- Ms Pauline Buckland
- Mr Geoffrey Cole
- Downer EDI Mining Pty Ltd
- Dundonnell Wind Farm Pty Ltd
- Dr Shesh Ghale and Jamuna Gurung
- Diane Gibney & James Nugent
- Ms Janet Dore
- Professor Emeritus Kwong Chiu Lee Dow AO
- Dunkeld Refugee & Asylum Seeker Group
- FedUni Staff Club
- Hamilton & District Rural Australians for Refugees
- Dr Janet Holmes a Court AO AC
- Mr Robert Hook
- Isobella Foundation
- Dr Kiran Mazumdar-Shaw
- Mr Paul Margetts
- Mr Terry Moran AC
- Mr Ian Nethercote AM
- Powercor
- Mr Colin Prowse AM
- Mrs Shirley Prowse
- Emeritus Professor Wayne Robinson
- Rotary District 9780
- Mr Michael Ryan
- Mr Anthony Stone
- Tohmae Pa P/L

## LAUNCH OF THE ABORIGINAL AND TORRES STRAIT ISLANDER ALUMNI CHAPTERS

Federation University's Reconciliation Action Plan highlights the need to identify, locate and engage with our Aboriginal and Torres Strait Islander Alumni, and the need for a tailored communication strategy to be developed to engage ATSI Alumni, including inviting Alumni to key events.

In this regard, an ATSI chapter was launched in both Ballarat and Gippsland in November.



# OUR SERVICES

## Fields of Study – Schools and Programs Portfolio

While we mostly serve people, groups and organisations from the Central Highlands, Berwick, Gippsland and the Wimmera region, we reach other parts of Victoria, Brisbane and overseas.

### FEDERATION UNIVERSITY

---

#### **Undergraduate, postgraduate and other programs at Higher Education level**

- Biomedical Science
- Food and Nutritional Sciences
- Exercise and Sport Science
- Health and Physical Education
- Human Movement
- Outdoor and Environment Education
- Visual and Performing Arts
- Education
- Arts and Humanities
- Community and Human Services
- Social Science
- Human and Community Services
- Criminal Justice
- Business Management
- Accounting
- Marketing
- Human Resource Management
- Economics
- Psychology
- Information Technology
- Mathematics
- General Science
- Geoscience
- Environmental and Conservation Sciences
- Veterinary and Wildlife Science
- Nursing and Midwifery
- Paramedicine
- Engineering – civil, mechanical and mining
- Mechatronics
- Sport Management

### OTHER SERVICES

---

- Student Connect, including student wellbeing
- Campus Life, including residential communities
- Facilities Services
- Information Technology Services
- Library Services
- Teaching Quality and Innovation
- Equity and Diversity
- Aboriginal Education Centre
- Legal and Corporate Governance
- Research Services and Research Centres

### FEDERATION TAFE

---

#### **Certificate, Diploma and Advanced Diploma programs**

- Food Sciences
- Commercial Cookery
- Primary Industries
- Nursing
- Occupational, Health and Safety
- Children's Services
- Language, Literacy and Numeracy
- Foundation Studies
- Further Education
- Prisons Education
- General Manufacturing
- Automotive
- Metals and Engineering
- Building and Construction
- Building Design
- Primary Industry and Forestry
- Horticulture and Conservation and Land Management
- Business and Management
- Information Technology
- Hair and Beauty
- Community Services and Health
- Cultural and Recreational
- Live Production
- Transport and Storage
- Electro Technology and Communications
- Wholesale, Retail and Personal Services
- Victorian Certificate of Applied Learning (VCAL)
- Training and Education

# OUR COUNCIL

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

The Council is chaired by the Chancellor and has 14 members. Set out below are the members of the Council during 2019 including the terms of office, qualifications and experience.

## CHANCELLOR

### Mr Terence Francis Moran AC

BA (Honours), Latrobe University, Doctors of Letters (honoris causa), Latrobe University.

**Term of Office** 13 October 2018 to 12 October 2021  
(as Chancellor)

**Years on Council** Chancellor >1  
Council Member >1

Terry has carved out a distinguished leadership and policy-building career in the Victorian and Commonwealth Governments, including as Secretary of the Department of Prime Minister and Cabinet and over seven years as the Secretary of the Victorian Department of Premier and Cabinet. He brings extensive knowledge of and experience in the education sector.

Terry was the CEO of the Office of the State Training Board in Victoria, the first CEO of the Australian National Training Authority in Brisbane, and was appointed Queensland's Director-General of Education.

In 2012, Terry was invested as a Companion of the Order of Australia (AC) for eminent service to the community through public sector leadership, as a significant contributor to policy development, program delivery and effective governance, and to the implementation of contemporary government administration.

Terry is the Chair of the Governance and Strategy and Senior Appointment and Remuneration Committees and is a member of the Resources Committee.

## VICE-CHANCELLOR AND PRESIDENT

### Professor Helen Bartlett

BA (Nursing), Northumbria University; MSc (Public Policy), University of Bath, PhD (Social Policy), University of Bath.

**Years on Council** >2

Helen has an international research record in health and ageing and has worked in universities all over the world, holding senior leadership roles in the UK, Hong Kong, Malaysia and Australia. She was previously Pro Vice-Chancellor, President and Chief Executive of Monash University Malaysia, and Pro Vice-Chancellor and President of Monash University's Gippsland Campus.

She brings a wealth of experience in strategic leadership, business management and partnership development to her current role.

Helen is a member of the Governance and Strategy and Resources Committees.

**PICTURED:** Back Row L to R: M. Ryan, G. Fong, E. Zentveld, A. Reeves, R. Whitfield, I. Gondal. Front Row L to R: T. Stone, S. Davies, H. Bartlett, T. Moran AC, I. Nethercote AM, A. Tinetti. Absent from photo: J. Smith AM, P. Buckland, E. Morgan.



## CHAIR, ACADEMIC BOARD

---

### Associate Professor Elisa Zentveld

BEcon, GDipBus, BBus (Honours), GCHEd and a PhD from Southern Cross University.

**Years on Council** 1

Elisa was appointed as Chair of Academic Board in January 2019, and has been employed by the university since 2008, previously working at Southern Cross University (2005-2008).

Prior to working in Academia, Elisa held management positions in industry, managing a range of Destination Marketing Organisations.

Her work has appeared in more than 50 publications including in leading journals and she has co-edited three books. She is also on the editorial board for 15 journals, and has received 14 awards to recognise her outstanding contribution to research and education.

## MINISTERIAL APPOINTMENT

---

### Ms Pauline Buckland

BBus (Acc), University of Ballarat; MBA, RMIT; Fellow of the Institute of Chartered Accountants of Australia and New Zealand; Graduate of the Australian Institute of Company Directors.

**Years on Council** 4

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

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

Pauline is the Deputy Chair of the Audit and Risk Management Committee.

## MEMBERS APPOINTED BY THE GOVERNOR-IN-COUNCIL

---

### Mr Michael Walter Ryan

BBus (Acc), RMIT; Fellow of the Institute of Chartered Accountants of Australia and New Zealand; Graduate of the Australian Institute of Company Directors; Registered Company Auditor.

**Years on Council** 7

Michael is self-employed, providing audit and assurance services to small corporate and not-for-profit organisations. Michael has previously worked in Public Accountancy Practice and business management in regional Australia.

He has been an elected local government member for several years (including Mayor) and is a former member of the Regional Accountants Advisory Committee of the Institute of Chartered Accountants in Australia.

He is a member of the Resources Committee.

### Mr Ian Nethercote AM

DipEng, Gippsland Institute for Advanced Education; Fellow of Institute of Engineers Australia (FIEAust); Fellow Institute of Managers and Leaders (FIML); Fellow Australian Institute of Company Directors (FAICD).

**Years on Council** 6 (ceased 31 December 2019).

Ian has nearly 40 years of experience in the power industry – including open cut coal mining management, operations and heavy plant maintenance. Over the years, he has held a vast number of leadership roles in businesses, committees and councils.

In June 2018, Ian was awarded the Order of Australia, Member in the General Division (AM) for significant service to electricity supply in Victoria, industry reform and restructuring, education and the community of Gippsland.

Ian was a member of the Audit and Risk Management Committee.

### Ms Rhonda Whitfield

GDipBA, Swinburne Institute of Technology; National Mediator Accreditation Standards (NMAS); Registered Nurse (RN).

**Years on Council** 2

Rhonda is a Non-Executive Director, Mediator, and Executive Mentor, with more than 15 years of governance experience with both commercial and not-for-profit boards across technology, health, government, disability, art, sport and parks.

She is currently the Chair of a Victorian not-for-profit that supports people with intellectual disability as well as NED, a group of community pharmacies, and the Elder Mediation Australasian network.

Rhonda is a member of the Governance and Strategy and Resources Committees.

### Professor Andrew Reeves

BA (Honours) History and Political Science from the University of Melbourne and Master of Arts from LaTrobe University.

**Years on Council** <1

Andrew was most recently the senior advisor to Senator Kim Carr, Australian Institute of Marine Science and the Australian Nuclear Science and Technology Organisation (ANSTO). Prior to that Andrew had worked for many years in Australian museums as a historian and archivist.

He has also published widely in the fields of labour and industrial history and material culture studies. He is the co-author, with Anne Stephen, of Badges of Labour, Banner of Pride and the author of Up from the Underworld: Mineworkers and Community in Wonthaggi, 1909-1968.

Andrew is a member of the Governance and Strategy Committee.

### Ms Mashelle Parrett

BFin (Admin), University of New England; Member of the Institute of Chartered Accountants in Australia.

**Years on Council** >6 (ceased 30 June 2019).

Mashelle commenced with the Victorian Auditor-General on 1 July 2019. She has 20 years of experience in external audit, internal audit and financial reporting, having held roles in the Australian Securities and Investment Commission, Victorian Auditor-General's office, Lachlan Partners Chartered Accountants, the Commonwealth Auditor-General's Office, and Ernst and Young.

She was the Chair of the Audit and Risk Management Committee and was a member of the Council Executive Committee.

## MEMBERS APPOINTED BY COUNCIL

---

### Mr George Joseph Fong

BA (Honours) Law, Anglia Ruskin University; Utter Barrister Law, Lincoln's Inn (UK).

**Years on Council** >7

George works as Director of Lateral Plains Pty Ltd. He is a member of various committees, boards, councils and foundations.

He has previously been Barrister at Law and Advocate and Solicitor in Singapore, lecturer at the Ballarat College of Advanced Education (1987–1996) in Tax and Business Law, co-founder of the first Regional Internet Service Provider in Australia (NetConnect Communications), Chair of Internet Australia, and Chair of Central Highlands Regional Partnership Committee.

George is a member of the Resources Committee.

### Mr Steven Davies (Deputy Chancellor)

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

**Years on Council** >6

Steve is employed by IBM Australia and leads IBM's Client Innovation Centre in Ballarat, Victoria. He has an extensive background in the IT industry, having worked in a variety of technical, management and leadership roles.

Steve is a member of the Governance and Strategy and Nominations Committees, Federation College P-TECH Steering Committee, and is on the board of the Internet Commerce Security Laboratory.

### Mr Anthony Stone

MBA (International Management), RMIT; GradDipBus (Marketing), Swinburne Institute of Technology.

**Years on Council** >6

Tony has a wealth of experience in the franchising, manufacturing, automotive and building materials sectors, having held senior management positions in the US, Asia and Australia. He currently serves as the Community Representative for the Victoria Police Western Region Leadership Team, and in an advisory role for a number of private companies.

Tony is the current Chair of the Resources Committee and a member of the Governance and Strategy and Senior Appointments and Remuneration Committees.

### Ms Jane Smith AM

PostGradDipCrim, University of Melbourne; BA (Psychology and History), Flinders University.

**Years on Council** 4

Jane is currently the Director of the Shiny Shiny World and the inaugural director of the Museum of Australian Democracy (M.A.D.E) now known as the Eureka Centre.

Jane has over 25 years of experience in the broadcast media industry, having held senior roles in organisations such as the ABC, Seed Australia, and the NSW Film and TV Office. She has held a number of board positions and is currently serving as Co-Vice-President of the JOY 9 board.

In June 2018, Jane was awarded the Order of Australia, Member in the General Division (AM) for her services to the industry.

Jane is a member of the Audit and Risk Management Committee.

### Ms Stacey Grose

LLB, Latrobe University; BA (Linguistics), Latrobe University.

**Years on Council** <3 (ceased 31 March 2019)

Stacey is currently a Director and Accredited Business Law Specialist at BJT Legal, Director of the Art Gallery of Ballarat and Board Member of Ballarat Regional Tourism. She has held a number of leadership roles in various foundations and committees in Australia.

Stacey was a member of our Audit and Risk Management Committee.

## EXTERNALLY APPOINTED CHAIR OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

---

### Mr Des Pearson AO

BBus, GradDipMgt, HonDBus, from Central Queensland University

**Years as Chair Audit and Risk Management Committee** <1

Des is the former Auditor General for the Victorian Auditor General's Office (VAGO) and is a former member of Council for Central Queensland University. He has also served as Executive Director for the PeterMac Cancer Centre and has been an Honorary Fellow for several universities.

In June 2014, Des was awarded the Officer of the Order of Australia for distinguished service to public sector governance in the areas of public accountability and management, and to the development of innovative financial sustainability measures.

Des is the Chair of the Audit and Risk Management Committee and a member of the Governance and Strategy Committee.

## ELECTED MEMBERS OF COUNCIL

---

### Professor Iqbal Gondal (staff)

BEE, Masters in Electrical and Electronics Engineering, PhD, FIEAust, GAICD

**Years on Council** 1

Iqbal was elected as Staff Member of Council in January 2019 and has been employed by the university since 2014. He is currently the Director of the Internet Commerce Security Laboratory (ICSL) specialising in cybersecurity research and supporting PhD students. Iqbal was previously at Monash University where he served in the capacity of Director of postgraduate studies for six years, was a member of the faculty board, a member of Monash academic board and Director of ICT Strategy for the faculty.

Before joining Federation University Australia, he worked in the capacity of a research fellow and a senior software systems engineer for seven years in Singapore and Australia with Delphi (GM), Singapore Manufacturing Technology (SimTech) and other industries.

Iqbal is a member of the Resources Committee.

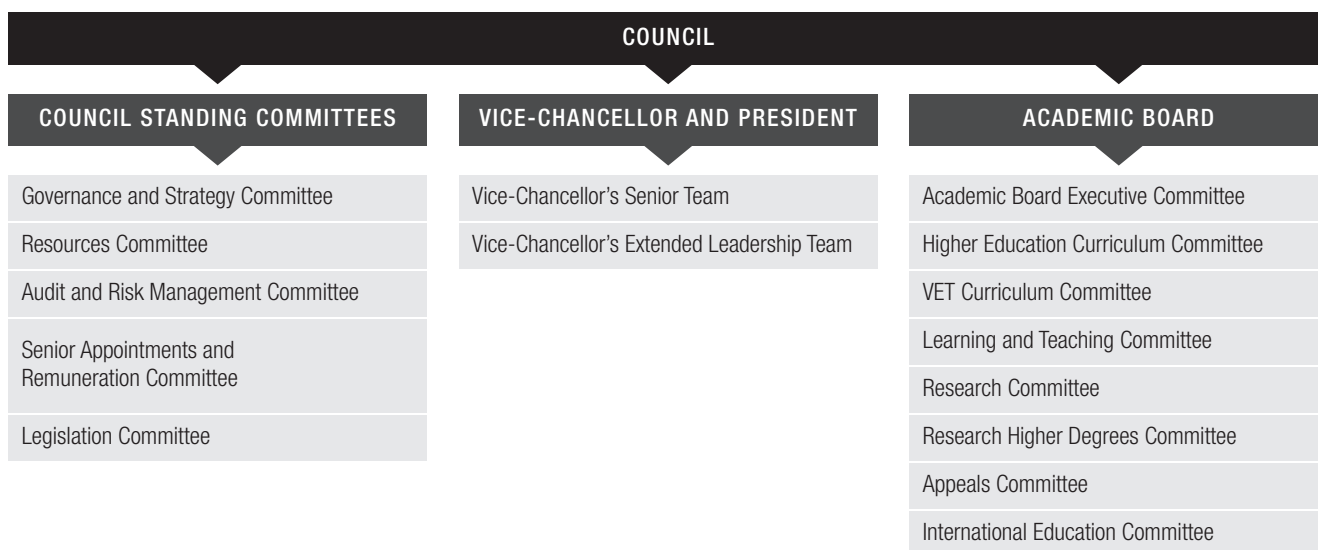
### Ms Erin Morgan (student)

Currently studying BBus majoring in Behavioural Studies, Federation University Australia.

**Years on Council** 2

Erin has previously served as a Student Senate Representative for the Faculty of Education and Arts, and as School Captain and Student Leader at Distance Education Victoria.

# Council and Committee Structure



## COUNCIL AND COMMITTEE STRUCTURE FROM 1 JANUARY – 30 JUNE 2019

COUNCIL MEMBER	COMMITTEE MEMBER AND MEETING ATTENDANCE											
	Council		Council Executive		Audit and Risk		Infrastructure		Finance		Senior Appointments and Remuneration	
	3		2		4		4		4		1	
No. of meetings held during the first half of year	M	A	M	A	M	A	M	A	M	A	M	A
Mr Terry Moran AC	•	3	•	2							•	1
Professor Helen Bartlett	•	3	•	2					•	4		
Associate Professor Elisa Zentveld	•	3	•	2								
Mr Steve Davies	•	2	•	1			•	3	•	3	•	1
Ms Pauline Buckland	•	3			•	4			•	4	•	1
Mr George Fong	•	3					•	4	•			
Mr Ian Nethercote AM <sup>(3)</sup>	•	3			•	4	•	4	•			
Mr Michael Ryan	•	3	•	1	•	4			•	4	•	1
Ms Jane Smith AM	•	3			•	2						
Mr Tony Stone	•	3	•				•	3	•	3		
Ms Rhonda Whitfield <sup>(3)</sup>	•	2	•				•	4	•	4		
Professor Iqbal Gondal	•	3										
Ms Erin Morgan	•	1										
Ms Mashelle Parrett <sup>(2)</sup>	•	3	•	1	•	4						
Ms Stacey Grose <sup>(1)</sup>	•	1			•	2						

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

- (1) Ms Stacey Grose resigned from Council effective 31 March 2019;
- (2) Ms Mashelle Parrett resigned from Council effective 30 June 2019;
- (3) Special leave was granted by Council during the year for meetings not in attendance.

**NB:** Effective 1 July 2019 the Council by resolution restructured the Standing Committees and memberships as per the table below.



## COUNCIL AND COMMITTEE STRUCTURE FROM 1 JULY – 31 DECEMBER 2019

COUNCIL MEMBER	COMMITTEE MEMBER AND MEETING ATTENDANCE									
	Council		Governance and Strategy		Audit and Risk Management		Resources		Senior Appointments and Remuneration	
	No. of meetings held during the first half of year									
	3		3		3		3		1	
	M	A	M	A	M	A	M	A	M	A
Mr Terry Moran AC	•	3	•	3			•	2	•	1
Professor Helen Bartlett	•	2	•	3			•	1		
Associate Professor Elisa Zentveld	•	3								
Mr Steve Davies	•	3	•	2						
Ms Pauline Buckland	•	2			•	3				
Mr George Fong	•	3					•	3		
Mr Ian Nethercote AM <sup>(6)</sup>	•	2			•	2				
Professor Andrew Reeves <sup>(1)</sup>	•	2	•	3						
Mr Michael Ryan	•	3					•	3		
Ms Jane Smith AM	•	3			•	3				
Mr Tony Stone <sup>(3)</sup>	•	3	•	3			•	2	•	1
Ms Rhonda Whitfield <sup>(4)</sup>	•	3	•	2			•	3	•	1
Professor Iqbal Gondal <sup>(5)</sup>	•	3					•	2		
Ms Erin Morgan	•	1								
Mr Des Pearson AO <sup>(2)</sup>	-	-	•	3	•	3				

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

- (1) Professor Andrew Reeves was appointed to the Council and the Governance and Strategy Committee effective 1 July 2019;
- (2) Mr Des Pearson AO was appointed as External Chair to the Audit and Risk Management Committee and the Governance and Strategy Committee effective 1 July 2019;
- (3) Mr Tony Stone was appointed as Chair, Resources Committee and as a member of the Governance and Strategy Committee effective 1 July 2019 and Senior Appointments and Remuneration Committee effective 1 December 2019.
- (4) Ms Rhonda Whitfield was appointed as a member of the Governance and Strategy Committee effective 18 September 2019 and to the Senior Appointments and Remuneration Committee effective 1 December 2019.
- (5) Professor Iqbal Gondal was appointed to the Resources Committee effective 17 September 2019;
- (6) Special leave was granted by Council during the year for meetings not in attendance.

## COUNCIL COMMITTEES

---

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

For the following committees, we have listed what their responsibilities are to Council, and any other roles they carry out.

On 1 July 2019 the Council, by resolution, established the following Committee Structure:

### **Governance and Strategy Committee**

Responsible for:

- Exploring strategic opportunities, major planning initiatives and the development of University Master Plans;
- Conducting business between meetings of the Council (generally deemed to be urgent) or seeing to specific business and with such authority as is delegated to it by the Council;
- Acting as a legislation, naming, honorary degree and nominations committee; and
- Advising on matters relating to the terms and memberships of Council committees and University ceremonies.

### **Audit and Risk Management Committee**

Responsible for:

- The scope of work, performance and independence of internal audit, and of the external auditor;
- Reviewing the annual financial statements and making a recommendation to Council whether to approve the statements;
- The operation and implementation of the risk management framework;
- Matters of accountability and internal control affecting the running of the university; and
- The university's process for monitoring compliance with laws, regulations and codes of financial practice.

## ACADEMIC BOARD AND ITS COMMITTEES

---

### **Academic Board**

The Academic Board is the principal academic body of the university. In 2019, the Board comprised 32 members, 23 of whom were ex-officio members who represented senior academic and teaching staff, members of the senior management team, and 9 elected members from teaching and general staff and students.

Responsible for:

- Academic oversight of all academic programs and courses of study, and related legislation and policy; and
- Quality assurance framework for learning, teaching and research.

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

### **Resources Committee**

Responsible for:

- Annual budget consideration and recommendation to the Council;
- Monitoring our continual financial viability using key indicators;
- Considering financial reports and forecasts at regular intervals and reporting to the Council on the general financial situation of the university, drawing attention to any significant variations;
- Monitoring infrastructure development and asset management under University Master Plans and approval for project procurement and expenditure; and
- Oversight of our companies, trusts, profile and performance agreements, and other major commercial activities.

### **Senior Appointments and Remuneration Committee**

Responsible for:

- Reviewing and setting of performance goals for the Vice-Chancellor;
- Determining the remuneration package of the Vice-Chancellor and senior executive staff; and
- Approve the appointment of, and contractual renewal for, senior executive staff.

### **Legislation Committee**

Responsible for:

- Reviewing university statutes and regulations to ensure they are comprehensive, relevant and effective.

### **Academic Board Executive Committee**

Responsible for:

- Assisting the Academic Board on matters relating to academic governance;
- Making decisions on the Board's behalf (as delegated); and
- Managing the Board's agenda and schedule of business, initiatives and commissions papers on major issues of educational importance.



## STANDING COMMITTEES

---

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

### Higher Education Curriculum Committee

Responsible for:

- The broad domain of new coursework;
- Reviewing and accrediting our programs;
- Integrity of academic offerings in Higher Education; and
- Reporting to the Board on our programs in accordance with the Australian Qualifications Framework and current Commonwealth regulations.

### Learning and Teaching Committee

Responsible for:

- The enhancement and quality assurance of learning and teaching – across the Higher Education, and VET sectors of the university; and
- Developing and monitoring our Learning, Teaching and Student Success Plan 2018 – 2020, including reports to the Board on its implementation.

### Research Higher Degrees Committee

Responsible for:

- The quality and compliance of research higher degree engagement; and
- Developing strategies to enhance the culture, training and experience of researchers.

### Research Committee

Responsible for:

- The enhancement and quality assurance of research;
- Developing and monitoring our Strategic Research Plan; and
- Overseeing compliance with national codes of conduct in research.

### VET Curriculum and Quality Committee

Responsible for:

- The broad domain of new courses;
- Reviewing and accrediting our programs;
- Integrity of education offerings in VET; and
- Reporting to the Board on our programs' accordance with all aspects of VET regulations, including relevant Commonwealth and State regulations.

### Appeals Committee

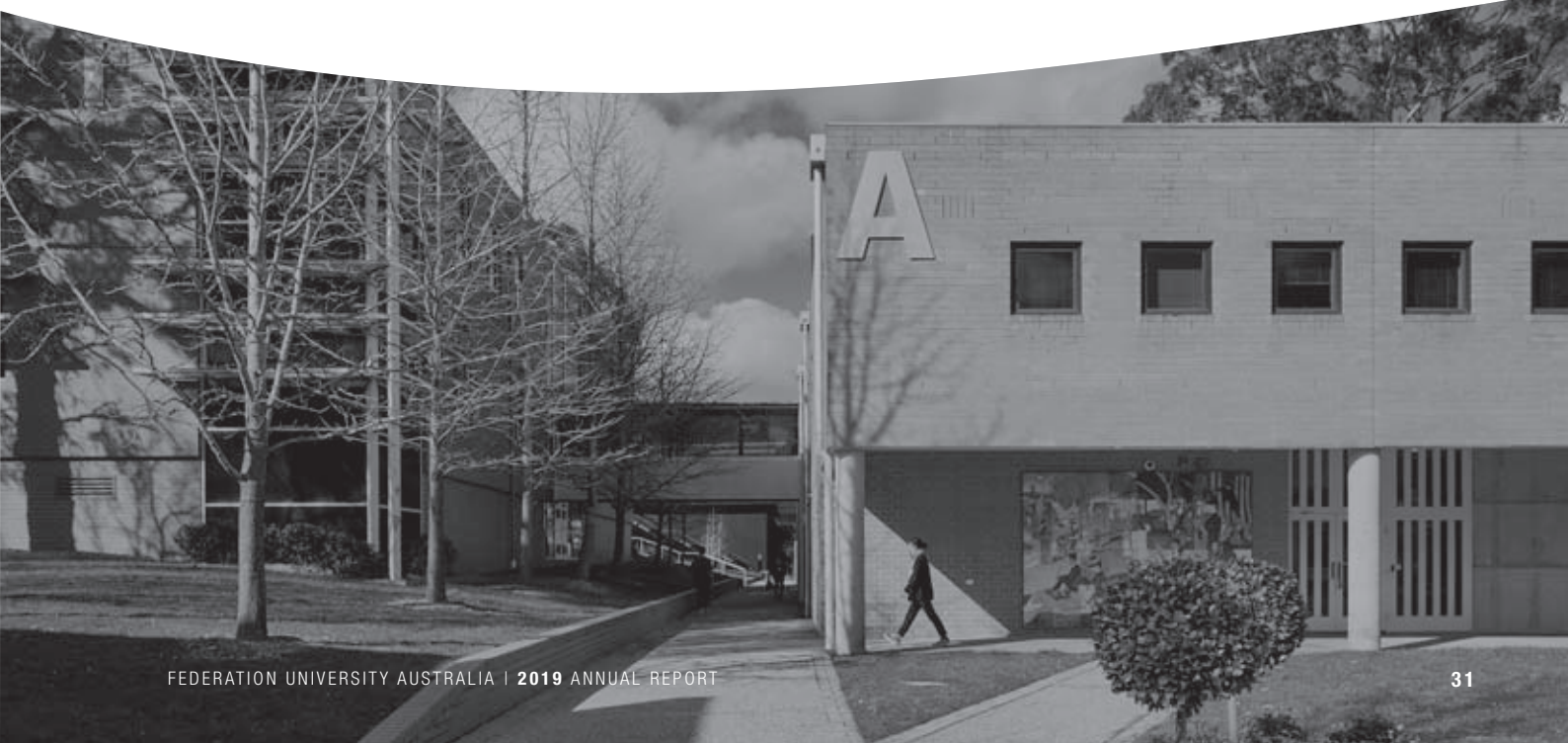
Responsible for:

- Hearings to determine appeals from students relating to their study experience, including exclusion or disputes about academic results; and
- Reporting regularly to the Academic Board on the origins, numbers and outcomes of appeals.

### International Education Committee

Responsible for:

- Make recommendations to the Academic Board on the academic governance and quality assurance arrangements;
- Oversee the maintenance of CRICOS Registration;
- Ensure compliance with the National Code of Practice for Providers of Education and Training to Overseas Students 2018;
- Monitor compliance with the Higher Education Standards Framework and Standards for Registered Training Organisations; and
- Monitor compliance and receive regular performance reports in relation to Australian student visa frameworks.



## MANAGEMENT STRUCTURE

### The Vice-Chancellor's Senior Team

The Vice-Chancellor is the university's Chief Executive Officer and is responsible for overall management and policy implementation. This includes financial, property and academic development, in accordance with university legislation. The Vice-Chancellor advises, receives recommendations from, and is accountable to the Council.

The Deputy Vice-Chancellor (Academic), Deputy Vice-Chancellor (Student Support and Services), Deputy Vice-Chancellor (Research and Innovation) and Chief Operating Officer/Chief Financial Officer are members of the Vice-Chancellor's senior team. Each of these roles provides specialised support, has the authority to create and fill other positions across the university, and is accountable to the Vice-Chancellor.

## REVIEWING AND REPORTING

### Our Review System

- Each year, Council members are required to assess the performance of the Council and its committees;
- An external review is conducted every five years.

The Council and Academic Board were both reviewed externally in 2015, and an action plan was approved to guide their development;

- The Senior Appointments and Remuneration Committee sets annual performance goals for the Vice-Chancellor, reviews progress against these goals, and appoints salaries and remuneration for the university's senior executive officers;
- The Vice-Chancellor is responsible for setting and reviewing performance goals for the Deputy Vice-Chancellors and Chief Operating Officer/Chief Financial Officer; and
- Key performance indicators for those in management roles are determined annually.

## REPORTING

At Council meetings in 2019:

- Senior members from across the university reported comprehensively on priorities outlined in the 2018-2022 Strategic Plan – allowing the Council to generate new strategic initiatives for the future;
- The Vice-Chancellor presented written reports about developments, overall operations and the achievements of the university; and
- In compliance with the Voluntary Code of Best Practice, the Council received regular reports on:
  - The financial position of the university;
  - The operations of the Academic Board and various committees;
  - The operations and achievements of the controlled entities of the university; and
  - Other matters at their request. For example, the implementation of budget, policies, plans or similar.

The university's monitoring and reporting framework is subject to independent external audits, with all findings reported to the Council. Our Annual Report also includes externally audited financial statements, a governance report and relevant achievements and is presented to the Victorian Government each year.



## ROLE OF COUNCIL AND DUTIES OF COUNCIL MEMBERS

---

### The Council

The Council is the university's governing body, responsible for guiding operations in accordance with the *Federation University Australia Act 2010* (the Act).

The Council's duties are to:

- Provide clear strategic direction, vision and mission statements for the university and monitor progress against set goals;
- Evaluate its own performance;
- Appoint and assess the Vice-Chancellor as the Chief Executive Officer;
- Monitor compliance with statutory and regulatory obligations;
- Establish and implement key policies that are consistent with legal requirements and community spirit;
- Ensure responsibilities and authorities are clearly defined for the university's Vice-Chancellor, managing bodies, Academic Board and other committees;
- Establish and maintain effective risk-management procedures;
- Approve and monitor commercial ventures, including training, research and consultancy;
- Assess the university's performance against key financial indicators – this includes approving and monitoring budgets, ensuring resources are properly managed, and monitoring controlled entities; and
- Manage its own operations – this includes appointing a Chancellor, selecting new members, and ensuring members are fulfilling their duties.

### Council Members

As part of the Council, members have a responsibility to:

- Always act in the best interest of the university – and to prioritise this above any other appointed duties;
- Act in good faith, honestly and with proper purpose;
- Exercise proper care and diligence in their role – not using their position to unfairly benefit themselves or others; and
- Disclose and avoid conflicts of interest.

## CONFLICTS OF INTEREST

---

Under the Act, Council members must take reasonable steps to avoid all conflicts of interest and are required to declare any possible conflicts of interest as they arise. In these cases, the following procedure applies:

1. A member who has a conflict of interest in a matter being considered (or about to be considered) by the Council must, as soon as is practical after becoming aware of the conflict, declare the nature of their interest – either at a meeting, or in writing to the Chair of the Council.
2. If the Chair receives a written declaration, they must report it at the next meeting.
3. The person presiding over a meeting where a declaration is made must record the declaration in the minutes of the meeting.
4. After a member makes a declaration:
  - a. They must not be present for deliberations relating to the matter (unless otherwise directed by the body);
  - b. They can't vote on the matter; and
  - c. If the member does vote on the matter, it must be rejected.
5. The Council may remove a member from office if they fail to disclose financial or other conflicts of interest, as outlined here.

In addition:

- Council members are required to disclose private interests and related party interests on an annual basis. Related parties include immediate family members, and any other relations that are likely impact on the member's ability to be impartial – for example matrimonial, de-facto, sexual, financial or business partners;
- Under the *Financial Management Act 1994* and the Australian Accounting Standards, Council members are required to disclose the transactions that they (or their related parties) had with the university or its controlled entities at the end of each financial reporting period. This information is reported in the Federation University Australia Annual Report; and
- If a Council member recognises a potential conflict of interest in another member, the member should raise the matter with the Chancellor (or if not the Chancellor then the Deputy Chancellor), the Council will address the matter at the next meeting

## RISK MANAGEMENT

---

The university is committed to managing risks efficiently and with integrity – and to maintaining the highest standards of contemporary governance, including accountable and sustainable financial management.

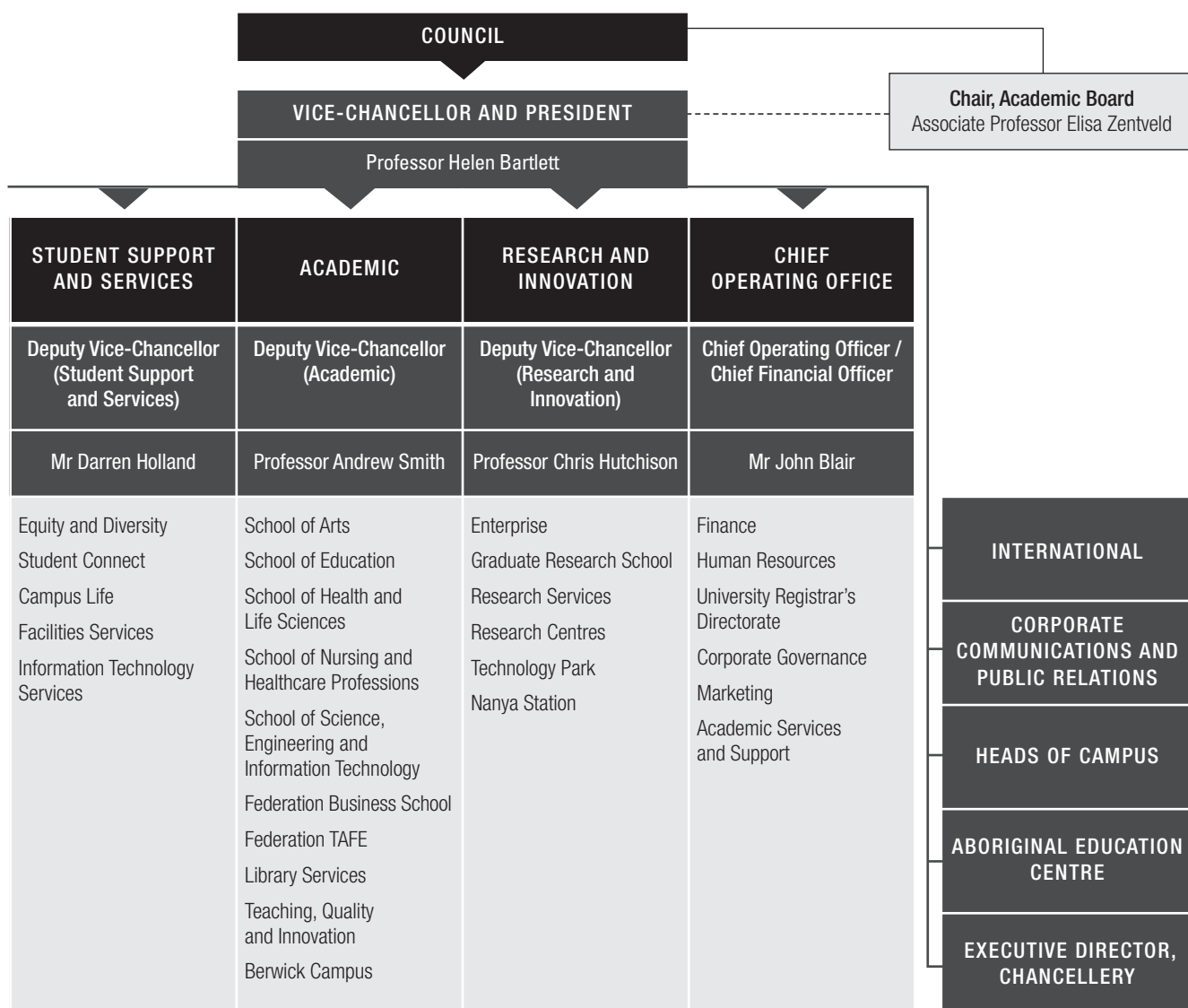
Our risk management framework, along with our internal compliance policies, were strategically reviewed in 2019.

Where applicable, the university follows the Victorian Government Risk Management Framework, and applies the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*.

# OUR WORKFORCE

## Workforce Data

### OUR ORGANISATION



DEMOGRAPHIC DATA	DECEMBER 2019						
	ALL EMPLOYEES		ONGOING			FIXED TERM AND CASUAL	
	NUMBER (HEADCOUNT)	FTE*	FULL-TIME (HEADCOUNT)	PART-TIME (HEADCOUNT)	FTE*	NUMBER (HEADCOUNT)	FTE*
<b>GENDER</b>							
Women Executives	15	15.00	2	0	2.00	13	13
<b>Women (Total Staff)</b>	1049	756.49	486	228	616.99	335	139.5
Men Executives	18	18.00	0	0	0.00	18	18
<b>Men (Total Staff)</b>	651	501.05	354	57	388.95	240	112.10
Self Described	0	0	0	0	0	0	0
<b>AGE</b>							
15-24	60	22.07	11	5	13.70	44	8.37
25-34	290	199.23	132	40	150.63	118	48.60
35-44	430	316.76	195	80	239.24	155	77.52
45-54	441	360.07	255	67	298.06	119	62.01
55-64	373	291.17	205	69	247.97	99	43.20
Over 64	106	68.23	42	24	56.33	40	11.90
<b>Total Employees</b>	<b>1700</b>	<b>1257.53</b>	<b>840</b>	<b>285</b>	<b>1005.93</b>	<b>575</b>	<b>251.60</b>

DEMOGRAPHIC DATA	DECEMBER 2018						
	ALL EMPLOYEES		ONGOING			FIXED TERM AND CASUAL	
	NUMBER (HEADCOUNT)	FTE*	FULL-TIME (HEADCOUNT)	PART-TIME (HEADCOUNT)	FTE*	NUMBER (HEADCOUNT)	FTE*
<b>GENDER</b>							
Women Executives	12	12.00	12	0	12.00	0	0
<b>Women (Total Staff)</b>	953	689.45	411	253	573.18	289	116.27
Men Executives	14	14	14	0	14.00	0	0
<b>Men (Total Staff)</b>	567	434	323	51	354.10	193	79.90
Self Described	0	0	0	0	0	0	0
<b>AGE</b>							
15-24	67	22.10	10	7	14.10	50	8.00
25-34	240	161.53	98	44	123.46	98	38.07
35-44	379	278.91	167	95	227.28	117	51.63
45-54	397	331.33	235	65	279.32	97	52.00
55-64	350	270.66	187	74	235.90	89	34.76
Over 64	87	58.92	37	19	47.22	31	11.70
<b>Total Employees</b>	<b>1520</b>	<b>1123.44</b>	<b>734</b>	<b>304</b>	<b>927.28</b>	<b>482</b>	<b>196.17</b>

\*FTE does not include casuals/sessionals.  
Census date is 31 December each year.

Does not include staff employed by third party providers.  
Probationary staff are included in the ongoing staff statistics.

## STAFF CODE OF CONDUCT

Federation University's principles underpin the Code of Conduct.

THE UNIVERSITY'S PRINCIPLES	
Value	Description
Excellence	Pursuit of excellence in education and research through the development of critical thinking, logic and reasoning.
Responsibility	Intellectual responsibility through ethical practice and effective stewardship of our resources and the environment.
Access	Creating equitable educational opportunities based on inclusiveness and diversity.
Respect	Respect for each other, our students and for the communities we serve.
Engagement	Build collaborative relationships of mutual benefit at the local, national and international level.

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

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

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

- Maintain appropriate standards of conduct;
- Exhibit fairness, impartiality, honesty and equity in decision making; and
- Foster and protect the reputation of the university.

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

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

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

## Diversity and Inclusion

While the university does not have an official workforce inclusion policy, goals for diversity and inclusion are captured in our *Diversity and Inclusion Plan*, and supported by our *Equal Opportunity and Valuing Diversity Policy*.

The Plan outlines initiatives to strengthen diversity in recruitment, equitable participation and progression. It also includes the following strategies:

- Reconciliation Action Plan (RAP);
- Aboriginal and Torres Strait Islander Workforce Strategy;
- FedPride Strategy;
- Disability Action Plan; and
- Recorded WGEA (Workplace Gender Equality Agency) actions and targets.

## OCCUPATIONAL HEALTH AND SAFETY

There were no fatalities reported in 2017, 2018 or 2019 at the university.

### OHS PERFORMANCE INDICATORS

	2017	2018	2019
Number of hazards/injuries reported by staff per 100 full-time equivalent staff member	8.44	8.19	6.04
Number of 'lost time' standard claims per 100 full-time equivalent staff members	0.95	0.53	1.03
Average cost per claim (including payments to date and estimated outstanding claim costs)	\$10,717	\$61,636	\$37,998

# OUR ENVIRONMENT

Federation University is continuing to focus on reducing its environmental impact through a variety of measures and initiatives to reduce waste, consumption and greenhouse emissions. This responds to ambitious environmental targets set in 2013, which the university continues to meet and in many cases exceed.

Our proactive approach to reducing our environmental footprint reflects the expectations of our staff, students and communities.

Our 2018 Environmental and Social Responsibility questionnaire established a requirement for all construction work at the university to utilise sustainable practices. This initiative emphasises to contractors the importance the university places on environmental sustainability when awarding contracts for building works.

To further capitalise on our strong position, we have turned our focus towards introducing more robust monitoring and alert notification systems for individual buildings. This initiative will help us better understand energy consumption to make operational decisions to reduce consumption and costs.

## Reducing Single Use Plastics

We introduced a university-wide ban on plastic water bottles at the start of the year. Under the ban, we have prevented up to 18,000 water bottles from ending up in landfill by eliminating bottled water from vending machines, food outlets or shops on the university's Ballarat, Berwick, Gippsland and Wimmera campuses. We have introduced high-quality reusable bottles and provide free water refill stations for students, staff and visitors to use.

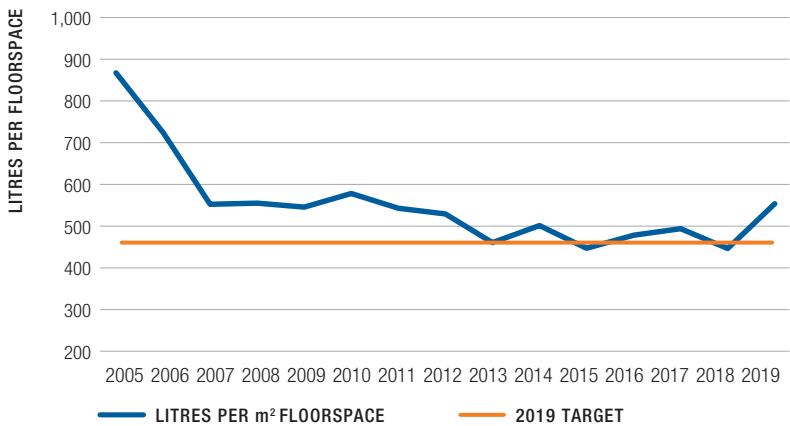
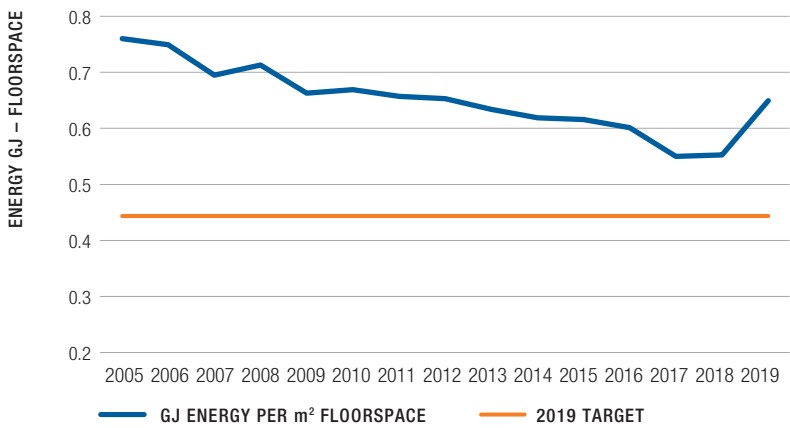
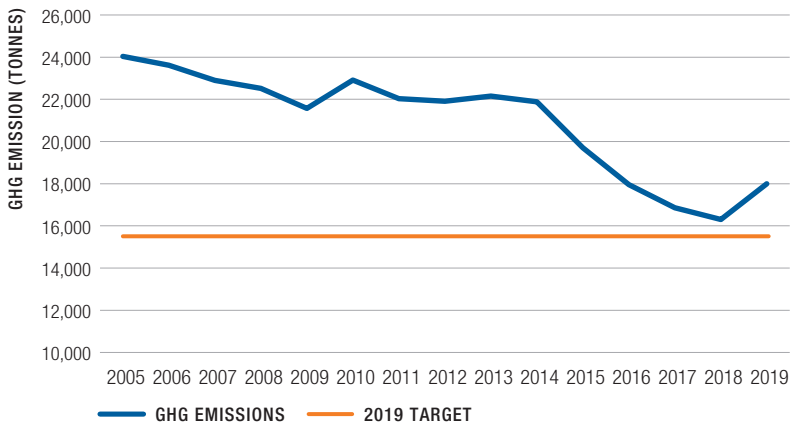
We have supported the ban on lightweight plastic bags by providing an interactive workshop for the community and stakeholders on understanding the new requirements.

Even our art has reflected the zero-waste movement through an exhibition at the Switchback Gallery in Gippsland called Plasticity. Artist Karen Preston collected all plastic waste generated by her household over 12 months for the exhibition, which explored the impact of plastics on the environment and the food chain.

## 2020–21 Opportunities

Looking forward, the university is examining how it can strengthen its position as an environmental leader through building design initiatives, changes in waste management processes and potential new capital investment. This includes exploring the following initiatives:

<b>A</b>	<b>Short Term</b>
	<b>Installing light motion sensors throughout every building</b>
	<b>Introducing a food waste program at all campus cafés, canteens and student accommodation, to reduce landfill</b>
	<b>Enhancing staff education program in office waste management</b>
<b>B</b>	<b>Medium Term</b>
	<b>Procuring Green Energy Power (Windfarm contract)</b>
	<b>Sourcing water from existing building run-off using existing dam infrastructure (Mt Helen)</b>
	<b>Installing solar panels on all new buildings and renovations (where possible)</b>
<b>C</b>	<b>Long Term</b>
	<b>Creating new large scale solar and/or wind farm</b>



## GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions have reduced over the medium to long term, resulting in a 19 per cent reduction over the past 7 years, a saving of 4,153 tonnes. The increase over the past 12 months can be in part attributed to Brisbane campus figures now being reported, and new commercial tenants utilising surplus to needs spaces.

NB: The new commercial tenant's usage figures were unable to be deducted from the university's overall emissions figures at the time of printing.

## ENERGY CONSUMPTION

Federation University is continually reviewing new ways to reduce energy consumption through a variety of energy efficiency initiatives. These initiatives include upgrades to plant and equipment, lighting upgrade, solar panels installation and retrofitting existing buildings with the latest technological products to assist with reducing our carbon footprint.

NB: The new commercial tenant's usage figures were unable to be deducted from the university's overall emissions figures at the time of printing.

## POTABLE WATER CONSUMPTION

Water meters on every campus have 3G sensors to track leak detection and improve consumption reporting.

## HIGHLIGHTS FOR 2019 INCLUDE

REDUCED GREENHOUSE GAS EMISSIONS BY 19 PER CENT OVER THE PAST SEVEN YEARS



17 PER CENT DECREASE IN MATERIAL GOING INTO LANDFILL



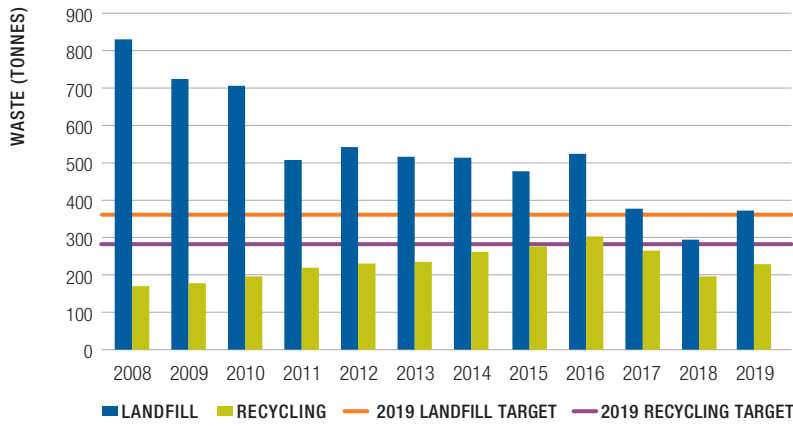
REDUCED ELECTRICITY CONSUMPTION BY 12 PER CENT OVER THE PAST FIVE YEARS



PAPER CONSUMPTION CONTINUES TO DECLINE

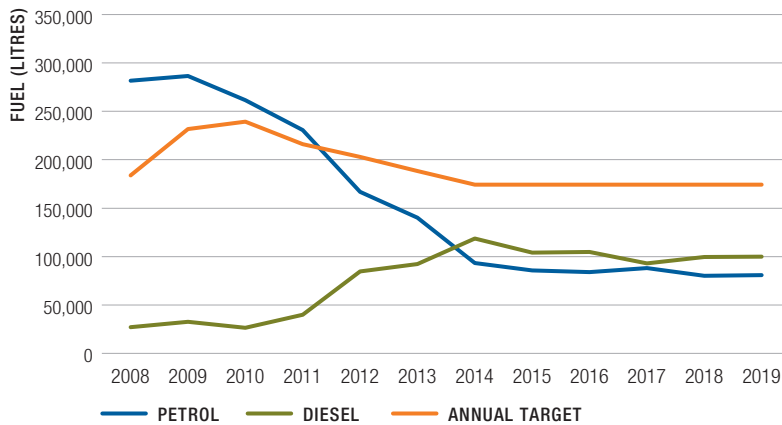






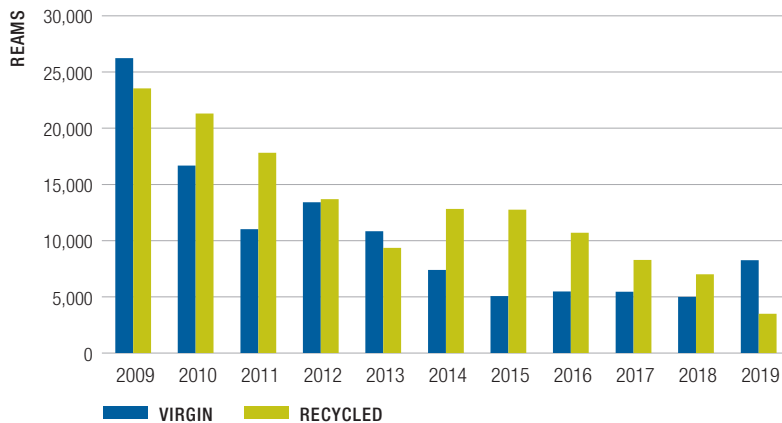
## WASTE AND RECYCLING

We continue to increase the amount of waste product going to recycling. This is an increase of 32 tonnes on the previous year.



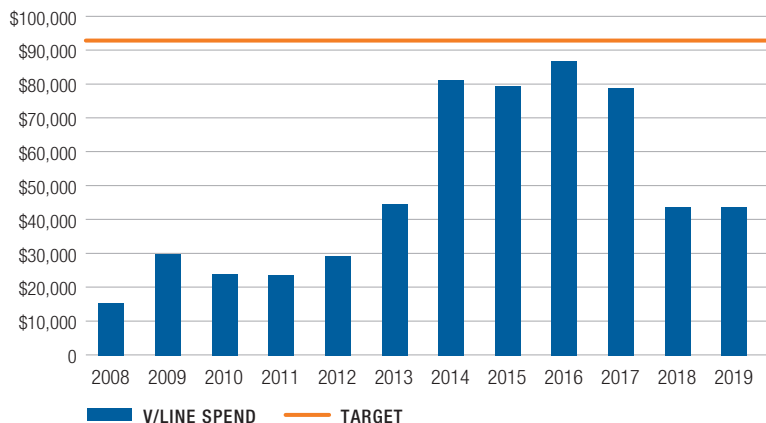
## FLEET VEHICLE FUEL

The university's preference is to replace all existing vehicles with similar hybrid substitutes. This helps reduce our carbon footprint and overall fuel consumption.



## PAPER CONSUMPTION

Paper consumption has fallen by 50 per cent over the past five years, 29 per cent of paper purchased is being sourced from recycled products.



## V/LINE TRAVEL

With the acquisition of Berwick and Churchill campuses (2014–17) now complete, the transition to normal operation has resulted in a net reduction in V/Line travel over the last 24 months.

# ORGANISATIONAL AND REGULATORY INFORMATION

## Enrolment information

In 2019 the university had an overall total increase of 4.6 per cent in student enrolments. This was predominately driven through an increase in international students in Higher Education both on-campus enrolments and through partner providers. Domestic student enrolments reduced by 1.4 per cent on the previous year. While enrolment numbers in TAFE remained consistent with the previous year, the actual delivered Student Contact Hours increased, due to the introduction of FREE TAFE by the Victorian Government.

STUDENT ENROLMENTS			
BY TYPE	2018	2019	Variance
Domestic	14,455	14,249	-1.4%
International	8,969	10,304	13.0%
<b>Grand Total</b>	<b>23,424</b>	<b>24,552</b>	<b>4.6%</b>

BY GENDER	2018	2019	Variance
Female	10,554	11,362	7.1%
Male	12,839	13,139	2.3%
Non-binary or not specified	31	51	39.2%
<b>Grand Total</b>	<b>23,424</b>	<b>24,552</b>	<b>4.6%</b>

BY EDUCATION PORTFOLIO	2018	2019	Variance
Higher Education	17,625	18,717	6.2%
TAFE	5,799	5,835	0.6%
<b>Grand Total</b>	<b>23,424</b>	<b>24,552</b>	<b>4.6%</b>

## HIGHER EDUCATION DELIVERY

In 2019, the Equivalent Student Full-time Student Load (EFTSL) increased by 11.3 per cent to 13,447 EFTSL, compared to 2018. On-campus international experienced strong growth on 2018 at Ballarat, Berwick and Gippsland, however the largest increases were with our external onshore education partners.

STUDENT TYPE	HEADCOUNT			EFTSL		
	2018	2019	Variance	2018	2019	Variance
CSP Student	8,056	7,846	-2.7%	5,967	5,676	-5.1%
Domestic Fee-Paying	365	366	0.3%	134	149	10.1%
International On-Campus	1,196	2172	44.9%	779	1,616	51.8%
International Partners – Onshore	6,474	7,192	10.0%	4,155	5,303	21.6%
International Partners – Offshore	1,314	993	-32.3%	724	546	-32.6%
RTS	271	247	-9.7%	175	157	-11.5%
<b>Grand Total</b>	<b>17,625</b>	<b>18,717</b>	<b>5.8%</b>	<b>11,934</b>	<b>13,447</b>	<b>11.3%</b>

## SUMMARY OF TAFE TRAINING DELIVERY

STUDENT TYPE	2018		2019	
	HEADCOUNT	SCH	HEADCOUNT	SCH
Government Funded	3,172	1,066,379	3,448	1,202,959
Non Government Funded	2,711	212,271	2,487	208,550
Total	5,833	1,278,650	5,935	1,411,509

## AUSTRALIAN QUALIFICATION FRAMEWORK CLASSIFICATION

There was significant growth in Master Degree by coursework enrolments in 2019, with a 28 per cent increase. This was largely driven by increased international student enrolments both on campus and through the university's onshore partner providers. TAFE enrolments in Diplomas and Certificate IV courses also experienced strong growth due to enrolments into programs offered under the Victorian Government's *Free TAFE for Priority Courses* initiative.

COURSE OF STUDY TYPE CLASSIFICATION	HEADCOUNT			EFTSL		
	2018	2019	Variance	2018	2019	Variance
Research Degree	315	287	-9.8%	212	194	-9.3%
Masters Degree by coursework	5,273	6,346	16.9%	3,400	4,748	28.4%
Graduate Diploma	260	251	-3.6%	145	127	-13.6%
Graduate Certificate	85	129	34.1%	20	27	28.1%
Bachelor Degree	11,061	11,163	0.9%	7,776	8,011	2.9%
Associate Degree and Advanced Diploma	268	250	-7.2%	199	182	-9.2%
Diploma		2	100.0%		1	100.0%
Other/Non-award	459	417	-10.1%	183	156	-17.4%
Grand Total	17,625	18,717	5.8%	11,934	13,447	11.2%

	HEADCOUNT		
	2018	2019	Variance
Advanced Diploma	87	104	16.3%
Diploma	503	596	15.6%
Certificate IV	569	686	17.1%
Certificate III	1,972	2,026	2.7%
Certificate II	1,628	1,709	4.7%
Certificate I	221	458	51.7%
<b>SCHOOLS SECTOR ACCREDITATION</b>			
Senior Secondary Certificate of Education VCAL	266	200	-33.0%
Other/Non-award	835	698	-19.6%

# Compliance

## FREEDOM OF INFORMATION

---

The *Freedom of Information Act 1982* gives members of the public the right to access documents held by the university. The purpose of the Act is to grant the community access to information held by government departments, local councils, ministers and other bodies.

Under the Act, applicants can ask for access to documents created by, or supplied to the university from external sources. This can include maps, films, microfiche, photographs, computer printouts and electronic records. For more information about the type of material included under the Act, visit the Freedom of Information section of the university website.

The Act also allows the university to refuse partial or full access to certain material – this could include internal working documents, law enforcement documents, documents covered by legal professional privilege, personal information about other people or information provided to the university in confidence.

If the applicant isn't satisfied with the university's decision to withhold information, they can request a review from the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving the decision letter.

### Additional information available on request

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by the university and are available upon request, subject to the provisions of the *Freedom of Information Act 1982*:

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

- l. details of all consultants/contractors engaged, the services provided and the expenditure committed for each engagement.

Requests should include a clear description of the desired document and must be made in writing to:

Freedom of Information Officer  
Federation University Australia,  
PO Box 663, Ballarat VIC 3353

There is an application fee of \$29.60, which may be waived in some cases. Additional access charges may also apply to cover photocopying or search charges. Applications made in accordance with the Act must be processed within 30 to 45 days.

### In 2019

The university received one application under the Act from a former student. The university provided access to the documents requested within the 45 day time limit.

On a number of occasions, the university also provided informal access to information for applications that fell outside the Act without requiring payment of an application fee.

During the 2019 reporting period, there were no decisions subject to review or complaint.

## PROTECTED DISCLOSURE ACT 2012

---

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters to be disclosed and rectifying action taken.

The university does not tolerate improper conduct by its employees, officers or members, or the taking of reprisals against those who come forward to disclose such conduct. The university is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The university will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. The university will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### Reporting improper conduct

Improper conduct disclosures must be made to:

The Independent Broad-Based Anti-Corruption Commission (IBAC)  
Level 1, North Tower, 459 Collins Street, Melbourne VIC 3000  
GPO Box 24234, Melbourne VIC 3001  
Phone: 1300 735 135 | Website: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

While the university cannot receive protected disclosure reports, our Protected Disclosure Coordinator is available to discuss issues that do not warrant an official report.

You can find the university's procedure for dealing with disclosures on our website.

## NATIONAL COMPETITION POLICY

The university complies with the Victorian Competitive Neutrality Policy (where applicable). Our Competition and Consumer Law Compliance Manual (available on the university website) is based on the *Competition and Consumer Act 2010*, and included in the induction pack for all new staff members.

When providing commercial services, the university uses a costing model that adopts competitive neutrality.

## CARERS RECOGNITION ACT 2012

The university complies with the *Carers Recognition Act 2012* (where applicable).

## EDUCATIONAL SERVICES FOR OVERSEAS STUDENTS (ESOS) ACT

The university endeavours to offer the same experiences for both international and domestic students. Our international student policies are compliant with the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2018*.

## BUILDING ACT 1993

To the best of our knowledge and having undertaken all reasonable enquiries and due diligence, we confirm the university has met compliance with the building and maintenance provisions of the *Building Act 1993*.

Our maintenance, capital works and annual compliance systems and processes ensure signed statements of compliance are obtained where required.

The university holds all building plans and documents that have been lodged for approval by the appropriate building surveyors. Once construction is complete, we obtain Certificates of Occupancy along with practical completion certificates from the relevant architects and surveyors.

## OUR BUILDING ASSURANCE PROGRAMS

### Certification of Building Compliance.

We conducted Essential Safety Measure inspections at all our campuses in 2019. The university is currently working to rectify issues identified during those inspections.

### Building Maintenance.

The university has an ongoing maintenance program that calls on staff and specialised external contractors to manage the upkeep of existing buildings.

## CONSULTANCIES

In 2019 there were 20 consultancies of \$10,000 or more totalling \$1,396,005.

There were seven consultancies of less than \$10,000 during 2019. The total value of these was \$39,535.

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

## KEY MANAGEMENT FIGURES (RESPONSIBLE PERSONS)

### Minister

The relevant Minister is The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education. The Minister's remuneration is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant information is declared in the Register of Member's interests, which is completed by each Member of Parliament.

### Responsible Persons and Executive Officers

The Hon. Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education	1/1/2019–31/12/2019
---	---------------------

### 2019 Council Members for Federation University Australia:

Mr Terrence Francis Moran AC (Chancellor)	1/1/2019–31/12/2019
Professor Helen Bartlett (Vice-Chancellor)	1/1/2019–31/12/2019
Mr Steve Davies (Deputy Chancellor)	1/1/2019–31/12/2019
Ms Pauline Buckland (Ministerial Appointee)	1/1/2019–31/12/2019
Mr George Fong	1/1/2019–31/12/2019
Professor Iqbal Gondal	1/1/2019–31/12/2019
Ms Stacey Grose	1/1/2019–31/03/2019
Ms Erin Morgan	1/1/2019–31/12/2019
Mr Ian Nethercote AM	1/1/2019–31/12/2019
Ms Mashelle Parrett	1/1/2019–30/06/2019
Professor Andrew Reeves	1/7/2019–31/12/2019
Mr Michael Walter Ryan	1/1/2019–31/12/2019
Ms Jane Smith AM	1/1/2019–31/12/2019
Mr Anthony Stone	1/1/2019–31/12/2019
Ms Rhonda Whitfield	1/1/2019–31/12/2019
Associate Professor Elisa Zentveld	1/1/2019–31/12/2019

### Other Key Management Figures

These people also had authority and responsibility for planning, directing and controlling the activities of Federation University Australia during the 2019 financial year.

Professor Andy Smith, (Deputy Vice Chancellor, Academic)	1/1/2019–31/12/2019
Professor Chris Hutchison, (Deputy Vice Chancellor, Research and Innovation)	1/1/2019–31/12/2019
Mr Darren Holland, (Deputy Vice Chancellor, Student Support and Services)	1/1/2019–31/12/2019
Mr John Blair, (Chief Operating Officer/Chief Financial Officer)	1/1/2019–31/12/2019

For details about executives of controlled entities, refer to the respective financial statements of those entities.



## STATEMENT OF COMPULSORY NON-ACADEMIC FEES FOR THE YEAR ENDING 31 DECEMBER 2019

In compliance with the *Education and Training Reform Act 2006*, Federation University Australia levied an amenities and student services fee in accordance with the *Higher Education Support (Student Services and Amenities) Act 2010 (Cth)*.

The fee per Study Load was as follows:

	2019	2018
	\$	\$
Less than 0.125 EFTSL	–	–
0.125 EFTSL to less than 0.250 EFTSL	–	149
0.250 EFTSL to less than 0.750 EFTSL	–	221
0.125 EFTSL up to 0.750 EFTSL	224	–
0.750 EFTSL and above	303	298

	2019	2018
	\$'000	\$'000
Carry Forward from prior year	479,330	229,259
2019 Student Amenities Fee	2,007,569	2,001,613
Total SSAF funds Available	2,486,899	2,230,872
Total Expenditure	1,891,598	1,751,542
<b>Total unspent SSAF funds 31 December</b>	<b>595,301</b>	<b>479,330</b>

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

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

# FINANCIAL INFORMATION



# Financial Summary

---

The consolidated 2019 net operating result for Federation University and its subsidiaries was \$36.8 million, which built upon a small operating surplus in 2018.

The key driver between years was a considerable increase in commencing international students for 2019 as well as the increased return on our investments.

The university met most of its financial budget objectives in 2019, including:

1. Revenue of \$410.4 million exceeded the budgeted target by 11.3 per cent.
2. Expenditure increased to \$373.6 million from \$324.3 million in 2018, which was in line with our expectations, resulting in the operating result of \$36.8 million, an increase of 225 per cent of the budgeted target.
3. Cash and liquid investment balances for the group ended the year at \$201.5 million, versus an estimated \$207.9 million, due to our continued capital expenditure program.

Australian Government financial assistance – including HECS HELP and VET Student Loans – decreased to \$124.9 million from \$125.1 million. State Government funding for Vocational Education and Training totalled \$22.7 million, an increase of \$4.7 million on 2018. Non-international course fees and charges increased to \$10.8 million from \$10.2 million, or 5 per cent, with international fee-paying student revenue increasing by \$55.6 million to \$183.3 million, or 44 per cent.

Employee benefits and on-costs increased by 0.4% per cent to \$159.6 million, coming in slightly under budget for the year.

IT expenditure (business as usual, excluding projects) was \$16.7 million in 2019. IT project expenditure was \$3.2 million (\$1.6 million operational expenditure and \$1.6 million capital expenditure). This will grow considerably in the medium term as we look to invest in enhanced digital technology, which will bring significantly enhanced user experiences for our students and staff. In addition to increases in IT expenditure, repairs and maintenance was \$7.5 million compared to the previous year of \$7.1 million.

The operating result attributed to VET was a loss of \$4.3 million, a slight improvement on the previous year's loss of \$4.6 million. Revenue increased by \$4.0 million to \$35.2 million, driven by Free TAFE in Priority Courses. Total expenses increased by \$3.7 million to \$39.5 million.

The net value of property, plant and equipment (PP&E) has increased by a net \$6.1 million. This was largely driven by the redevelopment of our Sports Science building at Mt Helen, building modifications on our new Berwick Campus and spend on our new Morwell Innovation Centre to be completed in 2020 along with the adoption of the new leasing standard AASB 16, whereby operating leases are treated as assets on the balance sheet. Our increased capital spend during the year was partly offset in this asset category by the transfer of our newly redeveloped Flecknoe Building in central Ballarat from PP&E to an investment property.

The university does not have any outstanding bank loan facilities at the end of 2019, but due to an ambitious capital program in future years, a facility is expected to be established in early 2020.

## Future Outlook

The university's financial operations remain a challenge in regional markets and the success of the Berwick campus in Melbourne's South East growth corridor has contributed positively to the university's overall financial result. Other regional campuses, notably Ballarat and Gippsland, have not increased their domestic student load and government policy changes, specifically in relation to higher entry requirements into Initial Teaching Education (ITE), have had an impact. The university did have a significant increase in its on-campus international students at all of its campuses. The Brisbane campus achieved its business plan in 2019.

During 2019 there has been a considerable review of existing programs and as a consequence of this, a number of new program streams have been launched for 2020 in Engineering, Project Management and Allied Health. A number of other streams will be launched in future years. Following the ongoing economic challenges that face Gippsland and the Latrobe Valley, and labour shortages in a number of critical Allied Health roles, a new Bachelor of Occupational Therapy degree has been launched in 2020. Applications are strong and it looks like a successful viable first cohort will commence from 2020. This will result in locally trained Occupational Therapists entering the Gippsland market in four years' time.

Despite the university having a reprieve somewhat to the Federal Government's overall funding freeze (to 2017 student levels), it still remains a critical factor in expanding operations for domestic students.

# Five Year Financial Summary

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
<b>Revenue from continuing operations</b>					
Commonwealth Government Grants	124,979	125,155	120,327	119,403	70,436
Victorian State Government Grants	28,176	20,489	30,870	15,610	12,354
Other income	255,130	185,262	118,972	128,078	148,620
<b>Total Income</b>	<b>408,285</b>	<b>330,906</b>	<b>270,169</b>	<b>263,091</b>	<b>272,869</b>
<b>Expenses from continuing operations</b>	<b>371,562</b>	<b>324,291</b>	<b>277,019</b>	<b>262,577</b>	<b>266,515</b>
<b>Net result for the year</b>	<b>36,723</b>	<b>6,615</b>	<b>(6,850)</b>	<b>514</b>	<b>6,354</b>
<b>BALANCE SHEET</b>					
<b>Current Assets</b>					
Cash and cash equivalents	64,173	55,637	52,878	62,103	79,466
Receivables	16,943	17,491	15,812	14,375	15,588
Other financial assets	45,757	67,505	65,000	81,498	130,511
Other assets	10,478	6,654	4,741	3,633	3,645
<b>Total Current Assets</b>	<b>137,351</b>	<b>147,287</b>	<b>138,431</b>	<b>161,609</b>	<b>229,210</b>
<b>Non-Current Assets</b>					
Receivables	63,435	59,173	58,550	59,785	63,111
Property, plant and equipment	414,175	408,366	307,342	304,600	311,768
Investment property	86,690	72,630	68,040	66,165	66,570
Other	142,624	118,266	91,078	73,387	9,757
<b>Total Non-Current Assets</b>	<b>706,924</b>	<b>658,435</b>	<b>525,010</b>	<b>503,937</b>	<b>451,206</b>
<b>TOTAL ASSETS</b>	<b>844,275</b>	<b>805,722</b>	<b>663,441</b>	<b>665,546</b>	<b>680,416</b>
<b>Current Liabilities</b>					
Payables	7,869	9,626	9,884	10,219	22,794
Borrowings and other liabilities from financing activities	1,952	–	–	–	164
Provisions	38,153	43,046	37,611	39,182	36,153
Other liabilities	26,964	30,888	11,203	8,668	13,013
<b>Total Current Liabilities</b>	<b>74,938</b>	<b>83,560</b>	<b>58,698</b>	<b>58,069</b>	<b>72,124</b>
<b>Non-Current Liabilities</b>					
Borrowings and other liabilities from financing activities	13,158	–	–	–	–
Provisions	67,853	61,433	61,661	62,718	65,876
Other liabilities	–	2,970	–	–	–
<b>Total Non-Current Liabilities</b>	<b>81,011</b>	<b>64,403</b>	<b>61,661</b>	<b>62,718</b>	<b>65,876</b>
<b>TOTAL LIABILITIES</b>	<b>155,949</b>	<b>147,963</b>	<b>120,359</b>	<b>120,787</b>	<b>138,000</b>
<b>NET ASSETS</b>	<b>688,326</b>	<b>657,759</b>	<b>543,082</b>	<b>544,759</b>	<b>542,416</b>
<b>TOTAL EQUITY</b>	<b>688,326</b>	<b>657,759</b>	<b>543,082</b>	<b>544,759</b>	<b>542,416</b>

# Disclosures and Legal Compliance

---

## CERTIFICATION OF FINANCIAL STATEMENTS

We certify that the attached financial report for Federation University Australia has been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, the *Higher Education Support Act 2003*, the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial report, are true and fair financial transactions during the year ended 31 December 2019 and financial position of the university as at 31 December 2019.

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

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

Federation University Australia charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act.

Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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



**T. Moran**  
Chancellor



**H. P. Bartlett**  
Vice-Chancellor



**J. Blair**  
Chief Operating Officer,  
Chief Financial Officer

Mount Helen.  
Dated: 16 April 2020

## Auditor-General's Independence Declaration

### To the Council, Federation University Australia

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 Federation University Australia for the year ended 31 December 2019, 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.



Charlotte Jeffries

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
21 April 2020

# Independent Auditor's Report

To the Council of Federation University Australia

# VAGO

Victorian Auditor-General's Office

---

## Opinion

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

- consolidated entity and university statements of financial position as at 31 December 2019
- consolidated entity and university statements of income 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 significant accounting policies
- declaration by Chancellor, Vice Chancellor and Chief Financial Officer.

In my opinion the financial report is in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- giving a true and fair view of the financial position of the university as at 31 December 2019 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

---

## Basis for Opinion

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the university and the consolidated entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

---

## Emphasis of matter – subsequent events COVID-19 Pandemic

I draw attention to Note 29 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.

---

## Other information

The Council of the university is responsible for the Other Information, which comprises the information in the university's annual report for the year ended 31 December 2019, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

---

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

The Council of the university is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

---

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university and 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 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 to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities 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.

# Statement of Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
Australian Government financial assistance	3.1	124,979	125,155	124,979	125,155
State and local government financial assistance	3.2	28,176	20,489	28,176	20,489
HECS-HELP – Student payments		2,626	2,443	2,626	2,443
Fees and charges	3.3	209,816	153,206	209,759	153,206
Consultancy and contracts	3.4	4,877	5,285	4,877	5,285
Other revenue	3.5/3.6	2,143	–	2,143	–
Other income	3.5/3.6	271	2,941	271	2,941
Net investment income	4	35,397	21,387	35,397	21,387
<b>Total income</b>		<b>408,285</b>	<b>330,906</b>	<b>408,228</b>	<b>330,906</b>
<b>EXPENSES</b>					
Employee related expenses	5	159,584	158,927	159,584	158,927
Depreciation	12	22,321	16,069	20,862	15,169
Repairs and maintenance		7,532	7,091	7,532	7,091
Borrowing and financing costs		649	–	348	–
Other expenses	6	181,468	141,897	183,170	142,797
Losses on disposal of assets		8	307	8	307
<b>Total expenses</b>		<b>371,562</b>	<b>324,291</b>	<b>371,504</b>	<b>324,291</b>
<b>Net result for the year</b>		<b>36,723</b>	<b>6,615</b>	<b>36,724</b>	<b>6,615</b>

THE ABOVE INCOME STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

# Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Net result for the year		36,723	6,615	36,724	6,615
<b>Items that will not be reclassified to profit or loss</b>					
Gain on revaluation of land and buildings	12	–	98,631	–	98,631
(Loss)/gain on value of equity instruments designated at fair value through other comprehensive income		(184)	892	(184)	892
<b>Superannuation:</b>					
Increase in deferred government contribution		3,650	374	3,650	374
Increase in deferred government employee benefits		(3,650)	(374)	(3,650)	(374)
<b>Total other comprehensive income</b>		<b>(184)</b>	<b>99,523</b>	<b>(184)</b>	<b>99,523</b>
<b>Total comprehensive income</b>		<b>36,539</b>	<b>106,138</b>	<b>36,540</b>	<b>106,138</b>

THE ABOVE STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

# Statement of Financial Position

AS AT 31 DECEMBER 2019

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	64,173	55,637	64,173	55,637
Receivables	8	16,943	17,491	19,547	21,007
Contract assets	3.6/8	928	–	924	–
Other financial assets	9	45,757	67,505	45,757	67,505
Other non-financial assets	10	9,550	6,654	9,550	6,519
<b>Total current assets</b>		<b>137,351</b>	<b>147,287</b>	<b>139,951</b>	<b>150,668</b>
<b>Non-current assets</b>					
Receivables	8	63,435	59,173	63,435	59,173
Other financial assets	9	141,624	118,266	141,624	118,266
Property, plant and equipment	12	414,175	408,366	414,175	403,872
Investment properties	11	86,690	72,630	86,690	72,630
Intangible assets	13	1,000	–	1,000	–
<b>Total non-current assets</b>		<b>706,924</b>	<b>658,435</b>	<b>706,924</b>	<b>653,941</b>
<b>Total assets</b>		<b>844,275</b>	<b>805,722</b>	<b>846,875</b>	<b>804,609</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14	7,869	9,626	7,869	9,626
Borrowings and other liabilities from financing activities	15	1,952	–	1,952	–
Provisions	16	38,153	43,046	38,153	43,046
Other liabilities	17	1,938	30,888	1,938	30,146
Contract liabilities	3.6	25,026	–	25,026	–
<b>Total current liabilities</b>		<b>74,938</b>	<b>83,560</b>	<b>74,938</b>	<b>82,818</b>
<b>Non-current liabilities</b>					
Borrowings and other liabilities from financing activities	15	13,158	–	13,158	–
Provisions	16	67,853	61,433	67,853	61,433
Other liabilities	17	–	2,970	–	–
<b>Total non-current liabilities</b>		<b>81,011</b>	<b>64,403</b>	<b>81,011</b>	<b>61,433</b>
<b>Total liabilities</b>		<b>155,949</b>	<b>147,963</b>	<b>155,949</b>	<b>144,251</b>
<b>Net assets</b>		<b>688,326</b>	<b>657,759</b>	<b>690,926</b>	<b>660,358</b>
<b>Equity</b>					
Accumulated surplus	18	416,819	386,068	419,419	388,667
Reserves	18	271,507	271,691	271,507	271,691
<b>Total equity</b>		<b>688,326</b>	<b>657,759</b>	<b>690,926</b>	<b>660,358</b>

THE ABOVE STATEMENT OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.



# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2019

CONSOLIDATED		2019			2018		
		RESERVES	ACCUMULATED SURPLUS	TOTAL	RESERVES	ACCUMULATED SURPLUS	TOTAL
NOTES		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		271,691	386,068	657,759	–	–	–
	Adoption of AASB15 & AASB1058 through profit and loss to retained earnings	–	(5,972)	(5,972)	–	–	–
	<b>Total equity at the beginning of the financial year (restated)</b>	<b>271,691</b>	<b>380,096</b>	<b>651,787</b>	<b>172,168</b>	<b>379,505</b>	<b>551,673</b>
	Derecognition of immaterial subsidiaries Jan 1 2018	–	–	–	–	(52)	(52)
	Net result for the year	–	36,723	36,723	–	6,615	6,615
	Gain on revaluation of land and buildings	–	–	–	98,631	–	98,631
	(Loss)/gain on equity instruments designated at fair value through other comprehensive income	(184)	–	(184)	892	–	892
	<b>Total equity at the end of the financial year</b>	<b>271,507</b>	<b>416,819</b>	<b>688,326</b>	<b>271,691</b>	<b>386,068</b>	<b>657,759</b>

UNIVERSITY		2019			2018		
		RESERVES	ACCUMULATED SURPLUS	TOTAL	RESERVES	ACCUMULATED SURPLUS	TOTAL
NOTES		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		271,691	388,667	660,358	–	–	–
	Adoption of AASB15 & AASB1058 through profit and loss to retained earnings	–	(5,972)	(5,972)	–	–	–
	<b>Total equity at the beginning of the financial year (restated)</b>	<b>271,691</b>	<b>382,695</b>	<b>654,386</b>	<b>172,168</b>	<b>382,052</b>	<b>554,220</b>
	Net result for the year	–	36,724	36,724	–	6,615	6,615
	Gain on revaluation of land and buildings	–	–	–	98,631	–	98,631
	(Loss)/gain on equity instruments designated at fair value through other comprehensive income	(184)	–	(184)	892	–	892
	<b>Total equity at the end of the financial year</b>	<b>271,507</b>	<b>419,419</b>	<b>690,926</b>	<b>271,691</b>	<b>388,667</b>	<b>660,358</b>

THE ABOVE STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

# Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018	2019	2018
	NOTES	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Australian Government grants		124,843	125,068	124,843	125,068
HECS-HELP – Student payments		2,626	2,443	2,626	2,443
OS-HELP (net)	28(e)	(12)	(8)	(12)	(8)
Superannuation supplementation (net)		264	737	264	737
Rent received from investment properties		6,311	5,538	6,311	5,538
Dividends received		6,307	6,722	6,307	6,722
Interest received		3,949	1,393	3,949	1,393
User fees and charges received		200,415	193,549	202,497	197,272
State Government grants		22,793	17,948	22,793	17,948
State Government contributions – specific projects		5,500	2,453	5,500	2,453
Payments to suppliers and employees		(363,944)	(324,673)	(365,612)	(328,202)
GST recovered		16,884	13,414	16,698	13,229
GST paid		(4,665)	(4,026)	(4,665)	(4,026)
Finance costs		(649)	(1)	(348)	(1)
<b>Net cash provided by operating activities</b>	19	<b>20,622</b>	<b>40,557</b>	<b>21,151</b>	<b>40,566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for property, plant and equipment	12	(27,012)	(24,427)	(27,012)	(24,427)
Proceeds from sale of property, plant and equipment		303	–	303	–
Payments for intangible assets	13	(1,000)	–	(1,000)	–
Proceeds from sale of financial assets		125,871	85,592	125,871	85,592
Payments for financial assets		(108,324)	(98,963)	(108,324)	(98,963)
Loans to related parties		–	–	(1,606)	23
<b>Net cash used in investing activities</b>		<b>(10,162)</b>	<b>(37,798)</b>	<b>(11,768)</b>	<b>(37,775)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of lease liabilities	15.1	(1,923)	–	(847)	–
<b>Net cash used in financing activities</b>		<b>(1,923)</b>	<b>–</b>	<b>(847)</b>	<b>–</b>
<b>Net increase in cash and cash equivalents</b>		<b>8,536</b>	<b>2,759</b>	<b>8,536</b>	<b>2,791</b>
Cash and cash equivalents at the beginning of the financial year		55,637	52,878	55,637	52,846
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>64,173</b>	<b>55,637</b>	<b>64,173</b>	<b>55,637</b>

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 2019

## NOTE CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

1	Summary of significant accounting policies	58
2	Disaggregated information	64
3	Revenue and income	69
3.1	Australian Government financial assistance including Australian Government loan programs (HELP)	69
3.2	State and Local Government financial assistance	69
3.3	Fees and charges	70
3.4	Consultancy and contracts	70
3.5	Other revenue and income	70
3.6	Revenue and income from continuing operations	71
3.7	Reconciliation revenue and income	78
4	Net investment income	78
5	Employee related expenses	80
6	Other expenses	81
7	Cash and cash equivalents	82
8	Receivables and contract assets	83
9	Other financial assets	84
10	Other non-financial assets	86
10.1	The group as lessor	87
11	Investment properties	88
12	Property, plant and equipment	89
12.1	Right-of-use assets	92
13	Intangible assets	94
14	Trade and other payables	96
15	Borrowings and other liabilities from financing activities	97
15.1	The group as lessee	98
16	Provisions	100
17	Other liabilities	101
18	Reserves and accumulated surplus	102
19	Reconciliation of net result to net cash from operating activities	103
20	Commitments	103
21	Contingencies	103
22	Remuneration of auditors	104
23	Key management personnel disclosures	104
24	Related parties	106
25	Subsidiaries	106
26	Financial risk management	107
27	Fair value measurements	109
28	Acquittal of Commonwealth Government financial assistance	114
(a)	Education – CGS and Other Education Grants	114
(b)	Higher Education Loan Programs (excluding OS-HELP)	114
(c)	Department of Education and Training Research	115
(d)	Australian Research Council Grants	115
(e)	OS-HELP	115
(f)	Higher Education Superannuation Program	116
(g)	Student Services and Amenities Fee	116
29	Events occurring after the end of the reporting period	116
	Appendices	117
	Disclosure Index	118

# Notes to and forming part of the Financial Statements

---

## Note 1 | Summary of Significant Accounting Policies

The financial report includes separate financial statements for Federation University Australia and the consolidated entity consisting of the university and its subsidiaries, referred to as the Group.

The Group's financial statements are presented in a simplified layout providing information that is more streamlined and relevant to users. Financial statement notes are grouped together where they are similar in nature, with related principal accounting policies, key estimates and judgements included directly below.

The principal accounting policies adopted by the Group for the year ended 31 December 2019 are set out within these financial statements. These policies have been consistently applied to each year presented unless otherwise stated.

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

### A) BASIS OF PREPARATION

---

The Group's general purpose financial statements are prepared as follows:

- These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties;
- Prepared in accordance with Australian Accounting Standards, the *Higher Education Support Act 2003*, *Financial Management Act 1994* and *Australian Charities and Not-for-profits Commission Act 2012*;
- Some of the requirements for not-for-profit entities are inconsistent with IFRS requirements to comply with the not-for-profit requirements of Australian Accounting Standards;
- Prepared on a going-concern basis, which assumes the continuity of normal operations;
- Presented in Australian dollars, which is the Group's functional and presentation currency;
- Rounded to the nearest thousand dollars unless otherwise specified; and
- Comparative amounts have been restated, where applicable, to conform with the current period presentation.

#### Date of authorisation for issue

The financial statements were authorised for issue by the Council members of Federation University Australia on 16 April, 2020.

### B) TAXATION

---

The Group is exempt from income tax pursuant to Division 50.1 of the *Income Tax Assessment Act 1997*.

Income and expenses are recognised net of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised 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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

## C) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of financial statements in conformity with Australian Accounting Standards requires use of critical accounting estimates. Estimates and judgements are continually evaluated by management and based on historical experience and other factors, including expectations of future events that may have financial impact on the Group and believed to be reasonable under the circumstances. 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:

### Estimates

- Impairment (Note 8)
- Receivables (Note 8)
- Valuation of investments (Note 11)
- Property, plant and equipment (Note 12)
- Right-of-use assets (Note 12.1)
- Borrowings and other liabilities from financing activities (Note 15)
- Provisions (Note 16)
- Other liabilities (Note 17)
- Fair value of other financial instruments (Note 26 & 27)

### Judgements

- Government income (Note 3)
- Impairment (Note 8)
- Receivables (Note 8)
- Valuation of investments (Note 11)
- Property, plant and equipment (Note 12)
- Right-of-use assets (Note 12.1)
- Borrowings and other liabilities from financing activities (Note 15)
- Other liabilities (Note 17)
- Subsidiaries (Note 25)

## F) INITIAL APPLICATION OF AAS

The Group has adopted AASB15, AASB1058 and AASB16 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted:

AASB2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	No significant impact
AASB2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property	No significant impact
Interpretation 23	Uncertainty over Income Tax Treatments	No significant impact
AASB2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	No significant impact
AASB2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures	No significant impact
AASB2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	No significant impact
AASB2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement	No significant impact
AASB2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors	No significant impact

## D) PRIOR PERIOD ERRORS

### (i) Long service leave provision

During 2019, management of the Group identified that the long service leave (LSL) provision had been miscalculated in the 2018 financial statements. The overstatement was due to the use of incorrect historical input figures in the 2008 LSL model provided by the Department of Treasury and Finance, used to calculate the provision. 2018 was the first year in which the Group used the 2008 LSL model to calculate its LSL provision.

Management estimates that the long service leave provision was overstated by \$5.4m in the 2018 financial statements. As the error is immaterial to the Group's financial statements we have not adjusted the 2018 financial statements and corrected the overstatement in the 2019 financial statements.

## E) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The group has been given approval for early adoption of AASB15 and AASB1058 in relation to research grants.

The following standards have been issued but are not mandatory for 31 December 2019 reporting periods. The Group has elected not to early adopt any of these standards.

The Group assessed there will be no impact to the Group's financials as a result of the introduction of AASB1059 on Jan 1 2020 as it does not have any service concession arrangements.

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to References to the Conceptual Framework in IFRS Standards – 1 January 2020

## AASB2018-8 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – RIGHT-OF-USE ASSETS OF NOT-FOR-PROFIT ENTITIES

Under AASB1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions. For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for not-for-profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption. The Group estimates the financial impact of recognising peppercorn leases at fair value is immaterial to the Group's financial statements.

### OVERVIEW OF AASB15 & AASB1058

The Group adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the Group has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

The Group did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, the Group reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations;
- Determining the transaction price; and
- Allocating the transaction price to the satisfied and unsatisfied performance obligation.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB15 and AASB1058 respectively are provided in the Note 3.6.

Under the new income recognition model applicable to not-for-profit entities, the Group shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Group applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group shall consider whether AASB1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	Ref Adjustments	1 JANUARY 2019 \$'000	Ref Adjustments	1 JANUARY 2019 \$'000
<b>ASSETS</b>				
Receivables		16,877		20,393
Contract assets		725		725
<b>Total assets</b>	a	<b>805,833</b>	a	<b>804,720</b>
<b>LIABILITIES</b>				
Contract liabilities		32,771		32,771
Other liabilities		7,169		3,457
<b>Total liabilities</b>	b	<b>154,045</b>	b	<b>150,333</b>
<b>Total adjustment on equity</b>		<b>( 5,972)</b>		<b>( 5,972)</b>
<b>Retained earnings</b>		<b>380,096</b>		<b>382,695</b>

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058. The adoption of AASB15 did not have a material impact on OCI or the Group's operating, investing and financing cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

#### STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		AMOUNTS PREPARED UNDER						
		CONSOLIDATED			UNIVERSITY			
		AASB15/ AASB1058	PREVIOUS AAS	INCREASE/ DECREASE	AASB15/ AASB1058	PREVIOUS AAS	INCREASE/ DECREASE	
Ref.		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>REVENUE AND INCOME FROM CONTINUING OPERATIONS</b>								
	Australian Government financial assistance	c/d	124,979	125,677	( 698)	124,979	125,677	( 698)
	State and local government financial assistance	d	28,176	28,536	( 360)	28,176	28,536	( 360)
	HECS-HELP – Student payments		2,626	2,626	–	2,626	2,626	–
	Fees and charges	c	209,816	206,148	3,668	209,759	206,091	3,668
	Consultancy and contracts	d	4,877	6,539	( 1,662)	4,877	6,539	( 1,662)
	Other revenue		2,143	2,143	–	2,143	2,143	–
	Other income		271	271	–	271	271	–
	<b>Total revenue and income from continuing operations</b>		<b>372,888</b>	<b>371,940</b>	<b>948</b>	<b>372,831</b>	<b>371,883</b>	<b>948</b>
	Other Expenses	c/d	181,468	180,301	1,167	183,170	182,003	1,167
	<b>Total expenses from continuing operations</b>		<b>371,562</b>	<b>370,395</b>	<b>1,167</b>	<b>371,504</b>	<b>370,337</b>	<b>1,167</b>
	<b>Net result for the year</b>		<b>36,723</b>	<b>36,942</b>	<b>( 219)</b>	<b>36,724</b>	<b>36,943</b>	<b>( 219)</b>

#### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		AMOUNTS PREPARED UNDER						
		CONSOLIDATED			UNIVERSITY			
		AASB15/ AASB1058	PREVIOUS AAS	INCREASE/ DECREASE	AASB15/ AASB1058	PREVIOUS AAS	INCREASE/ DECREASE	
Ref.		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>ASSETS</b>								
	Receivables		16,943	17,656	( 713)	19,547	20,256	( 709)
	Contract assets		928	–	928	924	–	924
	<b>Total assets</b>	a	<b>844,275</b>	<b>844,060</b>	<b>215</b>	<b>846,875</b>	<b>846,660</b>	<b>215</b>
<b>LIABILITIES</b>								
	Contract liabilities		25,026	–	25,026	25,026	–	25,026
	Other liabilities		1,938	20,560	( 18,622)	1,938	20,560	( 18,622)
	<b>Total liabilities</b>	b	<b>155,949</b>	<b>149,545</b>	<b>6,404</b>	<b>155,949</b>	<b>149,545</b>	<b>6,404</b>
	<b>Net assets</b>		<b>688,326</b>	<b>694,515</b>	<b>( 6,189)</b>	<b>690,926</b>	<b>697,115</b>	<b>( 6,189)</b>
<b>EQUITY</b>								
	Accumulated surplus		416,819	423,008	( 6,189)	419,419	425,608	( 6,189)
	<b>Total equity</b>		<b>688,326</b>	<b>694,515</b>	<b>( 6,189)</b>	<b>690,926</b>	<b>697,115</b>	<b>( 6,189)</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

The nature of the adjustments are described below:

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below:

**a) Receivables & contract assets**

Under the new revenue recognition model, the Group recognises contract assets for consultancy & contract revenue where the Group has satisfied performance obligations prior to receiving consideration if something other than the passage of time is required before the consideration is due i.e. the completion of milestones or reporting requirements. Previously, this revenue would not have been recognised as discussed below in d) Research funding.

**b) Contract liabilities & other liabilities**

Previously the Group recognised revenue received in advance in other liabilities, under the new standards the Group recognises these under contract liabilities. Under the new standards the Group is required to defer more revenue for course fees and charges, research funding and state funding as discussed further below.

**c) Course fees and charges**

Course fees and charges were previously recognised in the year of receipt, except to the extent that fees and charges relate to courses to be held in the future. Under the new income recognition model the Group recognises revenue as the services are provided, as a result revenue is reduced and contract liabilities are increased until the services are delivered.

**d) Research funding**

Previously the group recognised research revenue based on the following criteria:

- a) Non reciprocal revenue was recognised upon receipt of the funds; or
- b) Reciprocal revenue was recognised in accordance with the percentage completion method as referenced to total expenditure compared to funding received to date, any surplus revenue was deferred in other liabilities until completion.

Under the new income recognition model the Group assesses each agreement and only recognises revenue when the Group has satisfied its performance obligations within the agreements. Any funds received for unsatisfied performance obligations is transferred to contract liabilities until performance obligations are satisfied. Conversely if the Group has satisfied performance obligations for which it is yet to receive consideration the Group recognises a contract asset. As funds are generally received prior to the Group completing its performance obligations, the Group deferred more revenue to contract liabilities than would have been deferred under the previous standards.

**OVERVIEW OF AASB16**

The Group has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the Group has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at either:

- (i) its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application, or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying this new standard by recognising the right to use asset equal to the lease liability at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB117 and AASB Interpretation 4 Determining whether an arrangement contains a lease (Interpretation 4). The new accounting policies for leases in accordance with AASB16 are provided in the Note 12.1 and 15.1.

The nature and effect of the changes as a result of adoption of AASB16 are as described below:

**Definition of lease**

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, the Group will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease. On transition to AASB16, the Group elected to apply the practical expedient to 'grandfather' the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the Group has not reassessed whether they are, or contain, a lease in accordance with the new AASB16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4 as a lease will be treated as a lease under AASB16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB16. Therefore, the Group applied the recognition and measurement requirements of AASB16 only to contracts that were previously identified as leases, and does not apply AASB16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.



## Incentives

Under AASB117, lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. Under AASB16, the Group recognises incentives received for the reimbursement of fit out costs as a reduction to the right to use asset, upon adoption the Group derecognised its lease incentive liability against the right to use asset. Lease incentives received as a reduction to lease payments are recognised on a straight-line basis over the lease term.

## The Group as a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB16, this classification no longer exists for the Group as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (refer to note 12.1 and 15.1 for further details regarding accounting policies).

## Leases previously classified as operating leases under AASB117

On transition to AASB16, the Group recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group has applied the following practical expedients in transitioning existing operating leases:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment);
- Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application;
- Relied on its assessment of whether leases are onerous applying AASB137 immediately before the date of initial application, as an alternative to undertaking an impairment review;
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

## Reconciliation of operating lease commitments under AASB117 and lease liabilities under AASB16

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 5.0%.

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 January 2019 is explained as follows:

	CONSOLIDATED	UNIVERSITY
	1 JANUARY 2019	
	\$'000	\$'000
Operating lease commitments disclosed as at 31 December 2018	12,578	12,578
Discounted using the Group's weighted average incremental borrowing rate of 5.0%	10,462	10,462
(Less): Short-term & low-value leases recognised on a straight-line basis as an expense	(48)	(48)
(Less): Adjustment of 2018 operating lease commitments	3,038	(190)
(Less): Brisbane subsidiary lease commitments not recognised as part of the university	–	(3,277)
<b>Lease liability recognised as at 1 January 2019</b>	<b>13,452</b>	<b>6,947</b>

## The Group as a lessor

The Group is not required to make any adjustments on transition to AASB16 where it is a lessor, except for subleases.

## Subleases

For subleases where the Group is an intermediate lessor, the sublease shall be classified as an operating lease or finance leases with reference to the right-of-use asset arising from the head lease and not the underlying asset. On transition, the Group reassessed the classification of subleases recognised as operating sub-leases under AASB117 with reference to the right-of-use asset and accordingly recognised impacts on transition.

The Group subleases part of its Brisbane campus, an assessment was performed on the basis of the remaining contractual terms and conditions of the head lease and sublease at the transition date. The sublease is classified as an operating lease and as a result there is no impact on transition.

## Note 2 | Disaggregated Information

### A) GEOGRAPHICAL INFORMATION

	REVENUE		RESULTS		ASSETS	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	405,064	327,695	36,407	6,294	846,875	804,609
Americas	185	58	19	6	–	–
Asia	2,932	2,992	293	299	–	–
Europe	38	151	4	15	–	–
Other	9	10	1	1	–	–
<b>Total</b>	<b>408,228</b>	<b>330,906</b>	<b>36,724</b>	<b>6,615</b>	<b>846,875</b>	<b>804,609</b>

## B) INDUSTRY — PARENT ENTITY

### OPERATING RESULTS: Higher Education and VET Operations

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

#### STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	HIGHER EDUCATION	VET	TOTAL PARENT	HIGHER EDUCATION	VET	TOTAL PARENT
	2019			2018		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>						
Australian Government financial assistance	123,884	1,095	124,979	123,295	1,860	125,155
State and local government financial assistance	5,854	22,322	28,176	1,371	19,118	20,489
HECS-HELP – Student payments	2,626	–	2,626	2,443	–	2,443
Fees and charges	199,785	9,974	209,759	144,256	8,950	153,206
Consultancy and contracts	4,866	11	4,877	5,285	–	5,285
Other revenue	2,143	–	2,143	–	–	–
Other income	76	195	271	2,746	195	2,941
Net investment income	33,744	1,653	35,397	20,332	1,055	21,387
<b>Total income</b>	<b>372,978</b>	<b>35,250</b>	<b>408,228</b>	<b>299,728</b>	<b>31,178</b>	<b>330,906</b>
<b>EXPENSES</b>						
Employee related expenses	135,297	24,287	159,584	137,309	21,618	158,927
Depreciation	16,208	4,654	20,862	10,895	4,274	15,169
Repairs and maintenance	6,373	1,159	7,532	5,892	1,199	7,091
Borrowing and financing costs	348	–	348	–	–	–
Other expenses	173,739	9,431	183,170	134,236	8,561	142,797
Losses on disposal of assets	8	–	8	190	117	307
<b>Total expenses</b>	<b>331,973</b>	<b>39,531</b>	<b>371,504</b>	<b>288,522</b>	<b>35,769</b>	<b>324,291</b>
<b>Net result for the year</b>	<b>41,005</b>	<b>(4,281)</b>	<b>36,724</b>	<b>11,206</b>	<b>(4,591)</b>	<b>6,615</b>

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	HIGHER EDUCATION	VET	TOTAL PARENT	HIGHER EDUCATION	VET	TOTAL PARENT
	2019			2018		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net result for the year	41,005	(4,281)	36,724	11,206	(4,591)	6,615
<b>Items that will not be reclassified to profit or loss</b>						
Gain on revaluation of land and buildings	–	–	–	92,067	6,564	98,631
Gain/(Loss) on value of equity instruments designated at fair value through other comprehensive income	(184)	–	(184)	892	–	892
Superannuation:						
Decrease in deferred government contribution	3,650	–	3,650	374	–	374
Decrease in deferred government employee benefits	(3,650)	–	(3,650)	(374)	–	(374)
<b>Total other comprehensive income</b>	<b>(184)</b>	<b>–</b>	<b>(184)</b>	<b>92,959</b>	<b>6,564</b>	<b>99,523</b>
<b>Total comprehensive income</b>	<b>40,821</b>	<b>(4,281)</b>	<b>36,540</b>	<b>104,165</b>	<b>1,973</b>	<b>106,138</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	HIGHER EDUCATION	VET	TOTAL PARENT	HIGHER EDUCATION	VET	TOTAL PARENT
	2019			2018		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	89,643	(25,470)	64,173	79,297	(23,660)	55,637
Receivables	18,331	1,216	19,547	19,669	1,338	21,007
Contract assets	513	411	924	–	–	–
Other financial assets	45,757	–	45,757	67,505	–	67,505
Other non-financial assets	7,788	1,762	9,550	5,264	1,255	6,519
<b>Total current assets</b>	<b>162,032</b>	<b>(22,081)</b>	<b>139,951</b>	<b>171,735</b>	<b>(21,067)</b>	<b>150,668</b>
<b>NON-CURRENT ASSETS</b>						
Receivables	63,435	–	63,435	59,173	–	59,173
Other financial assets	141,624	–	141,624	118,266	–	118,266
Property, plant and equipment	311,014	103,161	414,175	286,055	117,817	403,872
Investment properties	66,070	20,620	86,690	65,110	7,520	72,630
Intangible assets	1,000	–	1,000	–	–	–
<b>Total non-current assets</b>	<b>583,143</b>	<b>123,781</b>	<b>706,924</b>	<b>528,604</b>	<b>125,337</b>	<b>653,941</b>
<b>TOTAL ASSETS</b>	<b>745,175</b>	<b>101,700</b>	<b>846,875</b>	<b>700,339</b>	<b>104,270</b>	<b>804,609</b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables	7,697	172	7,869	9,003	623	9,626
Borrowings and other liabilities from financing activities	1,952	–	1,952	–	–	–
Provisions	32,401	5,752	38,153	39,967	3,079	43,046
Other liabilities	1,938	–	1,938	26,640	3,506	30,146
Contract liabilities	22,344	2,682	25,026	–	–	–
<b>Total current liabilities</b>	<b>66,332</b>	<b>8,606</b>	<b>74,938</b>	<b>75,610</b>	<b>7,208</b>	<b>82,818</b>
<b>NON-CURRENT LIABILITIES</b>						
Borrowings and other liabilities from financing activities	13,158	–	13,158	–	–	–
Provisions	66,927	926	67,853	60,945	488	61,433
<b>Total non-current liabilities</b>	<b>80,085</b>	<b>926</b>	<b>81,011</b>	<b>60,945</b>	<b>488</b>	<b>61,433</b>
<b>TOTAL LIABILITIES</b>	<b>146,417</b>	<b>9,532</b>	<b>155,949</b>	<b>136,555</b>	<b>7,696</b>	<b>144,251</b>
<b>NET ASSETS</b>	<b>598,758</b>	<b>92,168</b>	<b>690,926</b>	<b>563,784</b>	<b>96,574</b>	<b>660,358</b>
<b>EQUITY</b>						
Accumulated surplus	363,933	55,486	419,419	328,775	59,892	388,667
Reserves	234,825	36,682	271,507	235,009	36,682	271,691
<b>TOTAL EQUITY</b>	<b>598,768</b>	<b>92,168</b>	<b>690,926</b>	<b>563,784</b>	<b>96,574</b>	<b>660,358</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	HIGHER EDUCATION	VET	TOTAL PARENT	HIGHER EDUCATION	VET	TOTAL PARENT
	2019			2018		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Australian Government Grants	123,748	1,095	124,843	123,208	1,860	125,068
HECS-HELP – student payments	2,626	–	2,626	2,443	–	2,443
OS – HELP (net)	(12)	–	(12)	(8)	–	(8)
Superannuation supplementation	264	–	264	737	–	737
Rent received from investment properties	4,658	1,653	6,311	4,483	1,055	5,538
Dividends received	6,307	–	6,307	6,722	–	6,722
Interest received	3,949	–	3,949	1,393	–	1,393
User fees and charges received	192,901	9,596	202,497	184,990	12,282	197,272
State Government grants	558	22,235	22,793	–	17,948	17,948
State Government contributions – specific projects	5,500	–	5,500	1,370	1,083	2,453
Payments to suppliers and employees (inclusive of GST)	(331,019)	(34,593)	(365,612)	(298,893)	(29,013)	(327,906)
GST recovered	16,698	–	16,698	12,493	–	12,493
GST paid	(4,665)	–	(4,665)	(3,586)	–	(3,586)
Finance costs	(348)	–	(348)	(1)	–	(1)
<b>Net cash provided by operating activities</b>	<b>21,165</b>	<b>(14)</b>	<b>21,151</b>	<b>35,351</b>	<b>5,215</b>	<b>40,566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments for property, plant & equipment	(25,216)	(1,796)	(27,012)	(12,539)	(11,888)	(24,427)
Proceeds from sale of property, plant and equipment	303	–	303	–	–	–
Payments for intangible assets	(1,000)	–	(1,000)	–	–	–
Proceeds from sale of financial assets	125,871	–	125,871	85,592	–	85,592
Loans to related parties	(1,606)	–	(1,606)	23	–	23
Payments for sale of financial assets	(108,324)	–	(108,324)	(98,963)	–	(98,963)
<b>Net cash used in investing activities</b>	<b>(9,972)</b>	<b>(1,796)</b>	<b>(11,768)</b>	<b>(25,887)</b>	<b>(11,888)</b>	<b>(37,775)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Repayment of lease liabilities	(847)	–	(847)	–	–	–
<b>Net cash used in financing activities</b>	<b>(847)</b>	<b>–</b>	<b>(847)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,346</b>	<b>(1,810)</b>	<b>8,536</b>	<b>9,464</b>	<b>(6,673)</b>	<b>2,791</b>
Cash and cash equivalents at the beginning of the financial year	79,297	(23,660)	55,637	69,833	(16,987)	52,846
<b>Cash and cash equivalents at the end of the financial year</b>	<b>89,643</b>	<b>(25,470)</b>	<b>64,173</b>	<b>79,297</b>	<b>(23,660)</b>	<b>55,637</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

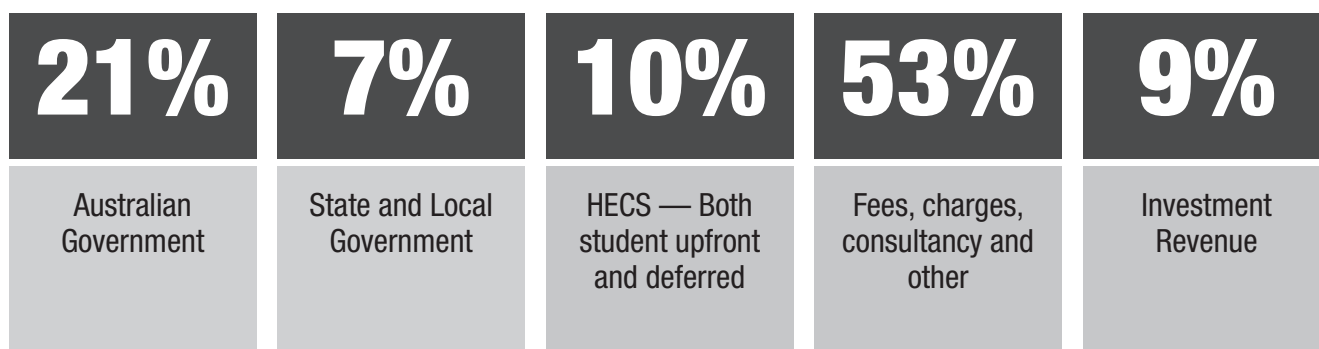
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

HIGHER EDUCATION						
NOTES	RESERVES	ACCUMULATED SURPLUS	TOTAL	RESERVES	ACCUMULATED SURPLUS	TOTAL
	2019			2018		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	235,009	328,775	563,784	–	–	–
Adoption of AASB15 & AASB1058 through profit and loss to retained earnings 1(f)	–	(5,847)	(5,847)	–	–	–
<b>Total equity at the beginning of the financial year (restated)</b>	<b>235,009</b>	<b>322,928</b>	<b>557,937</b>	<b>142,050</b>	<b>317,569</b>	<b>459,619</b>
Net result for the year	–	41,005	41,005	–	11,206	11,206
Gain on revaluation of land and buildings	–	–	–	92,067	–	92,067
Gain/(Loss) on equity instruments designated at fair value through other comprehensive income	(184)	–	(184)	892	–	892
<b>Total equity at the end of the financial year</b>	<b>234,825</b>	<b>363,933</b>	<b>598,758</b>	<b>235,009</b>	<b>328,775</b>	<b>563,784</b>

VET						
NOTES	RESERVES	ACCUMULATED SURPLUS	TOTAL	RESERVES	ACCUMULATED SURPLUS	TOTAL
	2019			2018		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	36,682	59,892	96,574	–	–	–
Adoption of AASB15 & AASB1058 through profit and loss to retained earnings 1(f)	–	(125)	(125)	–	–	–
<b>Total equity at the beginning of the financial year (restated)</b>	<b>36,682</b>	<b>59,767</b>	<b>96,449</b>	<b>30,118</b>	<b>64,483</b>	<b>94,601</b>
Net operating result	–	(4,281)	(4,281)	–	(4,591)	(4,591)
Gain on revaluation of land and buildings	–	–	–	6,564	–	6,564
<b>Total equity at the end of the financial year</b>	<b>36,682</b>	<b>55,486</b>	<b>92,168</b>	<b>36,682</b>	<b>59,892</b>	<b>96,574</b>

## HOW WE ARE FUNDED

This shows that during 2019, the Group's major income sources were:



To enable an understanding of the funding, key estimates, judgement and accounting policies specific to each funding source are outlined within the relevant note.

### Note 3 | Revenue and Income

Notes 3.1 to 3.5 disclose the revenue and income received during the period according to the mandatory disclosures required by the department. The disclosures as per AASB15 and AASB1058 are included in the note 3.6 and a reconciliation is included in note 3.7.

#### NOTE 3.1 | AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Commonwealth Grants Scheme and other grants	28(a)	75,352	72,901	75,352	72,901
Higher Education Loan Programs	28(b)	44,723	46,787	44,723	46,787
Scholarships	28(c)	2,124	2,254	2,124	2,254
Education – Research	28(c)	1,501	1,581	1,501	1,581
Australian Research Council	28(d)	199	183	199	183
Other Australian Government financial assistance		1,080	1,449	1,080	1,449
		<b>124,979</b>	<b>125,155</b>	<b>124,979</b>	<b>125,155</b>

#### NOTE 3.2 | STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>NON-CAPITAL</b>				
Recurrent grants	14,325	12,021	14,325	12,021
Other grants	8,351	6,015	8,351	6,015
	<b>22,676</b>	<b>18,036</b>	<b>22,676</b>	<b>18,036</b>
<b>CAPITAL</b>				
State capital grants	5,500	2,453	5,500	2,453
<b>Total state and local government financial assistance</b>	<b>28,176</b>	<b>20,489</b>	<b>28,176</b>	<b>20,489</b>

### NOTE 3.3 | FEES AND CHARGES

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>COURSE FEES AND CHARGES</b>					
Fee-paying overseas students (onshore)		181,345	125,639	181,345	125,639
Fee-paying overseas students (offshore)		1,942	2,085	1,942	2,085
Continuing education		39	6	39	6
Fee-paying domestic postgraduate students		3,333	2,928	3,333	2,928
Fee-paying domestic non-award students		68	24	68	24
Other student fees		1,846	2,324	1,846	2,324
Fee for service		5,550	4,944	5,550	4,944
<b>Total course fees and charges</b>		<b>194,123</b>	<b>137,950</b>	<b>194,123</b>	<b>137,950</b>
<b>OTHER NON-COURSE FEES AND CHARGES</b>					
Rent/use of facilities charges		7,139	7,062	7,082	7,062
Commercial activities		7,280	6,798	7,280	6,798
Student Services and Amenities Fees from students	28(g)	177	171	177	171
Other		1,097	1,225	1,097	1,225
<b>Total other fees and charges</b>		<b>15,693</b>	<b>15,256</b>	<b>15,636</b>	<b>15,256</b>
<b>Total fees and charges</b>		<b>209,816</b>	<b>153,206</b>	<b>209,759</b>	<b>153,206</b>

### NOTE 3.4 | CONSULTANCY AND CONTRACTS

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Consultancy	1,080	1,208	1,080	1,208
Contract research	3,797	4,077	3,797	4,077
<b>Total consultancy and contracts</b>	<b>4,877</b>	<b>5,285</b>	<b>4,877</b>	<b>5,285</b>

### NOTE 3.5 | OTHER REVENUE AND INCOME

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	266	879	266	879
Scholarships and prizes	73	70	73	70
Other	2,075	1,992	2,075	1,992
<b>Total other revenue</b>	<b>2,414</b>	<b>2,941</b>	<b>2,414</b>	<b>2,941</b>



**Basis for disaggregation**

Revenue streams disclosed below are for illustrative purposes and considered to be different in nature, amount, timing and uncertainty.

**Sources of funding:**

The Group receives funds from Australian Government as well as State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the Group also receives funds and fees from private organisations or individuals that are used for the different programs for education services provided by the Group.

**Revenue and income streams:**

The streams are distinguishing the different activities performed by the Group as well as acknowledge the different type of users of the programs and services provided:

- i. **Education:** the Group has domestic and overseas students enrolled in a variety of programs for different qualification levels (from certificates to doctoral degrees). Whilst the number of domestic students is affected by national economic factors as interest rates or unemployment, the overseas students are impacted by the changes in the immigration policies.
- ii. **Research:** the Group performs research activities in different fields such as health, engineering, education, or science. The Group enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The Group has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the Group obtains control of the research funds.
- iii. **Non-course fees and charges:** these correspond to the complementary services provided by the Group such as parking and catering services.

**A) DISAGGREGATION**

The Group derives revenue and income from:

CONSOLIDATED	SOURCES OF FUNDING								
	Higher Education Loan Program ("HELP")	Student Fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial Arrangements	Donations, including corporate sponsorship	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUE STREAM</b>									
<b>Course fees and charges</b>									
Domestic students – undergraduate	36,994	–	69,700	–	–	–	–	106,694	–
Overseas students (onshore) – undergraduate	–	61,493	–	–	–	–	–	61,493	–
Domestic students – postgraduate	2,426	1,942	4,719	–	–	–	–	9,087	–
Overseas students (onshore) – postgraduate	–	119,372	–	–	–	–	–	119,372	–
Overseas students (offshore) – postgraduate	–	3,333	–	–	–	–	–	3,333	–
Domestic non-award students	–	68	–	–	–	–	–	68	–
Overseas students (onshore) non-award students	–	235	–	–	–	–	–	235	–
Continuing education	–	39	–	–	–	–	–	39	–
Other student fees	3,470	2,091	500	–	–	–	–	6,061	–
Fee for service	–	5,550	–	–	–	–	–	5,550	–
<b>Total course fees and charges</b>	<b>42,890</b>	<b>194,123</b>	<b>74,919</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>311,932</b>	<b>–</b>
<b>Research</b>									
Research goods and services [AASB15]	–	–	962	–	–	–	4,112	5,074	–
Research income [AASB1058]	–	–	3,625	–	–	–	765	–	4,390
<b>Total research</b>	<b>–</b>	<b>–</b>	<b>4,587</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,877</b>	<b>5,074</b>	<b>4,390</b>
<b>Recurrent government grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14,325</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14,325</b>	<b>–</b>
<b>Non-course fees and charges</b>									
Rent/use of facilities charges	–	–	–	–	7,139	–	–	7,139	–
Parking fees	–	–	–	–	105	–	–	105	–
Childcare	–	–	–	–	5,583	–	–	5,583	–
Catering	–	–	–	–	1,697	–	–	1,697	–
Student Services and Amenities Fees	1,833	–	–	–	177	–	–	2,010	–
Other	–	–	–	–	992	–	–	992	–
<b>Total non-course fees and charges</b>	<b>1,833</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15,693</b>	<b>–</b>	<b>–</b>	<b>17,526</b>	<b>–</b>
<b>Capital government grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,500</b>
<b>Other</b>									
Other [AASB15]	–	–	317	8,172	–	73	2,070	10,632	–
Other [AASB1058]	–	–	433	179	–	266	5	–	883
<b>Total other</b>	<b>–</b>	<b>–</b>	<b>750</b>	<b>8,351</b>	<b>–</b>	<b>339</b>	<b>2,075</b>	<b>10,632</b>	<b>883</b>
<b>Total revenue from contracts with customers</b>	<b>44,723</b>	<b>194,123</b>	<b>76,198</b>	<b>22,497</b>	<b>15,693</b>	<b>73</b>	<b>6,182</b>	<b>359,489</b>	<b>–</b>
<b>Total income of not-for-profit</b>	<b>–</b>	<b>–</b>	<b>4,058</b>	<b>5,679</b>	<b>–</b>	<b>266</b>	<b>770</b>	<b>–</b>	<b>10,773</b>

**UNIVERSITY**

	SOURCES OF FUNDING								
	Higher Education Loan Program ("HELP")	Student Fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial Arrangements	Donations, including corporate sponsorship	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUE STREAM</b>									
<b>Course fees and charges</b>									
Domestic students – undergraduate	36,994	–	69,700	–	–	–	–	106,694	–
Overseas students (onshore) – undergraduate	–	61,493	–	–	–	–	–	61,493	–
Domestic students – postgraduate	2,426	1,942	4,719	–	–	–	–	9,087	–
Overseas students (onshore) – postgraduate	–	119,372	–	–	–	–	–	119,372	–
Overseas students (offshore) – postgraduate	–	3,333	–	–	–	–	–	3,333	–
Domestic non-award students	–	68	–	–	–	–	–	68	–
Overseas students (onshore) non-award students	–	235	–	–	–	–	–	235	–
Continuing education	–	39	–	–	–	–	–	39	–
Other student fees	3,470	2,091	500	–	–	–	–	6,061	–
Fee for service	–	5,550	–	–	–	–	–	5,550	–
<b>Total course fees and charges</b>	<b>42,890</b>	<b>194,123</b>	<b>74,919</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>311,932</b>	<b>–</b>
<b>Research</b>									
Research goods and services [AASB15]	–	–	962	–	–	–	4,112	5,074	–
Research income [AASB1058]	–	–	3,625	–	–	–	765	–	4,390
<b>Total research</b>	<b>–</b>	<b>–</b>	<b>4,587</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,877</b>	<b>5,074</b>	<b>4,390</b>
<b>Recurrent government grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14,325</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14,325</b>	<b>–</b>
<b>Non-course fees and charges</b>									
Rent/use of facilities charges	–	–	–	–	7,082	–	–	7,082	–
Parking fees	–	–	–	–	105	–	–	105	–
Childcare	–	–	–	–	5,583	–	–	5,583	–
Catering	–	–	–	–	1,697	–	–	1,697	–
Student Services and Amenities Fees	1,833	–	–	–	177	–	–	2,010	–
Other	–	–	–	–	992	–	–	992	–
<b>Total non-course fees and charges</b>	<b>1,833</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15,636</b>	<b>–</b>	<b>–</b>	<b>17,469</b>	<b>–</b>
<b>Capital government grants</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,500</b>
<b>Other</b>									
Other [AASB15]	–	–	317	8,172	–	73	2,070	10,632	–
Other [AASB1058]	–	–	433	179	–	266	5	–	883
<b>Total other</b>	<b>–</b>	<b>–</b>	<b>750</b>	<b>8,351</b>	<b>–</b>	<b>339</b>	<b>2,075</b>	<b>10,632</b>	<b>883</b>
<b>Total revenue from contracts with customers</b>	<b>44,723</b>	<b>194,123</b>	<b>76,198</b>	<b>22,497</b>	<b>15,636</b>	<b>73</b>	<b>6,182</b>	<b>359,432</b>	<b>–</b>
<b>Total income of not-for-profit</b>	<b>–</b>	<b>–</b>	<b>4,058</b>	<b>5,679</b>	<b>–</b>	<b>266</b>	<b>770</b>	<b>–</b>	<b>10,773</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

## REVENUE FROM CONTRACTS WITH CUSTOMERS

### B) ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

#### ACCOUNTING POLICY

The Group recognises revenue under AASB15 when the rights and obligations created under the agreement are enforceable and the performance obligations are sufficiently specific. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised for the major business activities as follows:

#### COURSE FEES AND CHARGES

Revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs. Revenue from course fees and charges are recognised over time as and when the course is delivered to the students over the semester. When the courses or trainings have been paid in advanced by students or the Group has received the government funding in advance (e.g. before starting the academic period) the Group recognises a contract liability until the services are delivered.

The Group does not have any obligations to return or refund obligations or other similar obligations. There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

#### RESEARCH

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction. The Group recognises research revenue based on its contractual obligations however the Group applies a materiality expedient for research contracts under \$20,000 to be recognised as funding is received.

The following specific research revenue recognition criteria have been applied:

#### Non-government entities funding

The Group enters into research funding agreements with various entities to undertake research activities. Revenue is recognised under AASB15 when there is an enforceable contract and performance obligations are sufficiently specific. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies its performance obligations by transferring control of the research to the funding providers. The Group assesses each contract and applies the following methodology which best depicts the Group's performance in transferring control of the research outputs to the entities:

- a) The Group recognises revenue over time when the Group can identify that the intellectual property is transferred to the funding providers throughout the agreement. Revenue is recognised in line with total expenditure or on the direct measurement of the research transferred to the funding providers.
- b) For research funding where it cannot be identified that control is transferred over time, the Group recognises revenue on the satisfaction of performance obligations or upon the completion of the research project.

Funding is received as outlined within the funding agreement and is generally provided throughout the contract term based on performance measurements. If the Group receives consideration for performance obligations yet to be satisfied, the Group recognises a contract liability until performance obligations have been met. Conversely, if the Group satisfies a performance obligation before it receives consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due ie. the completion of milestones or reporting requirements.

Due to the nature of research funding, consideration can be variable. For reciprocal funding agreements the group has an obligation to return any unspent monies to the funding providers at the conclusion of the contract. At the reporting date, the Group assesses agreements for any funding that is expected to be repaid and recognises a refund liability until the funds are returned to the funding providers.

#### NON-COURSE FEES AND CHARGES

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, childcare services, catering, rent and use of facilities and other non-course fees and charges. The Group generally receives payment either as the transaction occurs or within 30 days of invoicing the customer. Revenue is recognised when control of the goods has transferred to the customer or when the service is provided at an amount that reflects the consideration to which the Group expects to be entitled. For goods or services that are provided over time such as student accommodation, student services and amenities fees and childcare services the Group recognises revenue as the services are provided to the students/children. Revenue for non course fees and charges where control is transferred at a point in time is recognised as the good or service is provided to the customer ie. catering and hairdressing services.

#### OTHER

Other revenue primarily consists of grants received from the Australian and state government to assist the Group in delivering courses to students. Revenue is recognised as the Group utilises these funds provide services to the students as reference to total expenditure or as the services are delivered to the students.

When the Group receives funds in advanced the Group recognises a contract liability until the funding is spent.

### C) UNSATISFIED PERFORMANCE OBLIGATIONS

Remaining performance obligations relates to services the Group has promised to provide to customers under research funding agreements and course fees and charges yet to be delivered. In determining the transaction price allocated to the remaining performance obligations in the Group's contracts with customers, the Group allocated the expected amounts to be recognised as referenced to the funding agreements and expected expenditure.

For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	WITHIN 1 YEAR	FROM 1 TO 5 YEARS	AFTER 5 YEARS	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>CONSOLIDATED</b>				
Australian Government unspent financial assistance	254	–	–	254
Student fees	19,251	–	–	19,251
Other revenue	8,951	1,823	–	10,774
	<b>28,456</b>	<b>1,823</b>	<b>–</b>	<b>30,279</b>
<b>UNIVERSITY</b>				
Australian Government unspent financial assistance	254	–	–	254
Student fees	19,251	–	–	19,251
Other revenue	8,951	1,823	–	10,774
	<b>28,456</b>	<b>1,823</b>	<b>–</b>	<b>30,279</b>

As permitted under the transitional provisions in AASB15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

### D) ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contracts with customers:

	CONSOLIDATED		UNIVERSITY	
	2019		2019	
	CLOSING BALANCE	OPENING BALANCE	CLOSING BALANCE	OPENING BALANCE
	\$'000	\$'000	\$'000	\$'000
Receivables	16,943	16,877	19,547	20,393
<b>Receivables – current</b>	<b>16,943</b>	<b>16,877</b>	<b>19,547</b>	<b>20,393</b>
Contract assets	928	725	924	725
<b>Contract assets – current</b>	<b>928</b>	<b>725</b>	<b>924</b>	<b>725</b>
Australian Government unspent financial assistance	254	443	254	443
Student fees received in advance	19,251	26,098	19,251	26,098
Other contract liabilities	5,521	6,230	5,521	6,230
<b>Contract liabilities – current</b>	<b>25,026</b>	<b>32,771</b>	<b>25,026</b>	<b>32,771</b>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$31.3m. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price) was nil.

## CONTRACT ASSETS

Contract assets are associated with research funding where the revenue the Group is entitled to is greater than funding received. The classification of contract assets as current was made on the basis that the period in which the Group expects to receive payment is less than 12 months. The impairment associated with the contract assets is disclosed in Note 8. Receivables and contract assets.

## ACCOUNTING POLICY

While a receivable is the Group's right to consideration that is unconditional, a contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer when that right is conditioned on something other than the passage of time such as the achievement of milestones and reporting obligations.

## CONTRACT LIABILITIES

Contract liabilities are associated with revenue received for contract research activities with performance obligations yet to be satisfied and course fees and charges for educational services yet to be delivered. The classification of contract liabilities as current was made on the basis that the period in which the Group expects to satisfy its outstanding performance obligations is less than 12 months.

## ACCOUNTING POLICY

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## E) REFUND LIABILITIES

The Group has recognised the following refund liabilities related to contracts with customers:

	CONSOLIDATED		UNIVERSITY	
	2019		2019	
	CLOSING BALANCE	OPENING BALANCE	CLOSING BALANCE	OPENING BALANCE
	\$'000	\$'000	\$'000	\$'000
Refund liabilities	6	–	6	–
Refund liabilities – current	6	–	6	–

## REFUND LIABILITIES

The refund liabilities are associated with reciprocal research funding agreements where the Group has an obligation to return any unspent monies to the funding providers at the conclusion of the contract (see note 17. Other liabilities). The classification of refund liabilities as current was made on the basis that the period in which the Group expects to refund the funding providers is less than 12 months.

## ACCOUNTING POLICY

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

## F) ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

---

### ACCOUNTING POLICY

Income is recognised for the major business activities as follows:

#### GRANTS

##### Higher Education Disability Support Program

The Group receives grant funding to assist the Group in providing support to students with disabilities and to implement strategies to attract and support domestic students with a disability. There are no specific performance obligations attached to the funding and therefore the Group recognises income immediately when the Group has the contractual right to receive the grant.

##### Indigenous Student Success Program

The Group receives supplementary funding to help lift the number of Aboriginal and Torres Strait Islander people who enrol in and successfully progress and graduate through university. The Group chooses how to best utilise these funds in tailoring their services to these students needs and therefore there are no specific performance obligations. The Group recognises income immediately when the Group has the contractual right to receive the grant.

#### RESEARCH FUNDING

##### Department of Education funding

The Group receives funding in relation to the Research Training Program (RTP) and Research Support Program (RSP). As the Group can choose what the grant is used for in accordance to the criteria within the guidelines and as the performance obligations are not sufficiently specific, the Group recognises income immediately when the Group has the contractual right to receive the grant.

##### Australian Research Council (ARC) funding

The Group receives research funding as part of the ARC Discovery Program and the ARC Linkage Program. As the performance obligations are not sufficiently specific, the Group recognises income immediately when the Group has the contractual right to receive the funding.

##### National Health and Medical Research Council (NHMRC) funding

NHMRC awards grants through several funding schemes to advance health and medical knowledge to improve the health status of all Australians. As the performance obligations are not sufficiently specific, the Group recognises income immediately when the Group has the contractual right to receive the funding.

##### Non-government entities funding

When the Group receives funding for research where the performance obligations are not sufficiently specific or the research agreement is below \$20,000, the Group recognises revenue when the Group has the contractual right to receive the funding.

#### CAPITAL GRANTS

The Group received capital grant funding from the State Government as a reimbursement for the costs incurred in constructing the Gippsland High Tech Precinct. The Victorian Industry Participation Policy under the *Local Jobs First Act 2003* was applied to this project. The university complies with the *Local Jobs First Act 2003* (where applicable).

Income is recognised as the asset is constructed.

#### OTHER REVENUE

The Group recognises donations when received unless there are specific performance obligations attached to the donation.

## NOTE 3.7 | RECONCILIATION REVENUE AND INCOME

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019		2019	
		CLOSING BALANCE		OPENING BALANCE	
		\$'000		\$'000	
Total Australian Government financial assistance including Australian Government loan programs (HELP)	3.1	124,979	124,979	124,979	124,979
Total State and Local Government financial assistance	3.2	28,176	28,176	28,176	28,176
Total fees and charges	3.3	209,816	209,816	209,759	209,759
Total consultancy and contract fees	3.4	4,877	4,877	4,877	4,877
Total other revenue and income	3.5	2,414	2,414	2,414	2,414
<b>Total</b>		<b>370,262</b>	<b>370,262</b>	<b>370,205</b>	<b>370,205</b>
Total revenue from contracts with customers as per AASB15	3.6	359,489	359,489	359,432	359,432
Total income of not-for-profit as per AASB1058	3.6	10,773	10,773	10,773	10,773
<b>Total revenue and income from continuing operations</b>		<b>370,262</b>	<b>370,262</b>	<b>370,205</b>	<b>370,205</b>

## Note 4 | Net Investment Income

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000		\$'000	
		\$'000		\$'000	
Interest		3,759	3,261	3,759	3,261
Dividends		3,988	6,797	3,988	6,797
Net fair value gains		19,157	5,431	19,157	5,431
Rental income from investment properties	11	6,311	5,538	6,311	5,538
Fair value gain on investment properties	11	2,182	360	2,182	360
		<b>35,397</b>	<b>21,387</b>	<b>35,397</b>	<b>21,387</b>

### ACCOUNTING POLICY

Interest is recognised on an accruals basis taking into account effective interest rates applicable to the financial assets.

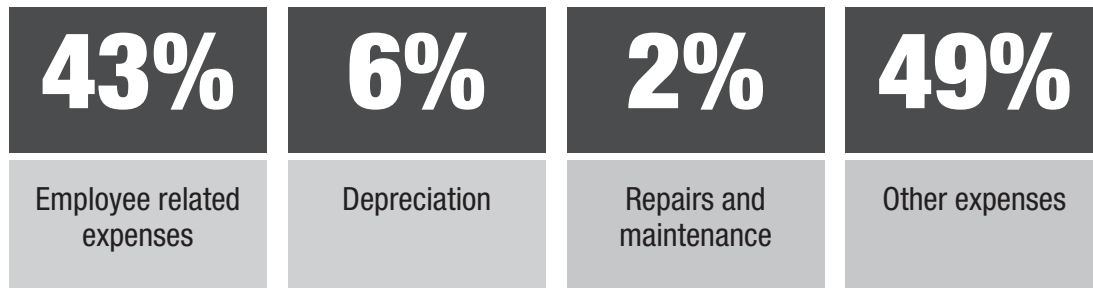
Dividend revenue is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

For accounting policy on lease income, please refer to note 10.1 which details the policy for the Group as a lessor for 2019 and appendix 2 for accounting policies as per AASB117 applicable for the period 2018.



## COMPOSITION OF EXPENDITURE

---



To enable an understanding of how funding is allocated, key estimates, judgement and accounting policies specific to each expenditure type are outlined within the relevant note.

## Note 5 | Employee Related Expenses

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>ACADEMIC</b>				
Salaries	69,486	66,288	69,486	66,288
Contributions to funded superannuation and pension schemes	9,781	9,067	9,781	9,067
Payroll tax	1,941	2,217	1,941	2,217
Worker's compensation	583	554	583	554
Movement in provisions:				
Annual leave	431	(128)	431	(128)
Long service leave	(1,836)	2,764	(1,836)	2,764
Other employee entitlements	6	(79)	6	(79)
<b>Total academic</b>	<b>80,392</b>	<b>80,683</b>	<b>80,392</b>	<b>80,683</b>
<b>NON-ACADEMIC</b>				
Salaries	67,262	63,897	67,262	63,897
Contributions to funded superannuation and pension schemes	10,222	9,410	10,222	9,410
Payroll tax	1,866	2,129	1,866	2,129
Worker's compensation	566	531	566	531
Movement in provisions:				
Annual leave	505	(188)	505	(188)
Long service leave	(1,154)	2,420	(1,154)	2,420
Other employee entitlements	(75)	45	(75)	45
<b>Total non-academic</b>	<b>79,192</b>	<b>78,244</b>	<b>79,192</b>	<b>78,244</b>
<b>Total employee related expenses</b>	<b>159,584</b>	<b>158,927</b>	<b>159,584</b>	<b>158,927</b>

### ACCOUNTING POLICY

Expenditure for salaries is expensed as incurred.

### PAYROLL TAX

Payroll tax is recognised and included in employee benefit costs when the employee benefits to which they relate are recognised.

### ANNUAL LEAVE

Annual leave expenses are part of the salary costs. Annual leave is calculated at the nominal value of expected payments to be made in respect of services provided by employees up to the reporting date.

Where employees have significant annual leave balances, an estimate is made of the probability of leave to be taken within 12 months and beyond 12 months.

### LONG SERVICE LEAVE

Long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

Refer to note 16 for additional information of accounting policies on employee benefits.

## Note 6 | Other Expenses

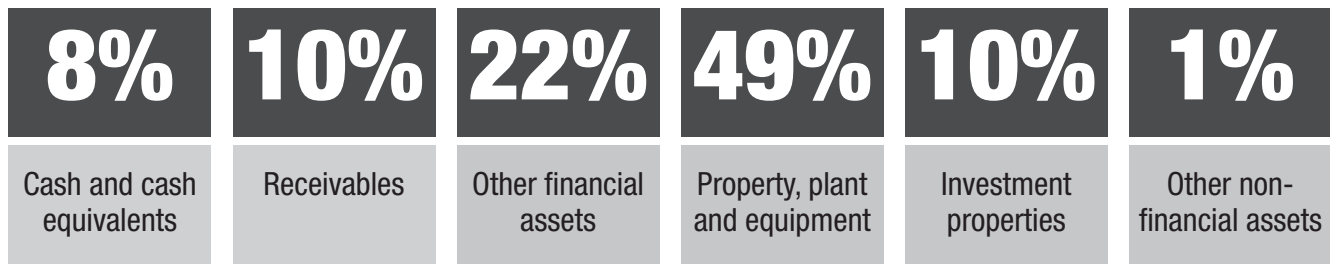
NOTES	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	7,880	5,545	7,880	5,545
Audit fees, bank charges, legal costs, insurance and taxes	2,503	1,832	2,503	1,832
Contract and other services	11,867	10,093	11,867	10,093
Copying, printing, stationery and consumables	3,229	3,434	3,229	3,434
Cost of sale of goods including ancillary trading	1,103	1,125	1,103	1,125
External education services	82,579	66,058	82,579	66,058
Finance costs	–	1	–	1
Impairment of receivables	2,912	1,739	2,912	1,739
Independent contractors	5,579	4,147	5,579	4,147
Motor vehicle running costs	455	473	455	473
Non-capitalised equipment	4,924	2,242	4,924	2,242
Operating lease & rental expenses	390	2,095	374	2,095
Recruitment costs	851	804	851	804
Scholarships, grants and prizes	39,699	27,580	39,699	27,580
Subscriptions, library materials & licence fees	6,955	5,227	6,955	5,227
Telecommunications	318	259	318	259
Travel, staff development and entitlements	2,508	2,495	2,508	2,495
Utilities	5,155	4,483	4,766	4,483
Miscellaneous expenses	2,561	2,265	4,668	3,165
<b>Total other expenses</b>	<b>181,468</b>	<b>141,897</b>	<b>183,170</b>	<b>142,797</b>

### ACCOUNTING POLICY

Other expenses are recognised on an accruals basis.

## ASSETS

Assets are resources controlled by the Group from which future economic benefits are expected to be realised. Assets held by the Group at reporting date were:



To enable an understanding of asset categories, key estimates, judgement and accounting policies specific to each asset type are outlined within the relevant note.

### Note 7 | Cash and Cash Equivalents

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	3,186	4,800	3,186	4,800
Deposits at call	40,987	40,837	40,987	40,837
Short term deposits	20,000	10,000	20,000	10,000
<b>Total cash and cash equivalent</b>	<b>64,173</b>	<b>55,637</b>	<b>64,173</b>	<b>55,637</b>

#### ACCOUNTING POLICY

Cash and cash equivalents include cash on hand and at bank, at-call deposits and term deposits with a maturity of 90 days or less.

## Note 8 | Receivables and Contract Assets

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>				
Trade receivables	14,560	9,758	17,194	13,322
Sundry debtors	2,219	4,608	2,189	4,560
Contract assets	928	725	924	725
Expected credit loss allowance – trade receivables	( 3,849)	( 2,225)	( 3,849)	( 2,225)
	13,858	12,866	16,458	16,382
Deferred Government contributions for superannuation	4,013	4,625	4,013	4,625
<b>Total current receivables</b>	<b>17,871</b>	<b>17,491</b>	<b>20,471</b>	<b>21,007</b>
<b>NON-CURRENT</b>				
Deferred Government contributions for superannuation	63,435	59,173	63,435	59,173
<b>Total non current receivables</b>	<b>63,435</b>	<b>59,173</b>	<b>63,435</b>	<b>59,173</b>
<b>Total receivables</b>	<b>81,306</b>	<b>76,664</b>	<b>83,906</b>	<b>80,180</b>

### INTEREST RATE AND CREDIT RISK

The Group's receivables are non interest bearing and are generally on terms of 30 days.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### CONTRACT ASSETS

As at 31 December 2019, the Group has contract assets of \$0.9m which is net of an allowance for expected credit losses of \$nil.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

### EXPECTED CREDIT LOSS ALLOWANCE (ECL) – TRADE RECEIVABLES & CONTRACT ASSETS

Movement in ECL relating to trade receivables and contract assets

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January	2,225	1,301	2,225	1,301
Provision recognised during year	2,912	1,739	2,912	1,739
Receivables written off during the year as uncollectable	( 1,288)	( 815)	( 1,288)	( 815)
<b>Balance as at 31 December</b>	<b>3,849</b>	<b>2,225</b>	<b>3,849</b>	<b>2,225</b>

The significant changes in the balances of contract assets are disclosed in note 3.6, while the information about the credit exposures are disclosed in note 26 Financial risk management.

### ACCOUNTING POLICY

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal or debt instruments where a FVOCI option has been elected. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 30 days from the date of recognition.

### KEY ESTIMATES AND JUDGEMENTS

For trade receivables and contract assets the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## DEFERRED GOVERNMENT CONTRIBUTIONS TO SUPERANNUATION

The Group has a number of employees who are members of the State Employees Retirement Benefits Scheme and the State Superannuation Fund administered by the Government Superannuation Office. These schemes are State super schemes and are not available to future employees of the Group. Funding to meet payments incurred will be provided to Federation University by the Australian Government. The cost is shared between the State of Victoria and the Australian Government under the *States Grants (General Revenue) Amendment Act 1987*. The Group's obligation is limited to what is required to be paid for that year. This is refunded from the Australian Government on an emerging cost basis.

At 31 December 2019, the State Superannuation Fund was carrying total liabilities for member benefits greater than the value of the net market value of the plan's assets, based on an actuarial valuation. As a result, an unfunded superannuation liability exists and is recognised in the financial statements of the Scheme. The Group recognises a receivable from the Australian Government in respect of unfunded superannuation schemes operated by the State Government, which offsets the deferred Government superannuation present obligation recognised in the financial statements. As at 31 December 2019 the Group's total unfunded superannuation liability determined by the Victorian Government Superannuation Office amounted to \$67.448million (2018: \$63.798million). Refer to note 16 for the liability recorded. The increase/decrease in the asset and liability are disclosed in the Statement of Comprehensive Income.

## Note 9 | Other Financial Assets

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>				
<b>Financial assets at amortised cost</b>				
Term deposits	40,000	65,000	40,000	65,000
Corporate bonds	5,757	2,505	5,757	2,505
<b>Total current other financial assets</b>	<b>45,757</b>	<b>67,505</b>	<b>45,757</b>	<b>67,505</b>
<b>NON-CURRENT</b>				
<b>Financial assets at amortised cost</b>				
Corporate bonds	17,553	23,358	17,553	23,358
Hybrid securities	70,087	61,044	70,087	61,044
<b>Financial assets at fair value through profit or loss</b>				
Shares – unlisted	40,293	22,933	40,293	22,933
Shares – listed	3,883	939	3,883	939
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>				
Shares – unlisted	9,808	9,992	9,808	9,992
<b>Total non-current other financial assets</b>	<b>141,624</b>	<b>118,266</b>	<b>141,624</b>	<b>118,266</b>
<b>Total other financial assets</b>	<b>187,381</b>	<b>185,771</b>	<b>187,381</b>	<b>185,771</b>

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (Note 4 – net investment income).

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset; or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### FINANCIAL ASSETS AT AMORTISED COST

Financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends are also recognised as investment income in the income statement when the right of payment has been established.

#### INVESTMENTS IN EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Upon initial recognition, the Group has irrevocably elected to classify these equity investments as equity instruments designated at fair value through OCI as they have met the definition of equity under AASB132 *Financial Instruments: Presentation* and are not held for trading. The classification has been determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as investment income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

## Note 10 | Other Non-Financial Assets

NOTES	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>				
Prepayments	7,713	5,003	7,713	4,868
Inventories	603	417	603	417
Assets held for sale	1,234	1,234	1,234	1,234
<b>Total other non-financial assets</b>	<b>9,550</b>	<b>6,654</b>	<b>9,550</b>	<b>6,519</b>

### ACCOUNTING POLICY

#### Prepayments

The Group recognises a prepayment as an asset when payments for goods or services have been made in advance of the Group obtaining a right to access those goods or services.

#### Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Assets held for sale

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

In 2018, the Group decided that it would dispose of its Mt Rowan property located on the corner of Rosehill Rd and Midland Highway. The Group has signed a contract of sale for the property however there are conditions of sale that need to be met before the sale is finalised. The Group expects the sale will be completed in early 2020. Any gain or loss will be recognised on disposal.

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

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



## NOTE 10.1 | THE GROUP AS LESSOR

The Group leases commercial property and office premises to tenants under non-cancellable operating lease arrangements.

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>OPERATING LEASES</b>				
Lease income	6,368	5,538	6,311	5,538

Amounts included in the income statement relating to operating leases disclosed above includes income from subleasing right-of-use assets of \$57k.

### OPERATING LEASES AS A LESSOR

#### Leasing arrangements

The future minimum lease payments receivable from tenants under non-cancellable operating leases in the aggregate and for each of the following periods:

Not later than one year	5,647	5,942	5,647	5,942
Later than one year and not later than five years	14,322	10,258	14,322	10,258
Later than five years	3,553	2,403	3,553	2,403
<b>Total undiscounted lease payments receivable</b>	<b>23,522</b>	<b>18,603</b>	<b>23,522</b>	<b>18,603</b>

### POLICY APPLICABLE FROM 1 JANUARY 2019

#### THE GROUP AS A LESSOR

When the Group acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers indicators such as whether the lease is for the major part of the economic life of the asset. The Group reassesses the lease classification only if there is a lease modification. Changes in estimates (e.g. changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (e.g. default by the lessee), do not give rise to a new classification of a lease for accounting purposes.

When the Group is an intermediate lessor in a sublease, it accounts for its interests in the head lease and the sublease separately as two separate contracts. The Group assesses the lease classification as a lessor in the sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the short-term lease exemption as described in the policy where the Group is a lessee, then the sublease is classified as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

Where the lease is classified as a finance lease, the Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Subsequently, the Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group does not have any finance leases.

## Note 11 | Investment Properties

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>AT FAIR VALUE</b>				
Opening balance at 1 January	72,630	68,040	72,630	68,040
Transfers from property, plant and equipment	11,878	4,230	11,878	4,230
Revaluation increment	2,182	360	2,182	360
<b>Closing balance at 31 December</b>	<b>86,690</b>	<b>72,630</b>	<b>86,690</b>	<b>72,630</b>

### AMOUNTS RECOGNISED IN PROFIT OR LOSS FOR INVESTMENT PROPERTIES

Rental income	6,311	5,538	6,311	5,538
Movement in fair value of investment properties	2,182	360	2,182	360
	8,493	5,898	8,493	5,898
Direct operating expenses of rent generating properties	(2,556)	(2,199)	(2,556)	(2,199)
<b>Total recognised in profit or loss</b>	<b>5,937</b>	<b>3,699</b>	<b>5,937</b>	<b>3,699</b>

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

### ACCOUNTING POLICY

Investment properties exclude properties held to meet service delivery objectives of the Group.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Group.

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

Subsequent to initial recognition at cost, investment property is carried at fair value, which is based on active market prices of similar properties, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed on an annual basis, 2019 Leader Property Practice (2018 Leader Property Practice) a member of the Australian Property Institute. Changes in fair values are recorded in the statement of income as part of net investment income.

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

The Group has recognised lease incentive as a reduction in rent payable and will be brought to account over the remaining term of the lease.

## Note 12 | Property, Plant and Equipment

CONSOLIDATED	LAND	BUILDINGS	WORK IN PROGRESS	LEASE OF LAND	L'HOLD IMPROV	PLANT AND EQUIPMENT	MOTOR VEHICLES	LIBRARY	WORKS OF ART	RIGHT OF USE ASSETS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>AT 1 JANUARY 2018</b>											
Cost	–	–	10,382	–	9,288	11,977	2,480	8,037	–	–	42,164
Valuation	40,735	237,833	–	630	–	–	–	–	1,363	–	280,561
Accumulated depreciation	–	(10,459)	–	–	(173)	(2,664)	(675)	(1,412)	–	–	(15,383)
<b>Net book amount</b>	<b>40,735</b>	<b>227,374</b>	<b>10,382</b>	<b>630</b>	<b>9,115</b>	<b>9,313</b>	<b>1,805</b>	<b>6,625</b>	<b>1,363</b>	<b>–</b>	<b>307,342</b>
<b>YEAR ENDED 31 DECEMBER 2018</b>											
Opening net book amount	40,735	227,374	10,382	630	9,115	9,313	1,805	6,625	1,363	–	307,342
Additions	–	–	20,099	–	–	2,034	246	2,048	–	–	24,427
Disposals	–	–	–	–	–	(432)	(49)	(20)	–	–	(501)
Transfers	(2,331)	(3,063)	–	–	–	(70)	–	–	–	–	(5,464)
Revaluation	4,709	94,065	(298)	1,370	641	(1,856)	–	–	–	–	98,631
Capitalised	–	8,609	(8,609)	–	–	–	–	–	–	–	–
Depreciation expense	–	(10,571)	–	–	(1,071)	(2,538)	(580)	(1,309)	–	–	(16,069)
<b>Closing net book amount</b>	<b>43,113</b>	<b>316,414</b>	<b>21,574</b>	<b>2,000</b>	<b>8,685</b>	<b>6,451</b>	<b>1,422</b>	<b>7,344</b>	<b>1,363</b>	<b>–</b>	<b>408,366</b>
<b>AT 31 DECEMBER 2018</b>											
Cost	–	–	21,574	–	5,396	16,690	4,051	22,128	–	–	69,839
Valuation	43,113	316,534	–	2,000	4,191	–	–	–	1,363	–	367,201
Accumulated depreciation	–	(120)	–	–	(902)	(10,239)	(2,629)	(14,784)	–	–	(28,674)
<b>Net book amount</b>	<b>43,113</b>	<b>316,414</b>	<b>21,574</b>	<b>2,000</b>	<b>8,685</b>	<b>6,451</b>	<b>1,422</b>	<b>7,344</b>	<b>1,363</b>	<b>–</b>	<b>408,366</b>
<b>YEAR ENDED 31 DECEMBER 2019</b>											
Opening net book amount	43,113	316,414	21,574	2,000	8,685	6,451	1,422	7,344	1,363	–	408,366
Adoption of AASB16	–	–	–	–	–	–	–	–	–	9,740	9,740
Additions	–	–	21,083	–	–	3,176	864	1,889	–	3,581	30,593
Disposals	–	–	–	–	–	(16)	(297)	(14)	–	–	(327)
Transfers	(600)	377	(11,655)	–	–	–	–	–	–	–	(11,878)
Capitalised	–	1,346	(6,917)	–	4,732	841	–	–	–	–	2
Depreciation expense	–	(15,835)	–	–	(1,267)	(1,892)	(490)	(1,278)	–	(1,559)	(22,321)
<b>Closing net book amount</b>	<b>42,513</b>	<b>302,302</b>	<b>24,085</b>	<b>2,000</b>	<b>12,150</b>	<b>8,560</b>	<b>1,499</b>	<b>7,941</b>	<b>1,363</b>	<b>11,762</b>	<b>414,175</b>
<b>AT 31 DECEMBER 2019</b>											
Cost	–	–	24,085	–	10,127	20,690	3,923	15,402	–	13,321	87,548
Valuation	42,513	318,252	–	2,000	4,192	–	–	–	1,363	–	368,320
Accumulated depreciation	–	(15,950)	–	–	(2,169)	(12,130)	(2,424)	(7,461)	–	(1,559)	(41,693)
<b>Net book amount</b>	<b>42,513</b>	<b>302,302</b>	<b>24,085</b>	<b>2,000</b>	<b>12,150</b>	<b>8,560</b>	<b>1,499</b>	<b>7,941</b>	<b>1,363</b>	<b>11,762</b>	<b>414,175</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

## UNIVERSITY

	LAND	BUILDINGS	WORK IN PROGRESS	LEASE OF LAND	L'HOLD IMPROV	PLANT AND EQUIPMENT	MOTOR VEHICLES	LIBRARY	WORKS OF ART	RIGHT OF USE ASSETS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>AT 1 JANUARY 2018</b>											
Cost	–	–	10,382	–	–	11,977	2,480	8,037	–	–	32,876
Valuation	40,735	237,833	–	630	3,892	–	–	–	1,363	–	284,453
Accumulated depreciation	–	(10,459)	–	–	(171)	(2,664)	(675)	(1,412)	–	–	(15,381)
<b>Net book amount</b>	<b>40,735</b>	<b>227,374</b>	<b>10,382</b>	<b>630</b>	<b>3,721</b>	<b>9,313</b>	<b>1,805</b>	<b>6,625</b>	<b>1,363</b>	<b>–</b>	<b>301,948</b>
<b>YEAR ENDED 31 DECEMBER 2018</b>											
Opening net book amount	40,735	227,374	10,382	630	3,721	9,313	1,805	6,625	1,363	–	301,948
Additions	–	–	20,099	–	–	2,034	246	2,048	–	–	24,427
Disposals	–	–	–	–	–	(432)	(49)	(20)	–	–	(501)
Transfers	(2,331)	(3,063)	–	–	–	(70)	–	–	–	–	(5,464)
Revaluations	4,709	94,065	(298)	1,370	641	(1,856)	–	–	–	–	98,631
Capitalised	–	8,609	(8,609)	–	–	–	–	–	–	–	–
Depreciation expense	–	(10,571)	–	–	(171)	(2,538)	(580)	(1,309)	–	–	(15,169)
<b>Closing net book amount</b>	<b>43,113</b>	<b>316,414</b>	<b>21,574</b>	<b>2,000</b>	<b>4,191</b>	<b>6,451</b>	<b>1,422</b>	<b>7,344</b>	<b>1,363</b>	<b>–</b>	<b>403,872</b>
<b>AT 31 DECEMBER 2018</b>											
Cost	–	–	21,574	–	–	16,690	4,051	22,128	–	–	64,443
Valuation	43,113	316,534	–	2,000	4,191	–	–	–	1,363	–	367,201
Accumulated depreciation	–	(120)	–	–	–	(10,239)	(2,629)	(14,784)	–	–	(27,772)
<b>Net book amount</b>	<b>43,113</b>	<b>316,414</b>	<b>21,574</b>	<b>2,000</b>	<b>4,191</b>	<b>6,451</b>	<b>1,422</b>	<b>7,344</b>	<b>1,363</b>	<b>–</b>	<b>403,872</b>
<b>YEAR ENDED 31 DECEMBER 2019</b>											
Opening net book amount	43,113	316,414	21,574	2,000	4,191	6,451	1,422	7,344	1,363	–	403,872
Adoption of AASB16	–	–	–	–	–	–	–	–	–	6,947	6,947
Additions	–	–	21,083	–	–	3,176	864	1,889	–	3,581	30,593
Disposals	–	–	–	–	–	(16)	(297)	(14)	–	–	(327)
Transfers	(600)	377	(11,655)	–	3,595	–	–	–	–	2,234	(6,049)
Capitalised	–	1,346	(6,917)	–	4,731	841	–	–	–	–	1
Depreciation expense	–	(15,835)	–	–	(367)	(1,892)	(490)	(1,278)	–	(1,000)	(20,862)
<b>Closing net book amount</b>	<b>42,513</b>	<b>302,302</b>	<b>24,085</b>	<b>2,000</b>	<b>12,150</b>	<b>8,560</b>	<b>1,499</b>	<b>7,941</b>	<b>1,363</b>	<b>11,762</b>	<b>414,175</b>
<b>AS AT 31 DECEMBER 2019</b>											
Cost	–	–	24,085	–	10,127	20,690	3,923	15,402	–	13,321	87,548
Valuation	42,513	318,252	–	2,000	4,191	–	–	–	1,363	–	368,319
Accumulated depreciation	–	(15,950)	–	–	(2,168)	(12,130)	(2,424)	(7,461)	–	(1,559)	(41,692)
<b>Net book amount</b>	<b>42,513</b>	<b>302,302</b>	<b>24,085</b>	<b>2,000</b>	<b>12,150</b>	<b>8,560</b>	<b>1,499</b>	<b>7,941</b>	<b>1,363</b>	<b>11,762</b>	<b>414,175</b>

## A) VALUATIONS OF LAND AND BUILDINGS

An independent valuation of land and buildings (including leasehold improvements) was carried out as at 31 December 2018 by Leader Property Practice Pty Ltd. The next valuation is due between the end of 2021 and 2023 depending on changes in values.

## B) ASSETS HELD IN THE NAME OF THE MINISTER

The university is carrying property in its financial report where the title to the property is in the name of the Minister for Education.

As at 31 December 2019, the value of land and buildings at written down value in the university's books attributed to the Crown amounts to \$43.1 million (2018 \$43.3million).

## C) FAIR VALUE DISCLOSURE

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

## D) TRANSFER OF LEASEHOLD IMPROVEMENTS

Leases for the subsidiary Brisbane Education Services Pty Ltd, and subsequently the leasehold improvement asset, were transferred to the university in December 2019.

## KEY ESTIMATES AND JUDGEMENTS

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

Assets are reviewed annually at a class level and this includes making an assessment of the useful life and residual value. Any adjustments to useful lives are then made to a selection of assets within those classes.

Land and works of art are not depreciated. Depreciation of other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

DEPRECIABLE ASSETS	2019	2018
Buildings	1-45 years	1-45 years
Leasehold improvements	2-30 years	2-30 years
Plant and equipment	1-20 years	1-20 years
Motor vehicles	3-15 years	3-15 years
Library	5-8 years	5-8 years
Right-of-use assets	4-7 years	

Depreciation methods, useful lives and residual values are reviewed each reporting period and adjusted if appropriate. Acquisitions are depreciated from date of purchase and disposals are depreciated up to the date of sale.

Right-of-use assets (under AASB16) and leasehold improvements are depreciated/amortised over the shorter of the lease term and the useful life of the asset.

## ACCOUNTING POLICY

Property, plant and equipment costing \$5,000 or more is capitalised. Items under \$5,000 are expensed, with exception to works of art and other collections, and library collections which are capitalised. There has been no change to the capitalisation threshold in 2019.

Each class of property, plant and equipment is carried at cost or fair value less any accumulated depreciation and impairment losses.

In accordance with the not-for-profit requirements of AASB116, revaluation increments are recognised in the asset revaluation reserve. Revaluation reserves are not transferred to retained earnings on derecognition of the relevant asset, but retained within the asset revaluation reserve except to the extent an increment reverses a revaluation decrement in respect of that class of asset, previously recognised as an expense in the net result.

## LAND AND BUILDINGS

Land and buildings are initially recorded at cost, which is considered to equate to fair value. Subsequent to initial recognition, land and buildings are recorded at fair value. At the date of revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset. Net value is then restated to the revalued amount of the asset.

Formal revaluations are performed every three to five years by independent valuers dependent on changes in market values. In addition, desktop valuations are undertaken in intervening years to mitigate the risk of any material change. The carrying value of land and buildings is reviewed annually to assess whether there has been a material change in the valuation of land and buildings required to be recorded in the financial statements.

## WORKS OF ART AND OTHER COLLECTIONS

Works of art and other collections are measured at fair value and are valued on a cyclical basis. A rolling valuation plan is in place for valuing these collections.

## LIBRARY COLLECTION

The library collection is recorded at cost less any accumulated depreciation.

## PLANT AND EQUIPMENT

Plant and equipment, is recorded in the Statement of Financial Position at cost less depreciation and, where applicable, any impairment losses.

## MOTOR VEHICLES

Motor vehicles are recorded in the Statement of Financial Position at cost less depreciation and, where applicable, any impairment losses.

## LEASEHOLD IMPROVEMENTS

Leasehold improvements are recorded at cost less amortisation and, where applicable, any impairment losses. Subsequent to initial recognition, leasehold improvements are recorded at fair value. At the date of revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset. Net value is then restated to the revalued amount of the asset.

## CONSTRUCTION IN PROGRESS

Construction in progress is recorded in the Statement of Financial Position at cost. Capital expenditure relating to the refurbishment of buildings, which adds value rather than maintaining the value of the buildings, is included in construction in progress. When construction projects are completed, the balance within construction in progress is transferred to buildings.

## SUBSEQUENT COSTS

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group. The cost of servicing property, plant and equipment are expensed in the period they are incurred.

## NOTE 12.1 | RIGHT-OF-USE ASSETS

The Group has entered into leasing arrangements for commercial buildings and office premises. Lease agreements for the subsidiary Brisbane Education Services Pty Ltd were transferred to the university in December 2019. Information about leases where the Group is a lessee is presented below:

### BUILDINGS

At 1 January 2019

Additions of right-of-use assets

Transfer of right-of-use asset from subsidiary

Depreciation charge

At 31 December 2019

	CONSOLIDATED	UNIVERSITY
	2019	2019
	\$'000	\$'000
	9,740	6,947
	3,581	3,581
	–	2,234
	(1,559)	(1,000)
	<b>11,762</b>	<b>11,762</b>

## POLICY APPLICABLE FROM 1 JANUARY 2019

### ASSESSMENT OF WHETHER A CONTRACT IS, OR CONTAINS, A LEASE

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether:

- a) The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- c) The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:
  - i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
  - ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

### ACCOUNTING FOR LEASES – THE GROUP AS LESSEE

In contracts where the Group is a lessee, Group recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

#### RIGHT-OF-USE ASSET

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Upon adoption the Group derecognised its lease incentive liability previously received for the reimbursement of fit out costs against the right-of-use asset.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured at cost as described in the accounting policy for property, plant and equipment in note 12 Property, plant & equipment.

#### CONCESSIONARY (PEPPERCORN) LEASES

Leased assets arising from significantly below market leases are measured at fair value at the inception of the lease whereas the lease liability is recognised at present value of peppercorn lease payment amounts. The Group has elected to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition at cost, in accordance with AASB16 paragraphs 23–25, which incorporates the amount of the initial measurement of the lease liability. The combined impact of these leases is immaterial to the Group's financial statements.

## Note 13 | Intangible Assets

DEVELOPMENT COSTS	TOTAL
\$'000	\$'000

### CONSOLIDATED

#### YEAR ENDED 31 DECEMBER 2019

Opening net book amount

Additions

Amortisation charge

**Closing net book amount**

#### AT 31 DECEMBER 2019

Cost

Accumulated amortisation and impairment

**Net book amount**

–	–
1,000	1,000
–	–
<b>1,000</b>	<b>1,000</b>
11,813	11,813
( 10,813)	( 10,813)
<b>1,000</b>	<b>1,000</b>

### UNIVERSITY

#### YEAR ENDED 31 DECEMBER 2019

Opening net book amount

Additions

Amortisation charge

**Closing net book amount**

#### AT 31 DECEMBER 2019

Cost

Accumulated amortisation and impairment

**Net book amount**

–	–
1,000	1,000
–	–
<b>1,000</b>	<b>1,000</b>
11,813	11,813
( 10,813)	( 10,813)
<b>1,000</b>	<b>1,000</b>

DEVELOPMENT COSTS	TOTAL
\$'000	\$'000

### CONSOLIDATED

#### YEAR ENDED 31 DECEMBER 2018

Opening net book amount

Additions – Internal development

Amortisation charge

**Closing net book amount**

#### AT 31 DECEMBER 2018

Cost

Accumulated amortisation and impairment

**Net book amount**

–	–
–	–
–	–
–	–
10,813	10,813
( 10,813)	( 10,813)
–	–

### UNIVERSITY

#### YEAR ENDED 31 DECEMBER 2018

Opening net book amount

Additions – Internal development

Amortisation charge

**Closing net book amount**

#### AT 31 DECEMBER 2018

Cost

Accumulated amortisation and impairment

**Net book amount**

–	–
–	–
–	–
–	–
10,813	10,813
( 10,813)	( 10,813)
–	–

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019



## ACCOUNTING POLICY

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite, the Group does not have any intangible assets with indefinite useful lives.

### INTANGIBLE ASSETS WITH FINITE LIVES

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. Licence fees are amortised over the life of the agreement.

### DISPOSAL

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

### DEVELOPMENT

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- (b) Its intention to complete and its ability and intention to use or sell the asset;
- (c) How the asset will generate future economic benefits;
- (d) The availability of resources to complete the asset; and
- (e) The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

## LIABILITIES AND EQUITY

Liabilities are present obligations of the Group which are expected to result in an outflow of future economic benefits.

Equity is the residual interest in assets of the Group after deducting all of its liabilities. Liabilities and equity of the Group as at reporting date are:

LIABILITIES				EQUITY	
<b>5%</b>	<b>17%</b>	<b>68%</b>	<b>10%</b>	<b>39%</b>	<b>61%</b>
Trade and other payables	Other liabilities	Provisions	Borrowings and other liabilities from financing activities	Reserves	Accumulated surplus

To enable an understanding of liabilities and equity categories, key estimates, judgement and accounting policies specific to each asset type are outlined within the relevant note.

### Note 14 | Trade and Other Payables

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>					
Trade creditors		1,666	1,218	1,666	1,218
Accrued expenses		6,069	8,262	6,069	8,262
OS-HELP liability to Australian Government	28(e)	134	146	134	146
<b>Total current trade payables</b>		<b>7,869</b>	<b>9,626</b>	<b>7,869</b>	<b>9,626</b>

#### ACCOUNTING POLICY

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 30 days commencing from the month following recognition.

Accrued expenses relate to expenses incurred not yet invoiced.

## Note 15 | Borrowings and Other Liabilities from Financing Activities

The Group leases properties in Brisbane, Berwick and Ballarat for further details on lease terms see note 15.1 the Group as lessee. The Group uses its incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>				
Lease liabilities	1,952	–	1,952	–
<b>Total current borrowings and other liabilities from financing activities</b>	<b>1,952</b>	<b>–</b>	<b>1,952</b>	<b>–</b>
<b>NON-CURRENT</b>				
Lease liabilities	13,158	–	13,158	–
<b>Total non-current borrowings and other liabilities from financing activities</b>	<b>13,158</b>	<b>–</b>	<b>13,158</b>	<b>–</b>
<b>Total borrowings and other liabilities from financing activities</b>	<b>15,110</b>	<b>–</b>	<b>15,110</b>	<b>–</b>

### A) FINANCING ARRANGEMENTS

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CREDIT STANDBY ARRANGEMENTS</b>				
<b>Total facilities</b>				
Bank overdrafts	150	150	150	150
Other – credit card facilities	3,000	3,000	3,000	3,000
Bank guarantee	5,000	5,000	5,000	5,000
Encashment facility	70	70	70	70
	<b>8,220</b>	<b>8,220</b>	<b>8,220</b>	<b>8,220</b>
<b>Used at reporting date</b>				
Other – credit card facilities	246	252	246	252
Bank guarantee	2,651	4,736	2,651	4,736
	<b>2,897</b>	<b>4,988</b>	<b>2,897</b>	<b>4,988</b>
<b>Unused at reporting date</b>				
Bank overdrafts	150	150	150	150
Other – credit card facilities	2,754	2,748	2,754	2,748
Bank guarantee	2,349	264	2,349	264
Encashment facility	70	70	70	70
	<b>5,323</b>	<b>3,232</b>	<b>5,323</b>	<b>3,232</b>

## NOTE 15.1 THE GROUP AS LESSEE

### AMOUNTS RECOGNISED IN THE INCOME STATEMENT

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest on lease liabilities	649	–	348	–
Expenses relating to short-term leases & low value assets	373	–	372	–
Income from subleasing right of use assets	(57)	–	–	–
	<b>965</b>	<b>–</b>	<b>720</b>	<b>–</b>

### MATURITY ANALYSIS – UNDISCOUNTED CONTRACTUAL CASH FLOWS

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Less than one year	3,006	1,894	3,006	1,894
One to five years	12,705	7,880	12,705	7,880
More than 5 years	5,565	2,804	5,565	2,804
<b>Total undiscounted contractual cash flows</b>	<b>21,276</b>	<b>12,578</b>	<b>21,276</b>	<b>12,578</b>
<b>Lease liabilities recognised in the statement of financial position</b>				
Current	1,952	–	1,952	–
Non-current	13,158	–	13,158	–
<b>Total lease liabilities recognised in the statement of financial position</b>	<b>15,110</b>	<b>–</b>	<b>15,110</b>	<b>–</b>

Operating lease commitments include contracted amounts for commercial buildings, office premises and plant and equipment under as non-cancellable operating leases. Lease terms vary with further options to extend, as discussed further below. Leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group is not exposed to any variable lease payment arrangements however fixed CPI increases have been included within our calculations.

### EXPOSURE FROM EXTENSION OPTIONS AND TERMINATION OPTIONS

The Group's lease agreements contain extension and termination options. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminate). The assessment is reviewed if a significant event or a significant change in circumstances occurs that is within the control of the lessee that affects the assessment.

### EXPOSURE FROM LEASES NOT YET COMMENCED BUT COMMITTED BY THE GROUP

The Group has committed to leasing further educational space in Brisbane in 2020, the Group expects the impact of this leasing arrangement will be \$403k in 2020.

### KEY ESTIMATES, JUDGEMENTS AND ACCOUNTING POLICY

Commitments are disclosed exclusive of GST.

### AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

	CONSOLIDATED	UNIVERSITY
	2019	2019
	\$'000	\$'000
Total cash outflow for leases	(1,923)	(847)

## POLICY APPLICABLE FROM 1 JANUARY 2019

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 12.1 above.

### LEASE LIABILITY

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI);
- Amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset, when there is a change in a lease term or a change in the assessment of an option to purchase the underlying asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in note 12 and lease liabilities are presented as borrowings in note 15.

### SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

### ACCOUNTING POLICY

Refer to note 12.1 for accounting policy related to concessionary leases.

## Note 16 | Provisions

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits</b>				
Annual leave	6,535	6,138	6,535	6,138
Long service leave	2,837	522	2,837	526
Defined contribution obligation	4,013	4,625	4,013	4,625
Other employee benefits	294	363	294	363
	<b>13,679</b>	<b>11,648</b>	<b>13,679</b>	<b>11,652</b>
<b>Current provisions expected to be settled after more than 12 months</b>				
Annual leave	4,882	4,343	4,882	4,343
Long service leave	19,592	27,055	19,592	27,051
	<b>24,474</b>	<b>31,398</b>	<b>24,474</b>	<b>31,394</b>
<b>Total current provisions</b>	<b>38,153</b>	<b>43,046</b>	<b>38,153</b>	<b>43,046</b>
<b>NON-CURRENT</b>				
Long service leave	4,418	2,260	4,418	2,260
Deferred benefits for superannuation	63,435	59,173	63,435	59,173
<b>Total non-current provisions</b>	<b>67,853</b>	<b>61,433</b>	<b>67,853</b>	<b>61,433</b>
<b>Total provisions</b>	<b>106,006</b>	<b>104,479</b>	<b>106,006</b>	<b>104,479</b>

### KEY ESTIMATES, JUDGEMENTS AND ACCOUNTING POLICY

#### Employee benefits

Provision is made for employee benefit liabilities including annual leave and long service leave, arising from services rendered by employees at the reporting date.

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 flows for those benefits.

An estimate based on past experience is made of the probability of leave to be taken within 12 months and beyond 12 months.

#### LONG SERVICE LEAVE

Liabilities for long service leave are discounted to determine present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The discount rates are based on the published Department of Treasury and Finance Victoria discount rates as at the reporting date.

#### DEFERRED GOVERNMENT SUPERANNUATION OBLIGATION

Employee contributory superannuation funds managed outside of the Group exist to provide benefits for the Group's employees and their dependents on retirement, disability or death of the employee. The contributions made to these funds are recorded in the Statement of Income.

#### OTHER EMPLOYEE BENEFITS

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

## Note 17 | Other Liabilities

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>				
Australian Government unspent financial assistance	–	443	–	443
Income received in advance	709	6,617	709	6,617
Student fees received in advance	–	23,086	–	23,086
Lease incentive	–	742	–	–
Scholarships payable	1,223	–	1,223	–
Refund liabilities	6	–	6	–
<b>Total current other liabilities</b>	<b>1,938</b>	<b>30,888</b>	<b>1,938</b>	<b>30,146</b>
<b>NON-CURRENT</b>				
Lease incentive	–	2,970	–	–
<b>Total non-current other liabilities</b>	<b>–</b>	<b>2,970</b>	<b>–</b>	<b>–</b>
<b>Total other liabilities</b>	<b>1,938</b>	<b>33,858</b>	<b>1,938</b>	<b>30,146</b>

### KEY ESTIMATES, JUDGEMENTS AND ACCOUNTING POLICY

Refer to note 3.6 (e) for accounting policy on refund liabilities.

## Note 18 | Reserves and Accumulated Surplus

### COMPOSITION OF RESERVES

#### Asset Revaluation Reserve

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Land	43,481	43,481	43,481	43,481
Buildings	217,914	217,914	217,914	217,914
Works of art	813	813	813	813
<b>Total asset revaluation reserve</b>	<b>262,208</b>	<b>262,208</b>	<b>262,208</b>	<b>262,208</b>

### INVESTMENTS IN EQUITY INSTRUMENTS DESIGNATED AT FVOCI

Equity instruments designated at fair value through OCI	9,299	9,483	9,299	9,483
<b>Total Investments in equity instruments designated at FVOCI</b>	<b>9,299</b>	<b>9,483</b>	<b>9,299</b>	<b>9,483</b>
<b>Total reserves</b>	<b>271,507</b>	<b>271,691</b>	<b>271,507</b>	<b>271,691</b>

### MOVEMENT IN RESERVES

Balance at beginning of year	271,691	179,767	271,691	179,767
Adoption of AASB9 Investments – transfer of fair value reserve of equity instruments designated at fair value through profit and loss to retained earnings	–	( 16,190)	–	( 16,190)
Adoption of AASB9 Investments – gain on equity instruments designated at fair value through OCI	–	8,591	–	8,591
<b>Total equity at the beginning of the financial year (restated)</b>	<b>271,691</b>	<b>172,168</b>	<b>271,691</b>	<b>172,168</b>
Gain on revaluation of land and buildings	–	98,631	–	98,631
(Loss)/gain on equity instruments designated at fair value through other comprehensive income	( 184)	892	( 184)	892
<b>Balance at end of year</b>	<b>271,507</b>	<b>271,691</b>	<b>271,507</b>	<b>271,691</b>

### ASSET REVALUATION RESERVE

Arises from the revaluation of specific asset classes of land, buildings, other collections and works of art.

### EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OCI

Arises from the revaluation of equity instruments designated at fair value through other comprehensive income.

### MOVEMENT IN ACCUMULATED SURPLUS

Balance at beginning of year	386,068	363,315	388,667	365,862
Adoption of AASB9 Investments – transfer of fair value reserve of equity instruments designated at fair value through profit and loss to retained earnings	–	16,190	–	16,190
Derecognition of immaterial subsidiaries Jan 1 2018	–	( 52)	–	–
Adoption of AASB15 & AASB1058 through profit and loss to retained earnings	( 5,972)	–	( 5,972)	–
Net result for the year	36,723	6,615	36,724	6,615
<b>Balance at end of year</b>	<b>416,819</b>	<b>386,068</b>	<b>419,419</b>	<b>388,667</b>



## Note 19 | Reconciliation of Net Result to Net Cash from Operating Activities

	NOTES	CONSOLIDATED		UNIVERSITY	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Net result for the period</b>		36,723	6,615	36,724	6,615
Depreciation	12/12.1	22,321	16,069	20,862	15,169
Financing to subsidiary		–	–	2,137	–
Gain on revaluation of investment properties	11	(2,182)	(360)	(2,182)	(360)
Net loss on sale of non-current assets		8	307	8	307
Net gain on investments		(19,157)	(5,431)	(19,157)	(5,431)
Increase in trade debtors		(4,531)	(2,302)	(4,547)	(2,289)
Increase in other non financial assets		(2,896)	(1,913)	(3,031)	(1,793)
Decrease in trade creditors		(1,773)	(290)	(1,771)	(254)
Increase in employee entitlements		1,527	8,177	1,527	5,207
(Decrease)/increase in other operating liabilities		(9,419)	19,685	(9,419)	23,395
<b>Net cash provided by operating activities</b>		<b>20,621</b>	<b>40,557</b>	<b>21,151</b>	<b>40,566</b>

## Note 20 | Commitments

### A) CAPITAL COMMITMENTS

Capital expenditure in relation to property, plant and equipment contracted for at the reporting date but not recognised as liabilities is as follows:

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Within one year	11,993	9,777	11,993	9,777
	<b>11,993</b>	<b>9,777</b>	<b>11,993</b>	<b>9,777</b>

### KEY ESTIMATES, JUDGEMENTS AND ACCOUNTING POLICY

Commitments are disclosed exclusive of GST.

## Note 21 | Contingencies

	CONSOLIDATED		UNIVERSITY	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>CONTINGENT LIABILITIES</b>				
Bank guarantees	2,651	4,736	2,651	4,736
<b>CONTINGENT ASSETS</b>				

There are no contingent assets.

### ACCOUNTING POLICY

Contingent liabilities and assets are not recognised in the statement of financial position, but are disclosed, and if quantifiable, are measured at nominal value. They are presented inclusive of GST.

## Note 22 | 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	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>AUDIT OF THE FINANCIAL STATEMENTS</b>				
Victorian Auditor General's Office	125	90	125	90
<b>Total paid for audit</b>	<b>125</b>	<b>90</b>	<b>125</b>	<b>90</b>
<b>OTHER AUDIT AND ASSURANCE SERVICES</b>				
Barker and Jennings	8	5	7	5
ShineWing	–	23	–	23
Deloitte Consulting	–	108	–	108
Pitcher Partners	148	–	148	–
Higher Ed Services	70	–	70	–
Australian Skills Quality Authority	2	–	–	–
<b>Total other audit and assurance services</b>	<b>228</b>	<b>136</b>	<b>225</b>	<b>136</b>

## Note 23 | Key Management Personnel Disclosures

### RESPONSIBLE PERSONS

Names of Responsible persons during 2019 were:

Mr Terence Francis Moran AC ( Chancellor)		Mr Ian Nethercote AM	
Professor Helen Bartlett (Vice-Chancellor)		Ms Mashelle Parrett	1/01 – 30/06/2019
Ms Pauline Buckland (Ministerial Appointee)		Mr Michael Walter Ryan	
Professor Iqbal Gondal		Ms Jane Smith AM	
Associate Professor Elisa Zentveld		Ms Rhonda Whitfield	
Mr George Fong		Mr Anthony Stone	
Ms Stacey Grose	1/01 – 31/03/2019	Mr Steve Davies	
Ms Erin Morgan		Professor Andrew Reeves	1/07 – 31/12/2019
Mr Des Pearson AO	1/07 – 31/12/2019		

### REMUNERATION OF RESPONSIBLE PERSONS

The number of university Council members and their remuneration for the reporting period is shown in the table below in their relevant income bands. The remuneration of responsible persons only relates to remuneration for acting in the capacity as a member of Council.

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

	CONSOLIDATED	
	2019	2018
	\$'000	\$'000
Nil	2	2
Less than \$10,000	2	–
\$10,000 to \$19,999	2	1
\$20,000 to \$29,999	9	11
\$80,000 to \$89,999	1	1
\$750,000 to \$759,999	–	1
\$880,000 to \$889,999	1	–
	<b>17</b>	<b>16</b>

Income paid or payable, or otherwise made available to Members of the university Council, excluding executive members, in connection with management of affairs of the university is outlined below.

	CONSOLIDATED	
	2019	2018
	\$'000	\$'000
Short-term employee benefits	1,076	1,178
Post-employment benefits	149	161
Other long term benefits	16	22
<b>Total responsible persons compensation</b>	<b>1,241</b>	<b>1,361</b>

## REMUNERATION OF EXECUTIVE OFFICERS

Total amounts received by, payable to, or otherwise made available to Executives of the Group are outlined below.

	CONSOLIDATED	
	2019	2018
	\$'000	\$'000
Short-term employee benefits	1,310	1,330
Post-employment benefits	211	212
Other long term benefits	31	27
Termination benefits	–	24
<b>Total executive officers remuneration</b>	<b>1,552</b>	<b>1,593</b>
Total number of executive officers	5	5
Total annualised employee equivalents	4	4

### (i) Minister

The relevant Minister for the reporting period was the Hon Gayle Tierney, Minister for Training and Skills and Minister for Higher Education. Remuneration of the Minister is disclosed in the financial report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members' Interests, which each Member of Parliament completes.

## OTHER TRANSACTIONS

Other related transactions and loans requiring disclosure under the Directions of the Assistant Treasurer have been disclosed in note 24.

## Note 24 | Related Parties

### A) PARENT ENTITY

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

### B) SUBSIDIARIES

Interests in subsidiaries are set out in note 25.

### C) KEY MANAGEMENT PERSONNEL

Disclosures relating to responsible persons and executive officers are set out in note 23. Both responsible persons and executive officers are considered key management personnel of the Group.

### D) TRANSACTIONS WITH RELATED PARTIES

There were a number of small transactions conducted on normal commercial terms and conditions with a number of responsible persons which were minor and immaterial to the Group. All transactions between the university and its related parties were in the ordinary course of business and on normal arm's length commercial terms and conditions.

## Note 25 | Subsidiaries

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

ENTITY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST	
		2019	2018
Inskill Pty Ltd	Australia	100%	100%
The School of Mines and Industries Ballarat Ltd	Inactive Australia	100%	100%
Datascreen Pty Ltd (a subsidiary of Inskill)	Inactive Australia	55.8%	55.8%
Brisbane Educational Services Pty Ltd	Australia	100%	100%

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

### ACCOUNTING POLICY AND JUDGEMENTS

Subsidiaries are entities controlled by the Group. The Group assesses whether it has the power to direct the relevant activities of the investee by considering the rights it holds to control decisions, such as the mix between education and research, student fees and target student mix. The financial statements of subsidiaries that materially impact the Group are included in the consolidated financial statements from the date control commences until the date control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

An assessment of subsidiaries for material impact to the consolidated financial statements is performed annually. The assessment includes both a qualitative and quantitative assessment of materiality. For 2019, Brisbane Education Services Pty Ltd is the only subsidiary incorporated into the financials for consolidation purposes. The consolidated financial statements have been prepared in accordance with AASB 10 – Consolidated Financial Statements.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

## Note 26 | Financial Risk Management

### FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group is exposed to key financial risks including market risk, price risk, credit risk and liquidity risk. The university's Council has overall responsibility for the establishment and oversight of the Group's risk management framework. The Council has established the:

- Resources Committee, which meets regularly to monitor and evaluate the university's financial management strategies in the context of the most recent economic conditions and forecasts; and
- Audit and Risk Management Committee, which is responsible for monitoring the assessment and management of risk across the university.

### A) MARKET RISK

---

Market risk is the risk that changes in market prices will affect the Group's result or the value of its financial assets and liabilities. The key market risks the Group is exposed to are interest rate risk and price risk.

### B) INTEREST RATE RISK

---

The Group's exposure to movements in interest rates primarily relates to the Group's interest bearing investments.

The Group manages its interest rate risk by monitoring the interest rate profile of these assets. If interest rates were 1% lower/higher for interest bearing investments than the reporting date rates, with all other variables held constant, the Group's net result for the year would have been \$0.6m lower/higher, reflecting the lower/higher interest income earned on affected balances (2018: \$0.85m lower/higher).

### C) PRICE RISK

---

The Group has a significant investment in marketable securities included within financial assets at fair value through profit or loss, which exposes the Group to price risk.

### D) CREDIT RISK

---

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from financial investments, and the Group's receivables from customers.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Examples of such events include significant financial difficulty or probability of bankruptcy of the borrower, disappearance of active market for that asset that individually or in combination with other factors, indicate that the asset is credit impaired.

### TRADE RECEIVABLES & CONTRACT ASSETS

The Group defines an event of default as when the counterparty has not paid the transaction price (after adjustment on account of any discounts or rebates) or repaid the amounts deposited or lent, as the case may be, within 10-365 days from the due date (maturity) or as per the terms of the agreement, depending on the category of debtor. This definition was selected so as to allow sufficient time for settlement of any specific disputes with the entity (associated with that transaction) and provide for any transit time. The higher the past history of defaults, the higher the provisioning for expected credit losses.

Expected credit losses have been measured on a collective basis by grouping the receivables and contract assets on the basis of debtor category and their past due status. Life time expected credit losses relating to trade receivables and contract assets is estimated by taking into account both the past default history and reasonable forward looking information available from information agencies and other external sources. In general, the higher the number of past instances of default, the higher the amount of provision. No changes have occurred in the estimation technique or significant assumptions used in the estimation process during the reporting period.

During the period, the movement in expected credit loss allowance relating to trade receivables and contract assets was as disclosed in note 8. The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is nil.

The Group does not have any material credit risk exposure to any single receivable or group of receivables. The Group's exposure to credit risk is influenced mainly by characteristics of each customer. Receivable balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

## HYBRID SECURITIES AND CORPORATE BONDS

The Group measures expected credit losses in respect of hybrid securities and corporate bonds by classifying these instruments based on a system of assigning internal credit rating grades representing the credit profile of the investee. The Group only invests in those entities that have been given an AAA: BBB – investment grade rating, and as such is not exposed to a material level of credit risk or loss.

## E) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Liquidity risk is managed by university management and overseen by the Resources Committee through maintenance of sufficient liquid assets and borrowing facilities, and active monitoring of cash flow forecasts.

The following table summarises the maturity of the Group's financial assets and financial liabilities:

CONSOLIDATED 31 DECEMBER 2019	FIXED INTEREST MATURITY					TOTAL CARRYING AMOUNT
	AVERAGE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1 TO 5 YEARS	NON- INTEREST BEARING	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL ASSETS</b>						
<b>Cash and cash equivalents</b>						
Cash at bank	0.00%	3,186	–	–	–	3,186
Deposits at call	0.99%	40,987	–	–	–	40,987
Short term deposits	2.02%	–	20,000	–	–	20,000
<b>Receivables &amp; contract assets (excluding deferred government contributions for superannuation)</b>						
Debtors	–	–	–	–	13,858	13,858
<b>Other financial assets</b>						
At amortised cost	4.02%	–	45,757	17,553	–	63,310
At fair value through profit and loss	4.02%	–	–	70,087	44,176	114,263
Designated at fair value through other comprehensive income	0.00%	–	–	–	9,808	9,808
<b>Total financial assets</b>	<b>–</b>	<b>44,173</b>	<b>65,757</b>	<b>87,640</b>	<b>67,842</b>	<b>265,412</b>
<b>FINANCIAL LIABILITIES</b>						
<b>Trade and other payables</b>						
	–	–	–	–	7,869	7,869
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,869</b>	<b>7,869</b>

CONSOLIDATED 31 DECEMBER 2018	FIXED INTEREST MATURITY					TOTAL CARRYING AMOUNT
	AVERAGE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1 TO 5 YEARS	NON- INTEREST BEARING	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL ASSETS</b>						
<b>Cash and cash equivalents</b>						
Cash at bank	0.00%	4,800	–	–	–	4,800
Deposits at call	1.60%	40,837	–	–	–	40,837
Short term deposits	2.65%	–	10,000	–	–	10,000
<b>Receivables (excluding deferred government contributions for superannuation)</b>						
Debtors	–	–	–	–	12,866	12,866
<b>Other financial assets</b>						
At amortised cost	4.74%	–	67,505	23,358	–	90,863
At fair value through profit and loss	4.74%	–	–	61,044	23,872	84,916
Designated at fair value through other comprehensive income	0.00%	–	–	–	9,992	9,992
<b>Total financial assets</b>	<b>–</b>	<b>45,637</b>	<b>77,505</b>	<b>84,402</b>	<b>46,730</b>	<b>254,274</b>
<b>FINANCIAL LIABILITIES</b>						
<b>Trade and other payables</b>						
	–	–	–	–	9,626	9,626
<b>Total financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,626</b>	<b>9,626</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

## Note 27 | Fair Value Measurements

### A) FAIR VALUE MEASUREMENTS

---

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and liabilities have carrying values that are a reasonable approximation of fair value, and there are no significant differences between carrying amounts and aggregate fair values.

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

- Shares – unlisted, at fair value through profit and loss
- Shares – unlisted, at fair value through other comprehensive income
- Shares – listed
- Land and buildings
- Leasehold – land
- Leasehold – buildings
- Artwork
- Investment properties

The Group has also measured assets and liabilities as fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

### B) FAIR VALUE HIERARCHY

---

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

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

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2019.

31 DECEMBER 2019	NOTES	CONSOLIDATED				UNIVERSITY			
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>RECURRING FAIR VALUE MEASUREMENTS</b>									
<b>Financial assets</b>									
	9	73,970	–	40,293	114,263	73,970	–	40,293	114,263
	9	–	–	9,808	9,808	–	–	9,808	9,808
		<b>73,970</b>	<b>–</b>	<b>50,101</b>	<b>124,071</b>	<b>73,970</b>	<b>–</b>	<b>50,101</b>	<b>124,071</b>
<b>Non-financial assets</b>									
	12	–	–	42,513	42,513	–	–	42,513	42,513
	12	–	–	302,302	302,302	–	–	302,302	302,302
	12	–	–	2,000	2,000	–	–	2,000	2,000
	12	–	–	12,150	12,150	–	–	12,150	12,150
	12	–	–	1,363	1,363	–	–	1,363	1,363
	11	–	–	86,690	86,690	–	–	86,690	86,690
		<b>–</b>	<b>–</b>	<b>447,018</b>	<b>447,018</b>	<b>–</b>	<b>–</b>	<b>447,018</b>	<b>447,018</b>
		<b>73,970</b>	<b>–</b>	<b>497,119</b>	<b>571,089</b>	<b>73,970</b>	<b>–</b>	<b>497,119</b>	<b>571,089</b>
<b>Non-recurring fair value measurements</b>									
	10	–	1,234	–	1,234	–	1,234	–	1,234
		<b>–</b>	<b>1,234</b>	<b>–</b>	<b>1,234</b>	<b>–</b>	<b>1,234</b>	<b>–</b>	<b>1,234</b>
		<b>73,970</b>	<b>1,234</b>	<b>497,119</b>	<b>572,323</b>	<b>73,970</b>	<b>1,234</b>	<b>497,119</b>	<b>572,323</b>

31 DECEMBER 2018		CONSOLIDATED				UNIVERSITY			
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>RECURRING FAIR VALUE MEASUREMENTS</b>									
<b>Financial assets</b>									
	9	61,983	–	22,933	84,916	61,983	–	22,933	84,916
	9	–	–	9,992	9,992	–	–	9,992	9,992
		<b>61,983</b>	<b>–</b>	<b>32,925</b>	<b>94,908</b>	<b>61,983</b>	<b>–</b>	<b>32,925</b>	<b>94,908</b>
<b>Non-financial assets</b>									
	12	–	–	43,113	43,113	–	–	43,113	43,113
	12	–	–	316,414	316,414	–	–	316,414	316,414
	12	–	–	2,000	2,000	–	–	2,000	2,000
	12	–	–	8,685	8,685	–	–	4,191	4,191
	12	–	–	1,363	1,363	–	–	1,363	1,363
	11	–	–	72,630	72,630	–	–	72,630	72,630
		<b>–</b>	<b>–</b>	<b>444,205</b>	<b>444,205</b>	<b>–</b>	<b>–</b>	<b>439,711</b>	<b>439,711</b>
		<b>61,983</b>	<b>–</b>	<b>477,130</b>	<b>539,113</b>	<b>61,983</b>	<b>–</b>	<b>472,636</b>	<b>534,619</b>
<b>Non-recurring fair value measurements</b>									
	10	–	1,234	–	1,234	–	1,234	–	1,234
		<b>–</b>	<b>1,234</b>	<b>–</b>	<b>1,234</b>	<b>–</b>	<b>1,234</b>	<b>–</b>	<b>1,234</b>
		<b>61,983</b>	<b>1,234</b>	<b>477,130</b>	<b>540,347</b>	<b>61,983</b>	<b>1,234</b>	<b>472,636</b>	<b>535,853</b>

There were no transfers between Levels 1 and 2 for assets measured at fair value during the reporting period (2018: no transfers).

The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair values of held-to-maturity investments (term deposits and corporate bonds) that are disclosed in note 9 were determined by reference to published price quotations in an active market (Level 1). The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature of trade receivables.



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

---

### RECURRING FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

All resulting fair value estimates for properties are included in level 3.

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

### (i) Reconciliation of recurring Level 3 fair value measurements

The following tables provide a reconciliation of Level 3 items for the period ending 31 December 2019 and 2018.

CONSOLIDATED	OTHER INVESTMENTS	NON-FINANCIAL ASSETS
	\$'000	\$'000
<b>Level 3 fair value measurements 2019</b>		
Opening balance	32,925	444,205
Acquisitions	–	17,955
Sales	–	3,372
Recognised in profit and loss	17,360	(14,920)
Loss recognised in other comprehensive income	(184)	–
<b>Closing balance</b>	<b>50,101</b>	<b>450,612</b>

<b>Level 3 fair value measurements 2018</b>		
Opening balance	16,709	347,257
Acquisitions	–	12,839
Sales	–	(5,394)
Recognised in profit or loss	6,733	(11,282)
Gains recognised in other comprehensive income	892	100,785
Gain on equity instruments designated at fair value through OCI	8,591	–
<b>Closing balance</b>	<b>32,925</b>	<b>444,205</b>

UNIVERSITY	OTHER INVESTMENTS	NON-FINANCIAL ASSETS
	\$'000	\$'000
<b>Level 3 fair value measurements 2019</b>		
Opening balance	32,925	439,711
Acquisitions	–	21,549
Sales	–	3,372
Recognised in profit or loss	17,360	(14,020)
Loss recognised in other comprehensive income	(184)	–
<b>Closing balance</b>	<b>50,101</b>	<b>450,612</b>

<b>Level 3 fair value measurements 2018</b>		
Opening balance	16,709	341,863
Acquisitions	–	12,839
Sales	–	(5,394)
Recognised in profit or loss	6,733	(10,382)
Gains recognised in other comprehensive income	892	100,785
Gain on equity instruments designated at fair value through OCI	8,591	–
<b>Closing balance</b>	<b>32,925</b>	<b>439,711</b>

There were no transfers between Levels 2 and 3 for liabilities measured at fair value on a recurring basis during the reporting period (2018: no transfers).

(ii) Valuation inputs and relationships to fair value

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

DESCRIPTION	FAIR VALUE AT 31/12/2019 \$'000	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUTS USED*	RANGE OF INPUTS	ESTIMATED SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN UNOBSERVABLE INPUTS
<b>FINANCIAL ASSETS</b>					
Shares – unlisted, at fair value through other comprehensive income	9,808	Net Assets base	Net asset base of companies	Net asset base in annual reports	A significant increase or decrease in the net asset of the investment / security would result in a significantly higher or lower fair value
<b>NON FINANCIAL ASSETS</b>					
Land	42,513	Market Approach	Community Service Obligation (CSO) adjustment	10%-35%	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Buildings	302,302	Depreciated replacement cost	Useful life of Specialised buildings	1-45 years	A significant increase or decrease in the useful life of the buildings would result in a significantly higher or lower fair value
Art collection	1,363	Market Approach	External market perception of the works	5%-10%	A change in the market perception of the artwork would result in a lower (higher) fair value
Investment Properties	86,690	Market Approach	Length and terms of leases	2 months to 9 years	Any renegotiation of leases may have an impact on the fair value of the properties (higher/ lower)
<b>TOTAL LEVEL 3</b>	<b>442,676</b>				

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

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

## Note 28 | Acquittal of Commonwealth Government Financial Assistance

### A) EDUCATION – CGS AND OTHER EDUCATION GRANTS

NOTES	COMMONWEALTH GRANT SCHEME		HE PARTICIPATION FUNDING		DISABILITY SUPPORT FUNDING	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	72,781	69,817	2,069	2,061	87	157
Net accrual adjustments	(42)	199	–	–	24	87
Revenue for the period	72,739	70,016	2,069	2,061	111	244
Surplus/(deficit) from the previous year	69	–	–	–	(234)	(283)
Total revenue including accrued revenue	72,808	70,016	2,069	2,061	(123)	(39)
Less expenses including accrued expenses	72,587	69,947	2,125	2,086	208	195
<b>Surplus / (deficit) for reporting period</b>	<b>221</b>	<b>69</b>	<b>(56)</b>	<b>(25)</b>	<b>(331)</b>	<b>(234)</b>

NOTES	INDIGENOUS STUDENT SUCCESS PROGRAM		TOTAL	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	619	580	75,556	72,615
Net accrual adjustments	(186)	–	(204)	286
Revenue for the period	433	580	75,352	72,901
Surplus / (deficit) from the previous year	27	22	(138)	(261)
Total revenue including accrued revenue	460	602	75,214	72,640
Less expenses including accrued expenses	467	575	75,387	72,803
<b>Surplus / (deficit) for reporting period</b>	<b>(7)</b>	<b>27</b>	<b>(173)</b>	<b>(163)</b>

### B) HIGHER EDUCATION LOAN PROGRAMS (EXCLUDING OS-HELP)

NOTES	HECS – HELP (Australian Government Payments Only)		FEE – HELP		VET FEE – HELP	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at beginning of year	252	(18)	244	(11)	12	(7)
Financial assistance received in cash during the reporting period	39,350	41,407	2,372	2,484	(4)	46
Cash available for period	39,602	41,389	2,616	2,473	8	39
Revenue earned	39,420	41,137	2,513	2,229	–	27
<b>Cash payable at end of year</b>	<b>182</b>	<b>252</b>	<b>103</b>	<b>244</b>	<b>8</b>	<b>12</b>

NOTES	VET STUDENT LOAN PROGRAM		STUD AMEN – HELP		TOTAL HELPS	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at beginning of year	(198)	(139)	16	18	326	(157)
Financial assistance received in cash during the reporting period	1,289	1,504	1,826	1,829	44,833	47,270
Cash available for period	1,091	1,365	1,842	1,847	45,159	47,113
Revenue earned	957	1,563	1,833	1,831	44,723	46,787
<b>Cash payable / (receivable) at end of year</b>	<b>134</b>	<b>(198)</b>	<b>9</b>	<b>16</b>	<b>436</b>	<b>326</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

### C) DEPARTMENT OF EDUCATION AND TRAINING RESEARCH

NOTES	RESEARCH TRAINING PROGRAM		RESEARCH SUPPORT PROGRAM		TOTAL	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	2,124	2,254	1,501	1,581	3,625	3,835
Net accrual adjustments	–	–	–	–	–	–
Revenue for the period	2,124	2,254	1,501	1,581	3,625	3,835
Surplus / (deficit) from the previous year	296	76	(13)	(44)	283	32
Total revenue including accrued revenue	2,420	2,330	1,488	1,537	3,908	3,867
Less expenses including accrued expenses	1,562	2,034	1,546	1,550	3,108	3,584
<b>Surplus / (deficit) for reporting period</b>	<b>858</b>	<b>296</b>	<b>(58)</b>	<b>(13)</b>	<b>800</b>	<b>283</b>

### TOTAL HIGHER EDUCATION PROVIDER RESEARCH TRAINING PROGRAM EXPENDITURE

	TOTAL DOMESTIC STUDENTS	TOTAL OVERSEAS STUDENTS
	\$'000	\$'000
Research Training Program Fees offsets	4,418	76
Research Training Program Stipends	999	63
Research Training Program Allowances	247	9
<b>Total for all types of support</b>	<b>5,664</b>	<b>148</b>

### D) AUSTRALIAN RESEARCH COUNCIL GRANTS

NOTES	DISCOVERY PROJECTS		LINKAGES PROJECTS		TOTAL	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	166	128	45	55	211	183
Net accrual adjustments	4	–	(16)	–	(12)	–
Revenue for the period	170	128	29	55	199	183
Surplus from the previous year	160	216	27	18	187	234
Total revenue including accrued revenue	330	344	56	73	386	417
Less expenses including accrued expenses	174	184	29	46	203	230
<b>Surplus for reporting period</b>	<b>156</b>	<b>160</b>	<b>27</b>	<b>27</b>	<b>183</b>	<b>187</b>

### E) OS-HELP

NOTES	2019	2018
	\$'000	\$'000
Cash received during the reporting period	213	163
Cash spent during the reporting period	225	171
Net cash received	(12)	(8)
Cash surplus from the previous period	146	154
<b>Cash surplus for reporting period</b>	<b>134</b>	<b>146</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2019

## F) HIGHER EDUCATION SUPERANNUATION PROGRAM

	2019	2018
	\$'000	\$'000
Cash received during the reporting period	4,288	5,293
Cash surplus / (deficit) from the previous period	336	(401)
Cash available for current period	4,624	4,892
Contributions to specified defined benefit funds	4,024	4,556
<b>Cash surplus this period</b>	<b>600</b>	<b>336</b>

## G) STUDENT SERVICES AND AMENITIES FEE

	2019	2018
	\$'000	\$'000
Unspent revenue from previous period	479	229
SA-HELP revenue earned	28 1,833	1,831
Student Services and Amenities Fees direct from students	3.3 177	171
Total revenue expendable in period	2,489	2,231
Student Services expenses during period	1,892	1,752
<b>Unspent Student Services revenue</b>	<b>597</b>	<b>479</b>

## Note 29 | Events Occurring After the End of the Reporting Period

### NOVEL CORONAVIRUS (2019-nCoV)

In relation to the global outbreak of the coronavirus and in particular paying close regards to both the Australian Federal and Victorian Government's recommendations, the university has been assessing the impact on both current operations as well as modelling future impacts.

Whilst the initial travel related bans did have an immediate impact on international students from China the widening of the travel ban is having an impact on all international enrolments for the foreseeable future. The university has moved to online delivery for the majority of higher education programs by Monday 30 March.

The length and extent of the spread of the virus and actions to deal with it being undertaken by the Australian Federal and State Governments will continue to determine the scale of the impact on the finances of the university.

Due to this significant uncertainty surrounding the COVID-19 outbreak and the government's response to this, it is not possible to estimate the full impact on the university's operations, financial position and cashflows at this point in time.

This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The university will continue to monitor the non-financial and financial impacts of COVID-19 on its operations, and has put in place various mitigation strategies that will ensure we will remain a going concern for at least the next 12 months.

To see the university through this time of uncertainty, the university holds significant available cash reserves, which at the time of modelling is sufficient for the foreseeable period. In addition, it has a sizeable portfolio of tradable securities that can be used to sustain our operations over the medium term.

We are not significantly exposed to volatility through our investments. The university holds only a small value of equities and the majority of our holdings are in fixed rate hybrid / bonds, which are traded on the

Australian Stock Exchange and whilst values have decreased on average due to the COVID-19 outbreak and as such have had an impact on the university's profit and loss account, the cash invested is protected and is not at risk when held to maturity. Recent modelling identifies that the university does not intend to sell prior to maturity dates, due to adequate cash reserves being held.

The university also holds significant investment properties in which the majority of tenants are major companies or government agencies on long leases. At this point there have been no identified issues with these properties from a rental perspective and the annual valuation will assess any changes on our Profit and Loss.

The financial statements have been prepared based upon conditions existing at 31 December 2019, and considering those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting period.

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and as such, no adjustments have been made to the financial statement balances as at 31 December 2019 for the impacts of COVID-19.

However, the university will continue to reduce its cost base, pause recruitment and defer non-essential capital and project work.

The modelling of the current scenarios do allow the university to continue as a going concern.

Other than mentioned herein, at the date of this report there is no matter or circumstance that has arisen since 31 December 2019, which has or may significantly affect:

- The operation of the economic entity;
- The results of those operations; or
- The state of affairs of the economic entity in the financial years subsequent to 31 December 2019.

# Appendices

## APPENDIX 1 ACCOUNTING POLICIES UNDER AASB118

This appendix contains the accounting policies and the respective commentary section corresponding to the comparative period 2018:

### NOTE 3.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)

The Group assess the terms and conditions of all grant and contract agreements to determine if they are reciprocal or non-reciprocal in nature. The Group identifies revenue as reciprocal where the terms and conditions of the grant or contract requires unspent monies or monies not spent in accordance with the terms and conditions to be repaid.

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

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

Revenue is recognised for the major business activities as follows:

#### Government grants

Grants from the government are recognised at their fair value where the 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.

#### Higher Education Loan Programme (HELP) payments

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

### NOTE 3.2 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

State and local government financial assistance is measured and recognised in accordance with the policy set out above.

### NOTE 3.3 FEES AND CHARGES

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts (or portion thereof) is treated as income in advance in liabilities. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

### NOTE 3.4 CONSULTANCY AND CONTRACTS

Consultancy and contracts revenue is recognised as per the criteria specified below:

Non reciprocal – recognised upon receipt of funds when recovery of the consideration is probable; or

Reciprocal – recognised in accordance with the percentage of completion method; total expenditure is compared to funding received to date and any surplus revenue is deferred until completion.

The following factors are used to assess whether a research contact is reciprocal or non-reciprocal and therefore must be recognised on receipt or can be deferred to future periods:

- the benefits of the grant are for the greater community and not directly for the grant provider;
- the other party cannot demonstrate that approximately equal value is directly given in exchange to the grantor/s; and
- the requirement to return funds to the grantor if service levels/milestones are not met.

### NOTE 3.5 OTHER REVENUE

Donations and bequests are recognised when received by the Group.

## APPENDIX 2 ACCOUNTING POLICIES UNDER AASB117

This appendix contains the accounting policies and the respective commentary section corresponding to the comparative period 2018:

### Operating leases and rental expenses

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases, note 10.1. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease. Lessee lease assets and liabilities reflect the timing differential between cash payments and rental expense recognition over the life of the lease.

# Disclosure Index

## Abbreviations

ETRA	<i>Education and Training Reform Act 2006</i>
FRD	Financial Reporting Directions
SD	Standing Directions 2018 under the <i>Financial Management Act 1994</i>
FMA	<i>Financial Management Act 1994</i>
VAGO	VAGO 2003 Report on Public Sector Agencies

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE
<b>REPORT OF OPERATIONS</b>			
<b>CHARTER AND PURPOSE</b>			
1.	FRD 22H, 5.4	Manner of establishment and the relevant Minister	4, 44, 105
2.	FRD 22H, 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4–21
3.	FRD 22H	Nature and range of services provided including communities served	20, 24
<b>MANAGEMENT AND STRUCTURE</b>			
4.	FRD 22H, 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	26–34
<b>FINANCIAL AND OTHER INFORMATION</b>			
5.	FRD 03A	Accounting for Dividends	N/A
6.	FRD 07B	Early adoption of authoritative accounting pronouncements	59
7.	FRD 10A	Disclosure Index	118–120
8.	FRD 17B	Long Service leave and annual leave for employees	100
9.	FRD 22H, 5.11 c	Operational and budgetary objectives, performance against objectives and achievements	5–8, 15–21, 47
10.	FRD 22H, 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	36
11.	FRD 22H, 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	34–36
12.	FRD 22H, 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	48
13.	FRD 22H, 5.11 b	Summary of significant changes in financial position	47–48
14.	FRD 22H, 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	4–21, 116–117
15.	FRD 22H, 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	116
16.	FRD 22H, 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	43
17.	FRD 22H, 5.18 b	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	44
18.	FRD 22H, 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	47
19.	FRD 22H, 5.9	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target	3, 21, 36
20.	FRD 22H, 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	N/A
21.	FRD 22H, 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	44
22.	FRD 22H, 5.18 c	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act	43
23.	FRD 22H, 5.18 h & FRD 24D	Summary of Environmental Performance.	37–39



ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE
<b>REPORT OF OPERATIONS CONTINUED</b>			
<b>FINANCIAL AND OTHER INFORMATION CONTINUED</b>			
24.	FRD 22H 5.13, 5.14, 5.15	<p>Consultants: Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> <li>1. Total number of consultancies of \$10,000 or more (excluding GST)</li> <li>2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> <li>• Consultant engaged</li> <li>• Brief summary of project</li> <li>• Total project fees approved (excluding GST)</li> <li>• Expenditure for reporting period (excluding GST)</li> <li>• Any future expenditure committed to the consultant for the project</li> </ul> </li> </ol> <p>Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</p>	44
25.	FRD 22H, 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	43
26.	FRD 22H, 5.17	<p>An entity shall disclose the following in the report of operations:</p> <ol style="list-style-type: none"> <li>a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and</li> <li>b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> <li>i Operational expenditure (OPEX); and</li> <li>ii Capital expenditure (CAPEX).</li> </ol> </li> </ol>	47
27.	FRD 25D	Local Jobs First	77
28.	AASB 16	Leases	62-64, 89-90, 98-99
29.	FRD 119A	Transfers through contributed capital	N/A
30.	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.	33
31.	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	49, 58
32.	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.	1, 49

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE
<b>FINANCIAL REPORT</b>			
<b>FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984</b>			
33.	SD 5.2.2(a), 5.2.2(b) & FMA s49	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"> <li>present fairly the financial transactions during reporting period and the financial position at end of the period; and</li> <li>have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.</li> </ul>	49
34.	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"> <li>\$10,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and</li> <li>\$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li> </ul>	58
35.	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> <li>review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister</li> </ul>	30
<b>OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS</b>			
36.	FRD 11A	Disclosure of ex-gratia payments	N/A
37.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	104–105
38.	FRD 102A	Inventories	83
39.	FRD 103H	Non-financial physical assets	54, 86-93, 110-111, 113
40.	FRD 105B	Borrowing costs	53, 62–63, 65
41.	FRD 106B	Impairment of assets	75-86
42.	FRD 107B	Investment properties	54, 88, 110, 113
43.	FRD 109A	Intangible assets	54, 94-95
44.	FRD 110A	Cash flow statements	56, 67, 103
45.	FRD 112D	Defined benefit superannuation obligations	100, 116
46.	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	106
47.	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	58–117
<b>COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES</b>			
48.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	45, 78
49.	PAEC	Financial and other information relating to the university's international operations	18–20, 41–42, 64
50.	University Commercial Activity Guidelines	<ul style="list-style-type: none"> <li>Summary of the university commercial activities</li> <li>If the university has a controlled entity, include the accounts of that entity in the university's Annual Report</li> </ul>	106

A woman with long dark hair is sitting at a white round table in a modern building with large windows. She is looking down at a laptop on the table. The scene is dimly lit, with a blue tint. The windows show a view of trees and a building. The overall atmosphere is quiet and focused.

FEDERATION UNIVERSITY AUSTRALIA | ANNUAL REPORT 2019

MT HELEN CAMPUS, UNIVERSITY DRIVE, MT HELEN VIC 3350

**BALLARAT** | PO Box 663 Ballarat VIC 3353 Australia  
**BERWICK** | PO Box 859 Berwick VIC 3806 Australia  
**WIMMERA** | PO Box 300 Horsham VIC 3402 Australia  
**GIPPSLAND** | PO Box 3191 Gippsland Mail Centre VIC 3841 Australia  
**BRISBANE** | Level 5-7, 333 Ann Street Brisbane QLD 4000 Australia

Copyright © Federation University 2020

[Federation.edu.au/connect/foundation/about-fedunifoundation/foundation-annual-reports](https://www.federation.edu.au/connect/foundation/about-fedunifoundation/foundation-annual-reports)

BALLARAT | BERWICK | BRISBANE | GIPPSLAND | WIMMERA | ONLINE

1800 333 864  
[Federation.edu.au](https://www.federation.edu.au)

CRICOS Provider No. 00103D | RTO Code 4909 | ABN 51 818 692 256  
ISSN 2206-2335 (PRINT) / 2206-3153 (DIGITAL)