

**VICTORIA
UNIVERSITY**

MELBOURNE AUSTRALIA



2018 ANNUAL REPORT

ACKNOWLEDGEMENT OF COUNTRY

Victoria University (VU) acknowledges the Ancestors, Elders and families of the Boonwurrung, Woiwurrung (Wurundjeri) and Wathaurung (Wadawurrung) on our Melbourne Campuses, and the Gadigal and Guring-gai people of the Eora Nation on our Sydney campus. These groups are the custodians of University land and have been for many centuries.

As we share our own knowledge practices within the University may we pay respect to the deep knowledge embedded within the Aboriginal community and their ownership of Country.

We acknowledge that the land on which our campuses stand is the place of age-old ceremonies of celebration, initiation and renewal. The Kulin and Eora people's living culture had, and has, a unique role in the life of these regions.

VU supports the aim of Reconciliation Australia to build better relationships between the wider Australian community and Aboriginal and Torres Strait Islander peoples for the benefit of all Australians.

It is important that staff, students and visitors understand and respect the significance of recognising the traditional owners of University land.

GENERAL ENQUIRIES

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vu.edu.au/about-vu/publications/annual-reports

CONTENTS

ACKNOWLEDGEMENT OF COUNTRY	2	4 FINANCIAL STATEMENTS	46
GENERAL ENQUIRIES	2	4.1 FINANCIAL OVERVIEW 2018	46
CONTENTS	3	4.2 FIVE YEAR FINANCIAL SUMMARY	48
LETTER OF TRANSMITTAL	4	4.3 REPORT BY THE MEMBERS OF COUNCIL	49
1 ORGANISATIONAL OVERVIEW	5	4.4 2018 FINANCIAL STATEMENTS INDEX	51
1.1 CHANCELLOR'S FOREWORD	5	AUDITOR-GENERAL'S INDEPENDENCE DECLARATION	52
1.2 VICE-CHANCELLOR'S FOREWORD	7	INDEPENDENT AUDIT REPORT	53
1.3 ABOUT VICTORIA UNIVERSITY	10	STATEMENT BY THE CHANCELLOR, THE VICE-CHANCELLOR AND PRESIDENT AND PRINCIPAL ACCOUNTABLE OFFICER	56
1.4 OUR VISION AND MISSION	11	INCOME STATEMENT	57
1.5 STRATEGIC PLAN 2016–2020	12	STATEMENT OF COMPREHENSIVE INCOME	58
1.6 OPERATIONAL AND BUDGETARY OBJECTIVES 2018	13	STATEMENT OF FINANCIAL POSITION	59
1.7 SENIOR EXECUTIVE GROUP 2018	14	STATEMENT OF CHANGES IN EQUITY	60
1.8 HIGHER EDUCATION COLLEGES AND VICTORIA UNIVERSITY POLYTECHNIC	15	STATEMENT OF CASH FLOWS	61
2 REPORT OF OPERATIONS	16	NOTES TO THE FINANCIAL STATEMENTS	62
2.1 UNIVERSITY OF OPPORTUNITY AND SUCCESS	16	DISCLOSURE INDEX	114
2.2 LEARNING AND TEACHING	17		
2.3 STUDENTS	23		
2.4 INDUSTRY AND COMMUNITY	27		
2.5 RESEARCH	29		
2.6 INTERNATIONAL	31		
2.7 PEOPLE	32		
3 UNIVERSITY GOVERNANCE	36		
3.1 OBJECTIVES	36		
3.2 GOVERNANCE OVERVIEW	37		
3.3 COUNCIL MEMBERS	38		
3.4 COUNCIL AND COMMITTEES ATTENDANCE	39		
3.5 DISCLOSURE STATEMENTS	40		
3.6 RISK MANAGEMENT	43		
3.7 CONSULTANCIES AND ICT EXPENDITURE	44		
3.8 COMMERCIAL ACTIVITIES	45		

LETTER OF TRANSMITTAL



15 March 2019

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

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, we are pleased to submit for your information and presentation to Parliament the Victoria University Annual Report for the year ending 31 December 2018.

The Annual Report was approved by the Victoria University Council on 15 March 2019.

Yours sincerely

A handwritten signature in black ink, appearing to read "George Pappas".

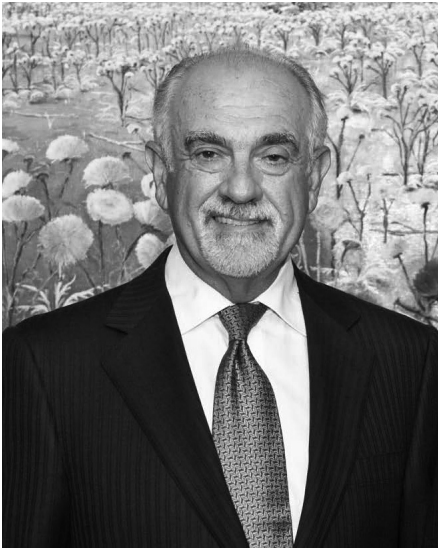
Mr George Pappas
Chancellor

A handwritten signature in black ink, appearing to read "Peter Dawkins".

Professor Peter Dawkins
Vice-Chancellor and President

1 ORGANISATIONAL OVERVIEW

1.1 CHANCELLOR'S FOREWORD



2018 was a big year for Victoria University (VU) as we continued the implementation of our exciting transformation agenda and returned to a positive financial position. We are a leader in reconceptualising tertiary education, creating a more progressive, smarter and sharper way to undertake tertiary study in ensuring a healthy and prosperous future for Melbourne's west.

ACHIEVING FINANCIAL SUSTAINABILITY

Following significant reform across all parts of the University, from teaching through to research and engagement, we delivered a \$6.9 million surplus, and an underlying result of \$6.7 million. Given the impact of significant restructuring costs in previous years and 2017 ending with a total net operating deficit of \$29.2 million, this is a significant turnaround for VU. This provides the foundation for long term financial sustainability.

INNOVATIVE LEADERS IN TERTIARY EDUCATION

The centre piece of our transformation agenda has been the introduction of the Victoria University Block Model. Council keenly observed the first full year implementation of this revolutionary new approach and was delighted with the positive impact on student success. It is not surprising that the decision to further implement the Block Model for second year and beyond was strongly endorsed by Council.

This radical change has been closely observed by our sector peers and the media, with a level of awe and respect, especially given our ability to undertake this whole-of-institution transformation in such a short period of time. We have also gained Australia-wide recognition, winning two significant international education awards at the State and National levels. The Excellence in International Education (University category of the Victorian International Education Awards) and Excellence Award in Innovation at the annual International Education of Australia conference.

Our innovation in tertiary education extends beyond the Block Model. We continue to build aspirations for disadvantaged students at selected secondary schools, particularly in the west of Melbourne, through the implementation of the Advancement via Individual Determination (AVID) program. The impact of this program is compelling, with one of these AVID schools, Wyndham Central College, reporting that in 2012 about half the school's students applied to go to university — after the AVID program, the figure is approximately 80%.

A CAMPUS FOOTPRINT FOR THE FUTURE

Council has worked closely with the Vice-Chancellor and the senior executive team to deliver the exciting vision outlined in our Campus Master Plan. Following approval of the business case for this Plan by the Minister, in early 2018, implementation has commenced with great momentum. The sale of major assets is enabling us to reinvest in new state-of-the-art infrastructure that will support our contemporary approach to tertiary education. A great example of this is the Sunshine Skills Hub, which will incorporate leading edge technology such as virtual reality and robotics to deliver vocational education training in areas such as Technology, Early Childhood, Community Health, Paramedics, Nursing and Allied Health.

UPLIFTING OUR COMMUNITIES

Our Campus Master Plan is a major enabler of our role in uplifting the communities we serve, through physical integration with industry and the community. Great examples of this include our presence at Whitten Oval, the new Nursing and Midwifery Building at the Sunshine Hospital, the new tower building in Queen Street as part of the new City West precinct in the heart of the legal district and the recently announced co-location of the new Footscray Hospital at our Footscray Park Campus.

The work of our Flagship Research Institutes and Centres continue to focus on addressing 21st century challenges relevant to our local communities, as well as those of global significance. VU is leading the way in health and sport (through the work of our Institute for Health and Sport and the Australian Health Policy Collaboration); water, energy and sustainability (through the Institute for Sustainable Industries and Liveable Cities and the Victoria Energy Policy Centre); education policy (through the efforts of the Mitchell Institute and Centre for International Research in Education Systems) and economic modelling (through the work of the Centre of Policy Studies).

We continue to embrace our role as a major institution of the West of Melbourne and regional leader through initiatives such as early entry programs (VU Guaranteed) targeting students in schools in the west; through strong strategic partnerships with local Councils and major industry partners like the Western Bulldogs, Western Health, City West Water and Scienceworks; and through the research and advocacy work of the Vice-Chancellor's West of Melbourne Economic Development Alliance.

BUILDING AN AGILE AND DYNAMIC UNIVERSITY

The implementation of the Victoria University transformation agenda has been a university-wide undertaking, with each and every staff member contributing to its development, and ultimately its success. So many significant improvements on such a scale is only possible if the whole organisation is involved, supportive and works to a common goal. And that's what staff at Victoria University have done. Our people have demonstrated a remarkable ability to implement major change quickly, effectively and efficiently.

We are evolving into an organisation that is agile and dynamic, effective, impactful and an innovative leader in the tertiary education sector in Australia and beyond.

On behalf of Council I wish to acknowledge and thank Professor Peter Dawkins, the Senior Executive Group and all our staff and many supporters for their enormous contributions. I'd like to thank Professor Rufus Black for his valuable and sustained leadership as a council member from 2012, and Deputy Chancellor from 2013 until 2017. I also wish to acknowledge Council member Rhonda Hawkins for stepping into the role of Deputy Vice-Chancellor and Senior Vice-President as we implemented our transformation agenda. Finally, I commend all of our Council and Committee members who have committed their year to support the positive turnaround of our institution.

George Pappas AO
Chancellor

1.2 VICE-CHANCELLOR'S FOREWORD



THE UNIVERSITY OF OPPORTUNITY AND SUCCESS

Victoria University's vision as *The University of Opportunity and Success* is to be open and excellent, creating exceptional value for any student from any background and uplifting the communities in which we operate. Our focus and effort in 2018 was steadfast on delivering this vision.

2018 saw a number of stand-out achievements, some more visible than others, as the University accomplished significant elements of its unprecedented, bold and exciting transformational agenda for teaching, research and engagement. The implementation of the Victoria University Block Model in the First Year College was the most prominent.

The scale of transformation has touched all parts of the institution as we continue to progress towards the future VU articulated in the White Paper: Victoria University's Transformational Agenda. To bring focus to our teaching and research efforts and maximise our impact, VU established the college clusters of Health, Sport and Active Living, and Sustainable Industries and Liveable Cities, as well as the flagship research institutes in VU Research. We also looked to diversify and innovate through the formation of exciting

new entities such as VU Online, VU Innovations and the School for the Visitor Economy.

VU further consolidated its key role as the University for the west of Melbourne in 2018, working closely with regional stakeholders to grow education and skills attainment and local jobs across the region. Most significantly, the decision by the State Government to co-locate the new Footscray Hospital at our Footscray Park Campus was an outstanding outcome for the west, the University and its partner organisations (such as Western Health and Western Bulldogs).

As part of the implementation of our transformation agenda, the University incurred major restructure costs associated with transitioning to the revolutionary VU Block Model, the introduction of VU Research and the development of our Campus Master Plan. As a result, we posted a total net operating deficit of \$29.2 million for the 2017 year. However, a commitment was made in 2016 that by 2018, the University would return a positive underlying result that would be sustained into the years ahead.

I am pleased to report in 2018 a positive underlying result of \$6.7 million surplus was achieved (excluding capital grants and donations, investment income and loss on sale of assets). VU also achieved a positive net operating surplus in 2018 of \$6.9 million. Further, we have budgeted for an even stronger financial position for 2019.

This has been achieved through the collective efforts of all staff, and commitment to innovate, to try new ideas and ways of doing things. Their willingness to actively contribute to the continual improvement of our University is to be commended. It is our staff, who, on a day to day basis, have demonstrated that VU is an organisation that has the capability to be an agile and innovative leader in its field.

THE VICTORIA UNIVERSITY BLOCK MODEL

The impact of the Block Model on the learning success of our first year students has been extraordinary, especially across our more traditional cohorts of students from low socioeconomic status (SES) and non-English speaking backgrounds. The Block Model, along with this compelling evidence, has captivated our sector peers. This is an Australian first that has been felt in every part of our institution. It is reimagining the ways we provide benefits to all students across the University and it is not surprising that by mid-2018 we made the decision to extend its roll-out into second year and beyond, commencing Semester 1, 2019.

In Semester 2, I had an opportunity to experience the Block Model first hand, teaching a block of first year Economic Principles with a class of 25 students. It was an invaluable experience for me that strongly reinforced my confidence in the approach. The close relationship that the teacher (or learning facilitator) is able to develop with the class, is a rich teaching experience. The ability for the students to work collaboratively in problem solving mode is greatly enhanced by this model, and the ability of the teacher to understand the problems and challenges that the students are facing is a major advantage.

COLLEGE CLUSTERS, FLAGSHIP RESEARCH INSTITUTES AND VU RESEARCH

Important progress was made in the establishment of operating models for the new research institutes, aligned with our flagship themes (Health, Sport and Active Living and Sustainable Industries and Liveable Cities) and the discipline-based college clusters. Overarching strategies are being developed for each flagship to facilitate advancement of a series of interdisciplinary endeavours in learning and teaching, research and engagement through the collaborative efforts of staff in the college clusters and research institutes and centres. Late 2018

saw the launch of our Sport Strategy, 2019-2023: From Grassroots to Elite, an important part of the Health, Sport and Active Living flagship strategy.

The implementation of VU Research occurred in 2018 including the new VU Research Fellowship initiative which is strengthening the University's research through greater researcher collaboration and a more focused effort in research activity. We consolidated our position in the top 2% of universities in the world in the 2019 Times Higher Education World University Rankings and significantly improved our ranking for sport science, ranking 12th in the Shanghai Academic Rankings of World Universities.

VICTORIA UNIVERSITY POLYTECHNIC

This year has been a time of major positive change for the Polytechnic, with the re-opening of the Werribee East Campus with strong industry partners such as CPB/John Holland and Westgate Tunnel Project, the announcement of the Victorian Government's Free TAFE for priority courses and the commencement of the building for the new Sunshine Skills Hub.

As part of VU's School for the Visitor Economy, the Polytechnic's first associate degree, the Associate Degree in Hospitality and Hotel Management, is available for February 2019 enrolments. Another exciting development was the establishment of a joint program to help African-Australians succeed in their aspirations to become Police and Protective Services Officers (PSOs) in Victoria.

The new three-storey Sunshine Skills Hub will deliver training that will prepare individuals for the jobs of the future, supporting programs in Technology, Early Childhood, Community Health, Paramedics, Nursing and Allied Health while also providing campus-wide services and amenities.

The Polytechnic continues to forge a reputation for innovation in blended learning, having been shortlisted as a finalist for the Internal Learning

Solution of the Year in the international UK-based 2019 Learning Awards (along with the likes of Hugo Boss, Bayer US, Aviva, and Capgemini).

A major system upgrade was also undertaken with the implementation of a new student management system for VET students, Student One, which will go live in January 2019.

WEST OF MELBOURNE STRATEGY

VU is the University for the west of Melbourne. During 2018, great progress was made with the implementation of the Campus Master Plan (CMP). The approval of major asset sales by the State Government has enabled reinvestment in significant infrastructure projects in Melbourne's west including a new Nursing and Midwifery Building at Sunshine Hospital, the Sunshine Skills Hub at our Sunshine TAFE campus, revitalisation of the St Albans Campus (including the establishment of a Cyber Security Career and Training Hub with Cisco) and the re-opening of the Werribee East Campus with a focus on the construction industry. The co-location of the Footscray Hospital at our Footscray Park Campus, utilising the current car park, presents a real opportunity to develop a world class Health and Education Precinct. Further co-location will enable close collaboration with key health partners, especially Western Health and will enable VU to maximise our impact on improving health outcomes in Melbourne's west.

With the west of Melbourne being such a fast growing region, further strengthening VU's positioning as the University of choice in the west is an important strategy for future growth. 2018 saw an early offer program piloted which guarantees a place at VU, in vocational education or higher education, to all Year 12 students in the west of Melbourne. The response to VU Guaranteed was overwhelming with a significant increase in Year 12 students applying for a tertiary place at VU.

To continue to assist us with strengthening our relationships with relevant local government areas, two key advisory committees were established to provide expertise and advice on our strategy – the West of Melbourne Advisory Committee (WoMAC) chaired by University Council member, Elizabeth (Liz) Beattie and the Outer West of Melbourne Advisory Committee (OWoMAC) chaired by former federal minister, Lindsay Tanner.

We have continued to prioritise our regional leadership role with the West of Melbourne Economic Development Alliance (WoMEDA) focused on the development of a jobs strategy. The establishment of job clusters at Footscray, Sunshine and Werribee remain a priority and WoMEDA played a key role in advocating for the co-location of the new Footscray Hospital.

INTERNATIONAL INDUSTRY AND COMMUNITY ENGAGEMENT

International engagement is an important focus for the University, and is a key factor in our rise in the world rankings. In 2018 we took the opportunity to create a roadmap for significant growth and diversity over the medium term, and made excellent early progress on its execution. We also had the pleasure of hosting Austrade's Chief Executive Officer, Dr Stephanie Fahey, who gave the Chancellor's Lecture on the topic of Education 2.0, exploring the complex issues at play in sustaining the success of a sector that has become one of Australia's largest exports.

MAKING VU A GREAT PLACE TO WORK

In 2018 we commenced a significant program to make VU a great place to work. We undertook staff engagement surveys with both higher education and VU Polytechnic staff, with staff engaging strongly and a richness of information provided to ensure that VU aspires to be a place where people are highly satisfied, motivated and proud to work.

Negotiations commenced for new enterprise agreements both in higher education and for TAFE teachers, with Polytechnic staff voting to endorse their agreement late 2018. Negotiations for higher education will continue in earnest in early 2019. Importantly, these new agreements are being shaped to meet the needs and aspirations of staff as well as supporting the transformation and sustainability agenda of the University through the critical next four years.

We were delighted by the opportunity to celebrate our strengths when VU was publicly recognised for our commitment to cultural diversity, in particular our provision of outstanding service to multicultural communities and in leading the way in encouraging cultural diversity in the workplace, through receiving the Victorian Multicultural Commission's 2018 Multicultural Award for Excellence (Business Category).

CONCLUSION

It continues to be an exciting time to be at VU. Early signs are that demand for our vocational education and higher education programs is strong for 2019 and the delivery of a positive operating surplus is a pleasing outcome, setting us up to be able to continue to invest and innovate. I look forward to continuing the journey with our students, staff, Council and partners.

Professor Peter Dawkins AO
Vice-Chancellor and President

1.3 ABOUT VICTORIA UNIVERSITY

HISTORY

Victoria University traces its history back to 1916 when the Footscray Technical School was established. The idea for a technical school based in the western suburbs of Melbourne was first proposed in 1910.

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

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

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

VU TODAY

VU has been providing education, research and training for over 100 years and was recently rated in the top 2% of universities in the Times Higher Education World University Rankings (2018/19), for the third consecutive year.

The University's strong industry and community partnerships inform all course material. Students experience practical learning, including placements in work-integrated learning programs, to ensure they are ready to work as soon as they graduate.

VU is one of only six Australian universities to offer courses in both TAFE with higher education. Students can move between vocational courses at Victoria University Polytechnic and tertiary courses at VU, returning to study at any point during their career. VU Polytechnic's award-winning blended learning model replaces paper-based theory with a combination of face-to-face teaching and flexible eLearning.

In 2018, VU became the only university in Australia to use a block teaching model, which has been used throughout Sweden and parts of North America for more than four decades.

Underpinned by learning and teaching methods known to impact positively on learning gain, undergraduate students study one subject at a time, in smaller classes, allowing more one-on-one time with teachers and greater immersion in each subject. Student academic results for 2018 show a considerable increase in pass rates, distinctions and high distinctions.

VU's transformational agenda is enabling it to continue to provide accessible, flexible, internationally engaged and industry-focused education that produces job-ready graduates.

1.4 OUR VISION AND MISSION

VISION

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

MISSION

We will achieve this vision by:

- **Education**

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

- **Research and engagement**

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

1.5 STRATEGIC PLAN 2016–2020

The University's strategic plan, the *University of Opportunity and Success 2016–2020* promises that VU will:

- deliver high quality learning opportunities for people from diverse backgrounds to enable them to create personalised career success and
- undertake high impact research that shapes healthier, smarter and more sustainable communities.

Since the launch of the Strategy in 2016, VU has made exciting progress in pursuit of the challenging agenda that was proposed. Specifically, VU has:

1. Brought the transformation into sharper focus through the articulation of four big ideas which now underpin our activities:
 - a. The Moral Purpose: Transforming Lives and Transforming Communities – A University Focused on its Students and its Communities
 - b. Reconceptualising Tertiary Education: A University without Boundaries
 - c. Developing 21st Century Skills and Confronting 21st Century Challenges: A Contemporary and Future Focused University
 - d. Agility, Productivity and Growth: An Agile, Dynamic, Innovative, and Growing University.
2. Launched the First Year Model and the First Year College, Victoria University's Block Model – leading a true revolution in tertiary education in Australia.
3. Moved to expand the Victoria University Block Model beyond first year – ensuring the full transformation of both undergraduate and postgraduate education at VU.
4. Focused our academic endeavours into two flagship areas of expertise – Health, Sport and Active Living and Sustainable Industries and Liveable Cities, and established college clusters to support teaching and learning within each area.

5. Reimagined our research efforts in light of our flagship areas – launching the Institute of Health and Sport and the Institute of Sustainable Industries and Liveable Cities.
6. Commenced the reinvigoration of our campuses – through the development and activation of a campus master plan that will see the consolidation of our city presence to a new Queen Street precinct, the development of a hospital precinct at Footscray Park, a skills and innovation hub and a hospital-based clinical school at Sunshine, a centre for cybersecurity at St Albans and a new engineering and construction precinct at Werribee.

In addition, there has been significant recent focus on improving systems and processes, refining our professional services and more effectively sharing our stories of success to reposition the University within a highly competitive market.

All of the activity taking place under this ambitious agenda maintains and builds on previous strategic investments. It continues to move us towards our 2020 objective of positioning VU as an outstanding and open University that provides the opportunity and pathway to success for any student from any background. We also aim to:

- Lead our sector in integrating teaching and learning, research and engagement with industry and community, to deliver learning opportunities that support student success in the emerging world of employment and entrepreneurship.
- Offer a highly attractive suite of Vocational Education through Higher Education product and service offerings with contemporary content that is delivered through best use of current and emerging technology.

- provide learning experiences and research collaborations that contribute significantly to uplifting communities in the west of Melbourne and beyond, embedding engagement activities that are achieving measurable, evidence based outcomes.
- be renowned for research, teaching and engagement in our flagship areas of Health, Sport and Active Living and Sustainable Industries and Liveable Cities.
- operate on a fit-for-purpose service footprint and campus environment that enables an engaging, relevant and dynamic offer to our students.
- employ and develop a workforce that is increasingly characterised by flexibility, agility and forward thinking and provides quality learning experiences and support to our students.
- provide excellent and relevant research for our industry and community stakeholders.
- be financially sustainable.

As set out in the 2016-2020 Strategy, we remain future-focused and will continue to fine-tune our approach to make sure that we are thinking and behaving strategically in all that we do; collaborating as co-learners and co-creators of the future.

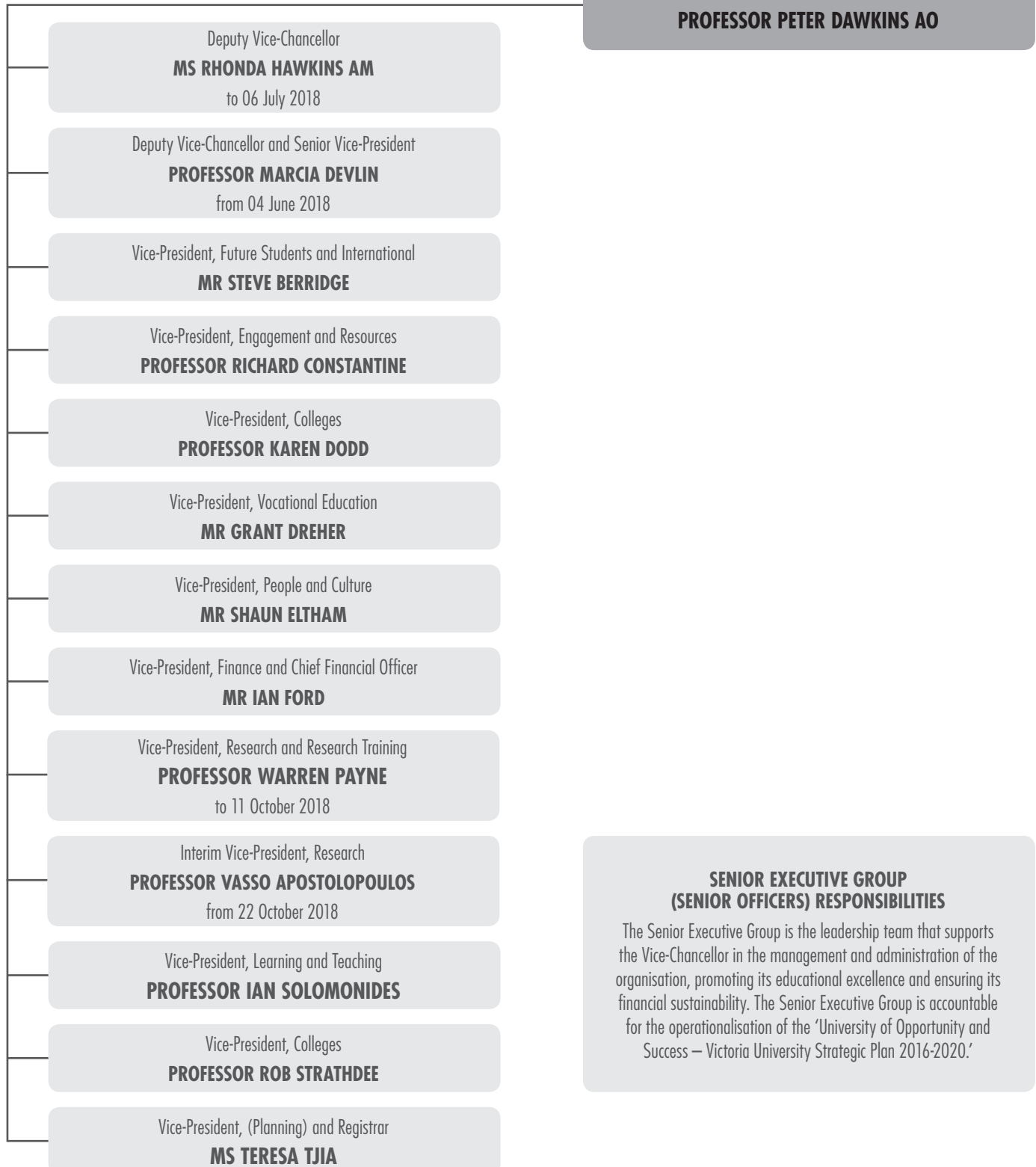
The full version of the Strategic Plan 2016–2020, the *White Paper on the Future of Victoria University* and further information about the Victoria University Block Model can be accessed at: vu.edu.au/about-vu/vice-chancellor/vision-mission

1.6 OPERATIONAL AND BUDGETARY OBJECTIVES 2018

BUDGETARY OBJECTIVE TO SUPPORT THE STRATEGIC PLAN	OUTCOME
<p>To be an agile, dynamic, innovative and growing University of Opportunity and Success</p> <ul style="list-style-type: none"> • Return the University to a net financial surplus, establishing the structural changes required to fully implement the “Towards Success” program and ensuring the necessary resources to build capability and capacity in house to reshape the University for its long-term success. • Meet budgeted load for both Higher and Vocational Education included in the approved 2018 Financial Plan. • Transform Professional Services in order to improve the way we work and staff productivity, reduce costs and contribute to financial sustainability. 	<p>Following substantial reform across all parts of the University, from teaching through to research and engagement, VU has delivered a \$6.9 million operating surplus. This is a significant turnaround for VU, following a total net operating deficit of \$29.2 million at the end of 2017. On an underlying result basis, a \$6.7 million surplus was achieved. This excludes capital grants and donations, investment income and loss on sale of assets. VU’s return to financial viability is the foundation of long term financial sustainability.</p> <p>VU met its budgeted load in the approved 2018 Financial Plan for Higher Education in both its domestic and international segments.</p> <p>For Vocational Education, VU met its budgeted load for domestic fee paying students, but did not meet budgeted load overall. We continue to transform our vocational education business through the Victoria University Polytechnic and have been impacted by changes to the external policy environment such as the announcement of the Free TAFE for Priority Courses Initiative commencing in 2019.</p> <p>The transformation of Professional Services is an ongoing process as we continue to improve the way we work, innovate and transform the University. This reform will continue in 2019 and will be further supported by the implementation of the enterprise wide system review and an institution-wide focus on building business process improvement capability.</p>
<p>Reconceptualising tertiary education through a transformational agenda. Key to this objective is:</p> <ul style="list-style-type: none"> • Successfully implementing and operationalising the First Year Teaching Model. • Successfully implementing and operationalising VU Research. 	<p>Victoria University’s (First Year Teaching Model) Block Model was successfully implemented. The outcomes included improvements in first year student pass rates, progress and retention, leading to a more stable student load.</p> <p><i>VU Research</i> was successfully rolled out across the University in 2018. This included the establishment of two Institutes that have been established to deliver the research programs the Institute of Health and Sport and the Institute of Sustainable Industries and Liveable Cities. With a stronger focus on research in areas of institutional strength and better use of resources, performance outcomes were in line with budget expectations.</p>
<p>Transforming VU’s campuses</p>	<p>VU successfully commenced implementation of its Campus Master Plan, following approval by the Minister for Skills and Training and Minister for Higher Education.</p> <p>The City West Precinct development – which included the sale and subsequent lease back of the re-developed Queen Street assets – was approved. In line with the Campus Master Plan, VU also sold its Sunbury Campus and Pilgrim Street properties.</p> <p>Importantly, the proceeds from these sales will be reinvested into new campus infrastructure in the west of Melbourne.</p>

1.7 SENIOR EXECUTIVE GROUP 2018

This organisational chart depicts
Victoria University's
Senior Executive Group in 2018

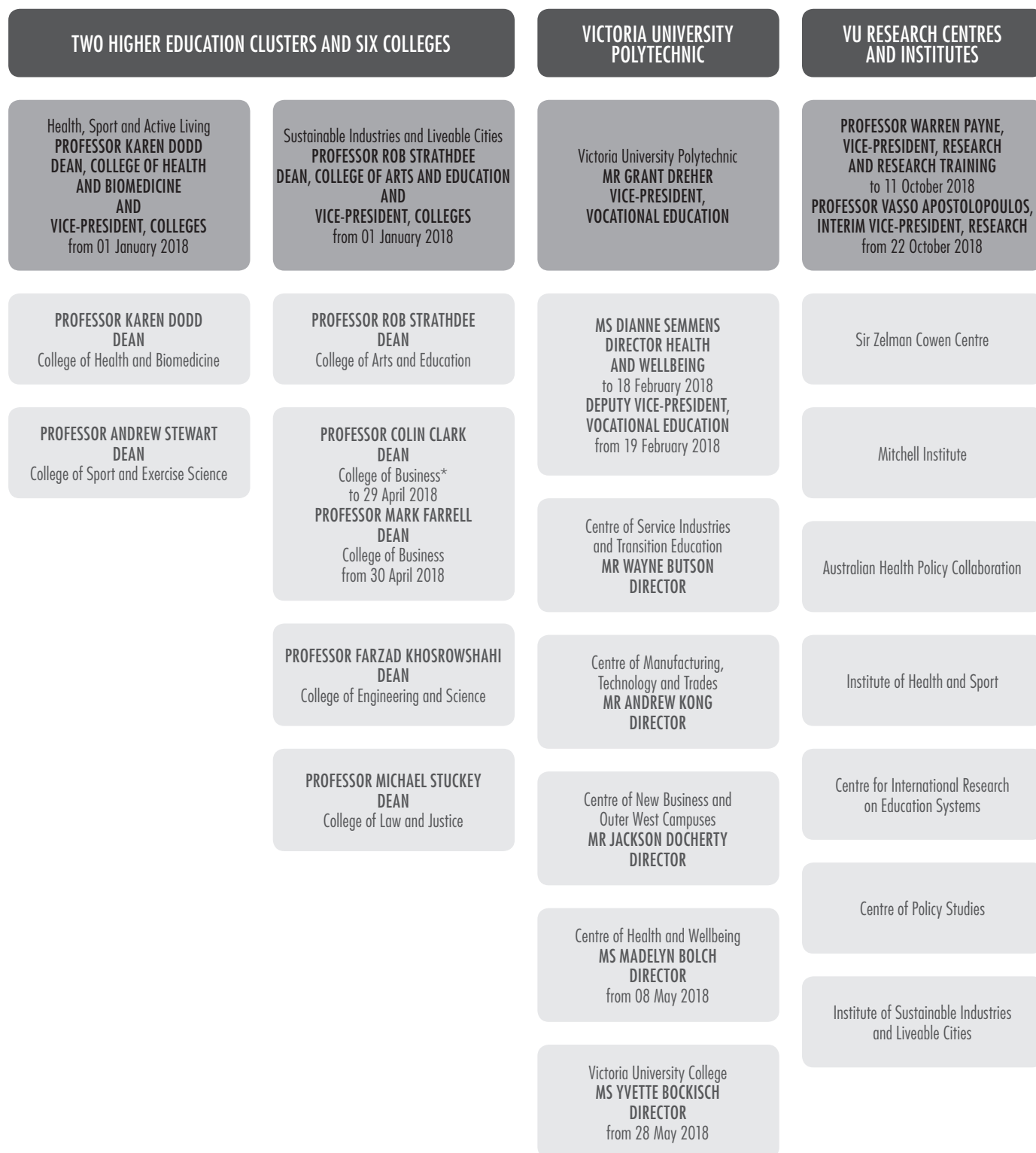


**SENIOR EXECUTIVE GROUP
(SENIOR OFFICERS) RESPONSIBILITIES**

The Senior Executive Group is the leadership team that supports the Vice-Chancellor in the management and administration of the organisation, promoting its educational excellence and ensuring its financial sustainability. The Senior Executive Group is accountable for the operationalisation of the 'University of Opportunity and Success – Victoria University Strategic Plan 2016-2020.'

1.8 HIGHER EDUCATION COLLEGES AND VICTORIA UNIVERSITY POLYTECHNIC

The chart below depicts the educational structure of Victoria University as at 31 December 2018 and includes:



*College of Business renamed to Victoria University Business School, on 23 October 2018.

2 REPORT OF OPERATIONS

2.1 THE UNIVERSITY OF OPPORTUNITY AND SUCCESS

Victoria University's strategy has three key elements:

- **position ourselves as an open and excellent university**
- **pursue a transformational agenda**
- **ensure financial sustainability.**

Victoria University has a clear mission — to provide outstanding educational opportunities to any student from any background, in the west of Melbourne and beyond. We have a deep moral purpose to transform lives and communities through the power of education and research. Our vision as the University of Opportunity and Success is to be open and excellent, creating exceptional value for any student from any background and uplifting the communities in which we operate.

We will provide exceptional value to our diverse community of students by guiding and assisting them to achieve their career aspirations through flexible and industry-relevant learning opportunities. Our students and graduates will be able to demonstrate their employability, and their development of 21st century skills including critical thinking, problem solving, creativity and an entrepreneurial mindset.

Graduates need to be prepared to address complex real world challenges in a changeable and uncertain future. This means they need different skills to succeed. It was clear that the conventional way of teaching was no longer giving our students the chance to reach their greatest levels of success and satisfaction. To this end, we have implemented the revolutionary Victoria University Block Model, an Australian first.

This is the cornerstone of the education revolution at VU. The VU Block Model delivers a more progressive, smarter and sharper way to undertake tertiary study. It allows students to study one subject at a time, maximising their focus, deepening their learning and increasing their success, without conflicting deadlines. It is transforming the way our students learn, with increased student retention and pass rates, improved success and higher satisfaction levels.

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

VU has defined areas of research focus that build on well-established capability and disciplinary expertise in flagship areas — Health, Sport and Active Living and Sustainable Industries and Liveable Cities. Our areas of research focus will create opportunities for collaboration and growth. They will also enable innovative solutions for the immediate and pressing issues of the day in the communities of the west of Melbourne and beyond.

Victoria University, the University of Opportunity and Success, is delivering next generation education and is a leader in reconceptualising tertiary education.

2.2 LEARNING AND TEACHING

LEARNING, INNOVATION AND QUALITY

The Dean of the First Year College and the Office of the Vice-President, Learning and Teaching led and supported the implementation of the First Year Block Model. Results indicate significant increases in performance compared with 2017:

- pass rate increased 7.9% to 83.9%
- Distinctions up 19.9% to 26.7%, High Distinctions up by 6.6% to 22.2%
- pass rates for low socio-economic status (SES) students increased 15.3% to 81.9%,
- pass rates for Indigenous and Torres Strait Islander students improved by 19%, to 79%
- pass rates for students from a Non English Speaking Background (NESB) are up 14.7% to 82.1%

The impact of the First Year College on international students was recognised through winning the prestigious International Education Association of Australia Excellence Award for Innovation.

The VU Academy for Social Change and Leadership was launched, with the mission of enabling student achievement and success for a better world. Three project-based programs attracted 51 students working on 10 projects, including five social enterprises; 175 students attended personal development workshops; and 21 students went to NASA on a study tour. Six internal and external awards have been won by Academy students and staff, including the Best New Team Award at the ENACTUS National Competition and a NASA Apps Challenge.

The Cultural Diversity Strategy is a specific expression of VU's moral purpose. Programs were developed, processes were established, and forums organised and supported. VU was represented in community, industry, academic and media discussions. VU won the Victorian Government's Award for Multicultural Excellence (Business).

Continuing with our tradition of excellence, in 2018 Victoria University celebrated the outstanding performance of VU Academy students. These achievements included:

- June – Magan Magan received Wheeler Centre Fellowship
- July – Best New Team Award, Enactus National Competition
- September – Team Cubaya won VU Innovations Award at VU Student Leadership Awards
- September – Kati Elizabeth won Student-As-Staff Award at VU Student Leadership Awards
- October – Kati Elizabeth received Google Women Techmakers Scholarship
- October – Atul Bhattarai won NASA Space Apps Challenge.

Other college student achievements included:

- College of Sport and Exercise Science, Cosette Cushieri, Dean's Scholar Award
- College of Health and Biomedicine, Jack Feehan (Master of Health Science – Osteopathy), Dean's Scholar Award
- College of Arts and Education, Kushla Egan, Dean's Scholar award
- Current students in College of Engineering and Science were also recognised at the 2018 student Leadership awards:
 - Ushani Kaumadha Loku Arumage, VU Volllies Award winner
 - Jake Dreier, VU Innovation Award (team award) winner
 - Meareg Kidanemariam, VU Innovation Award (team award) winner
 - Son Huynh, VU Innovation Award (team award) winner.
- Victoria University Business School, Estelle McConnell, received Dean's Scholar Award.

DIGITAL TECHNOLOGIES

A clear focus this year has again been in the area of student engagement and the provision of high quality and timely service to prospective, new and existing students. The University's customer relationship management capabilities were significantly expanded to greatly improve interaction and appropriate follow-up with prospective students. For current students, a Net Promoter Score system was introduced which has reported further improvements in the student satisfaction results from an already high base. IT technical support has been deployed into high student traffic locations to enable enhanced engagement with students experiencing technology related issues. Learning Management Systems were automated, with reduced administrative burden on teaching staff freeing up time for student-focused activities. In support of being the first Australian university in many years to implement a new model of teaching and learning; and again, with students in mind, new systems capabilities were introduced to ensure that the VU Block Model of teaching and learning was successfully implemented.

With cyber security threats ubiquitous, significant effort was directed at increased vigilance across IT systems with the implementation of appropriate tools and controls and importantly, this was supplemented by cyber security awareness training under the auspices of the Be Safe, Savvy and Secure program initiated by the Cyber Security team.

VU ONLINE

In 2018 the University established Victoria University Online (VU Online), a wholly-owned subsidiary charged with establishing and growing a substantial fully online education offering. VU Online entered a partnership with Keypath Education, a specialist online education service provider, and successfully launched a fully online Master of Business Administration degree program in September. Enrolment targets were exceeded for

the first and subsequent intakes, and new programs will be added in 2019 as VU Online scales up.

HIGHER EDUCATION COLLEGES AND VICTORIA UNIVERSITY POLYTECHNIC

In 2018, Victoria University's educational structure comprised six higher education colleges and Victoria University Polytechnic. The Colleges are structured around the University's distinctive specialisations and areas of expertise, college-based research centres and institutes.

Victoria University Polytechnic offers a broad range of vocational education and training (VET) courses, national training packages and state-based curriculum programs in many industry sectors such as health, trades, manufacturing, business, arts and education. The Polytechnic offers contemporary vocational education and applied industry relevant programs that build skills and competencies for lasting success in work and life. A student's experience of vocational education and training at VU is characterised by our distinguished approach to blended learning that promotes vital digital skills acquisition by engaging students with eLearning, complemented by face-to-face delivery. With a focus on industry informed and validated skill development, vocational education at VU goes beyond traditional competency based training. This new approach delivers a learning experience that is sustainable, customisable, responsive, scalable and transportable, providing our students with the technical capabilities and 21st century skills needed to succeed into the future.

Through its Colleges and the Polytechnic, Victoria University offers study pathways between vocational education and training, through to undergraduate and postgraduate studies. Students have the option to exit with qualifications when their immediate study goals are achieved, and to return and pursue further study when they desire.

COLLEGE HIGHLIGHTS

COLLEGE OF SPORT AND EXERCISE SCIENCE

The College of Sport and Exercise Science continued with its multiple strategic partnership agreements with domestic and international sporting organisations that provide a range of unique learning, career development and employability experiences. The newest is an innovative partnership with the Outdoor Education Group (OEG), which includes the development and delivery of a new Bachelor of Outdoor Leadership course, 35 paid student internships per year, and the potential for a two-year employment contract upon graduation for those who excel.

COLLEGE OF HEALTH AND BIOMEDICINE

In mid-2018 the Vice-Chancellor, Professor Peter Dawkins and Natalie Suleyman, MP, state member for St Albans officially opened new multi-million dollar simulation laboratories for the College of Health and Biomedicine's paramedic, nursing and midwifery students at the St Albans Campus. These facilities are a significant investment in preparing our students for the future workplace. The Victorian Government's November announcement that the new Footscray Hospital will be built at the Footscray Park Campus, and house the College of Health and Biomedicine, further underlines the strength and growth of the College.

COLLEGE OF LAW AND JUSTICE

The College of Law and Justice is an education provider for migration law, one of a select few institutions in Australia approved to deliver this highly specialised course. In addition, the law programs in the College of Law and Justice were reaccredited by the Victorian Legal Admissions Board until 2022. As part of this accreditation, significant curriculum redesign was undertaken in order to streamline the law programs with a focus on the Priestley 11 units, statutory interpretation and internship opportunities for all students.

The College of Law and Justice continues its partnerships with WEstjustice, other Community Legal Centres and the courts providing its students with a raft of internship and placement opportunities.

The College of Law and Justice's students continued to demonstrate their excellence in mooting competitions in 2018. In April 2018, two of its students were declared the winners of the Spirit of the Jessup Award at the Australian heats of the Philip C. Jessup International Law Moot Court Competition. The VU Mooting team also progressed to the finals in the College's own nationally recognised mooting competition, the Kirby Contract Law Moot in September 2018.

The College of Law and Justice also enjoyed considerable success in research output, which will deliver direct and tangible benefits for the College's research ranking. Academic staff were successful in having their research articles published in several highly esteemed peer reviewed law journals including the Adelaide Law Review, the Monash University Law Review, Australian Journal of Human Rights and the University of New South Wales Law Review.

COLLEGE OF ENGINEERING AND SCIENCE

The College of Engineering and Science has achieved strong international and Australian rankings in Engineering and Technology and Computer Science. In 2018 demand continued for our teaching programs, including a suite related to Construction and Building. In June the College hosted the Science and Engineering Challenge, a nationwide STEM outreach program presented by the University of Newcastle in partnership with Victoria University, with a focus on inspiring high school students to consider a future career in science and engineering.

Victoria University supports a strong research culture and 2018 saw significant achievements in this area. In the College of Engineering and Science, Professor Peng Shi was named the world's most

cited expert in the field of electrical and electronic engineering and awarded the Chancellor's Medal for his outstanding professional achievements, and his significant contributions to both Victoria University and to the community. John Orbell received funding of \$45,000 from the Helen Macpherson Smith Trust. The funds will go towards the 'Protecting Victoria's Little Penguin Population from the Adverse Effects of Oil-Spill Contamination' project.

COLLEGE OF ARTS AND EDUCATION

A significant achievement in the College of Arts and Education is the considerable progress made with the Footscray Learning Precinct and the recent commitment made by government to spend \$85 million on schools in Footscray. As a founding partner, VU and the College of Arts and Education are helping to lead the introduction of high quality education service offer across all stages of learning from the early years through to tertiary education and training and beyond. In turn, the Learning Precinct will help transform education in Footscray and further strengthen the relationship between the College of Arts and Education and key partners in the west of Melbourne.

Partnerships are at the heart of further innovations introduced into the College of Arts and Education in 2018. The criminal justice course met the benchmark to be a preferred provider for student placements and graduate internships in the Department of Justice. The highly successful masters of teaching secondary course has introduced a new delivery model in its specialisations, where the curriculum is now delivered by practicing secondary school teachers in true partnership with academic staff. The success of the model has encouraged the College of Arts and Education to introduce the approach at undergraduate level from 2019.

In the College of Arts and Education, Associate Professor Tim Corney won \$250,000 from VicHealth for the development of an intervention to reduce the incidence of binge drinking by university-aged students and the prevention of gendered violence. Professor Robyn Broadbent

was granted \$500,000 as lead researcher on an \$11 million Victorian Government social impact initiative to support vulnerable young people to complete their secondary schooling.

VICTORIA UNIVERSITY BUSINESS SCHOOL

In 2018, the College of Business was renamed Victoria University Business School. The Victoria University Business School continues to respond to a rapidly changing business environment by invigorating its courses and links with industry under the leadership of newly appointed Dean, Professor Mark Farrell, who has a strong commitment to engagement with industry.

The VU Business School has been actively involved in the School of the Visitor Economy that creates links with industry via research, placements and pathways for tourism, hospitality, events and related courses from vocational education to doctoral studies. It has refreshed the tourism and hospitality major in the Bachelor of Business course.

The VU Business School has supported students in their entrepreneurial pursuits through internships at the prestigious European Innovation Academy, where students collaborate with other business students from around the world, the Big Issue competition, and the Victorian Tourism Industry Council Entrepreneurship Competition. We are proud of our students' achievements with several reaching finalist status and receiving merit awards at national and international levels.

The VU Next Gen Systems, Applications and Products, (SAP) lab launched earlier this year which provides our students in Enterprise Resource Planning and Business Analytics access to big data to solve industry problems within a specialised laboratory at our city campus. This is the first university-based initiative that connects students, researchers and startups with SAP customers and partners outside of Europe.

Other exciting initiatives include the successful launch of the Master of Business Administration,

(MBA) online. This has made the MBA accessible to a larger domestic market. In addition, the trimester model for its postgraduate courses was introduced, offering students more flexibility and the opportunity to complete their degree faster. Furthermore, the VU Business School is enhancing the student experience through its partnership with the Institute of Managers and Leaders to provide MBA students with personalised professional development, industry engagement and access to Australia's largest network of management and leadership professionals. The MBA and Master of Change, Innovation and Leadership, (MCIL) students will be eligible for the internationally recognised qualification in Strategic Leadership and Management by the Chartered Institute of Managers upon completion of their course.

VICTORIA UNIVERSITY POLYTECHNIC

Victoria University Polytechnic offers contemporary vocational education and applied industry relevant programs. VU Polytechnic students acquire new skills through a range of programs in high employment demand areas while developing transportable skills for a successful career. The Polytechnic works closely with the rest of the University to ensure strong circular pathways from vocational to higher education and vice versa.

In 2018, the Victorian Government's policies regarding the TAFE sector, including the *Free TAFE* initiative supported a renewed focus on high quality public Vocational Education and Training providers, which presented some major opportunities for VU Polytechnic.

The Victorian Premier announced developments to train workers for the West Gate Tunnel Project at VU Polytechnic's Sunshine Campus. As part of this industry embedded initiative, up to 600 people who complete VU Polytechnic's Certificates II, III or IV in Civil Construction are expected to be employed on the Tunnel project. The Polytechnic will also deliver dedicated courses for trainees and apprentices already employed on the project.

The reopening of VU's Werribee East Campus supports training requirements for the growing number of large infrastructure projects in the west via delivery of Civil Construction and related programs.

The Wyndham Tech School (WTS) officially launched in June 2018 with 20 Government, Independent and Catholic secondary colleges in Wyndham being the first to benefit from the hi-tech hub at VU's Werribee campus. The WTS will provide an important link between schools, TAFEs, universities and industry by welcoming thousands of students, members of community groups and industry to experience the latest technology that will inspire the jobs of tomorrow.

The Polytechnic launched The School for the Visitor Economy at the Footscray Nicholson Campus, to restart programs in Hospitality, Tourism and Events.

Students represented the Polytechnic at the World Skills Australia National Championships. Staff and students from hairdressing, beauty, make up, and screen media won awards in four different categories at the Hair and Beauty Industry Association's (HBIA) awards. Certificate I Work Education (Sport) student, Maria Strong (Maz) was named the 2018 Masters Sports person of the Year at the Disability Sport and Recreation Awards.

The Polytechnic's multi-award winning Blended Learning model was shortlisted as a finalist for the Internal Learning Solution of the Year Award in the international 2019 Learning Awards. This Award represents the highest achieving individuals and organisations in the field of learning and development.

VU COLLEGE

VU College offers pathways for onshore and offshore international students into TAFE, undergraduate and postgraduate programs through English and Diploma programs. VU English (VUE) has an annual enrolment of between 2,500-3,000 students. There has been a 27% increase in 2018 VUE onshore student enrolments. The international

student cohort in Melbourne is made up of students from across 40 different nationalities. The top source countries in 2017 were Japan, Colombia, China, Vietnam, India and Sri Lanka.

VU College offers alternative pathways for both domestic and international students into 2nd year Bachelor degrees through their higher education diplomas in Business (Enterprise), Information Technology and Engineering. In 2018 the VU College welcomed students from over 40 countries including students from the Solomon Islands, Myanmar, Nigeria, Mauritius and Oman.

In 2018 VU College welcomed international students into the International Foundations at VU standard and extended programs. Students from Sri Lanka, Cambodia, Oman, Saudi Arabia, Vietnam as well as Mauritius, Malaysia, Uruguay and China commenced this pre-university course which provides a pathway to further tertiary study at Victoria University. Whilst many students will pathway to the College of Health and Biomedicine and study Nursing or Paramedicine, other students will continue their studies in VU Business School, the College of Engineering and Science, and the College of Sport and Exercise Science as well as VU College in 2019.

In 2018, 21 students were awarded merit scholarships for maintaining a distinction average in their diploma studies.

VU AWARDS

2018 was a year for honouring the achievements of staff by recognising their outstanding contributions to Victoria University. These recognitions included the Vice-Chancellor's Awards:

CAREER ACHIEVEMENT AWARD

- Susan Young
- Professor Warren Payne

PEAK AWARD

- First Year College and the First Year Block Model Implementation Program Office

EXCELLENCE IN ENGAGEMENT AWARD

- Marian Cronin
Respect and Responsibility Program

EXCELLENCE IN LEARNING AND TEACHING (VOCATIONAL EDUCATION) AWARD

- Cert 1 Work Education (Sport Academy) Team

EXCELLENCE IN LEARNING AND TEACHING (HIGHER EDUCATION) AWARD

- VU English Offshore Programs Team

EXCELLENCE IN LEARNING AND TEACHING (PROGRAMS THAT ENHANCE LEARNING) AWARD

- HSP Champions: Innovation in Anatomy and Physiology Teaching Team

EXCELLENCE IN RESEARCH AND RESEARCH TRAINING (INDIVIDUAL) AWARD

- Associate Professor Nir Eynon
Institute of Health and Sport

EXCELLENCE IN RESEARCH AND RESEARCH TRAINING (SUPERVISION) AWARD

- Associate Professor Christopher Sonn
College of Health and Biomedicine

EXCELLENCE IN PROFESSIONAL SERVICES AND INNOVATION AWARD

- Connected Learning Team

EXCELLENCE IN STUDENT ENGAGEMENT AWARD

- ITS and Student Services Collaboration Team

LEARNING AND TEACHING DATA

HIGHER EDUCATION

STUDENT ENROLMENTS AND LOAD	2016	2017	2018
NUMBER OF STUDENTS – TOTAL ¹	27,201	26,906	27,260
NUMBER OF STUDENTS – CSP, UNDERGRADUATE, DOMESTIC	14,224	13,423	13,765
LOAD (EFTSL ²) – TOTAL	19,463	19,141	20,183
LOAD (EFTSL) – CSP, UNDERGRADUATE, DOMESTIC	10,938	10,229	10,549
MAJOR FUNDING GROUP (EFTSL)	2016	2017	2018
AUSTRALIAN FEE PAYING	655	732	538
DOMESTIC TUITION FEE EXEMPT	32	26	7
EXCHANGE	102	73	71
GOVERNMENT FUNDED	11,932	11,090	11,126
INTERNATIONAL OFFSHORE	3,156	3,154	3,366
INTERNATIONAL ONSHORE	2,466	2,538	2,739
INTERNATIONAL VU SYDNEY	789	1,199	2,042
NO FUND GROUP	40	24	26
RESEARCH TRAINING PROGRAM	291	304	269
COURSE CATEGORY (EFTSL)	2016	2017	2018
UNDERGRADUATE	15,127	14,647	15,074
POSTGRADUATE COURSEWORK	2,267	2,520	3,184
SUBBACHELOR	1,268	1,217	1,218
RESEARCH	501	508	463
NON AWARD	301	249	244
HOME RESIDENCE — WESTERN MELBOURNE REGION ³ (EFTSL)	2016	2017	2018
WESTERN REGIONS	6,602	6,513	6,556
OTHER REGIONS	7,297	7,576	8,058
OVERSEAS	5,075	4,981	5,484
NOT AVAILABLE	491	73	86
CAMPUS LOCATION (EFTSL)	2016	2017	2018
CITY	3,228	3,221	3,419
FOOTSCRAY	8,990	8,425	8,482
ST ALBANS	3,102	2,875	2,860
WERRIBEE	74	57	41
VU SYDNEY	789	1,200	2,042
OFFSHORE	3,106	3,111	3,275
OTHER ⁴	176	252	65
GENDER (EFTSL)	2016	2017	2018
FEMALE	10,549	10,351	10,729
MALE	8,914	8,785	9,440
OTHER	1	6	15

¹ 2018 student enrolments are estimates

³ Based on self-identified home postcode information

² EFTSL = Equivalent Full-time Student Load (e.g. 8 units over 2 semesters equals 1.0 EFTSL for UG) Total adds to 20,184 rather than 20,183 due to rounding.

⁴ Includes distance venues and online delivery

VOCATIONAL EDUCATION

TOTAL STUDENTS	2016	2017	2018
NUMBER OF STUDENTS	15,007	14,799	12,170
TOTAL STUDENT CONTACT HOURS (SCH)	5,477,711	5,671,660	4,942,336
TOTAL LOAD (EFTSL) ¹	7,608	7,877	6,864
MAJOR FUNDING GROUP ² (EFTSL)	2016	2017	2018
GOVERNMENT FUNDED	5,319	5,884	6,213
FULL FEE-PAYING (DOMESTIC)	226	141	135
INTERNATIONAL (ONSHORE)	393	306	111
INTERNATIONAL (OFFSHORE)	745	784	139
FEE FOR SERVICE	925	763	266
COURSE CATEGORY (EFTSL)	2016	2017	2018
POSTGRADUATE COURSEWORK	17	20	9
ADVANCED DIPLOMA/DIPLOMA	2,324	2,326	2,093
CERTIFICATE IV	1,105	1,025	1,030
CERTIFICATE III	1,841	1,992	2,095
CERTIFICATE II & I	1,347	1,558	1,318
OTHER ³	974	956	319
HOME RESIDENCE — WESTERN MELBOURNE REGION ⁴ (EFTSL)	2016	2017	2018
WESTERN REGIONS	5,026	5,278	5,010
OTHER REGIONS	1,903	1,949	1,719
OVERSEAS	669	632	106
NOT AVAILABLE	10	19	29
CAMPUS LOCATION (EFTSL)	2016	2017	2018
City	759	871	656
Footscray	1,864	1,880	1,999
Sunshine ⁵	2,120	2,277	2,064
St Albans	730	717	726
Werribee	851	820	804
Other ⁶	657	661	575
Offshore	627	651	40
GENDER (EFTSL)	2016	2017	2018
FEMALE	3,954	4,171	3,588
MALE	3,654	3,704	3,268
OTHER	1	3	9

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

2 Major Fund Group — Fee for service includes VETiS

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

4 Based on self-identified home postcode information

5 Sunshine (includes Newport)

6 Includes workplace, distance venues and online delivery

2.3 STUDENTS

STUDENT WELCOME AND ENGAGEMENT

Student Welcome is an umbrella term for the programs and services that enable commencing and returning students to prepare for study success and make the most of being at university. Staff from across VU deliver programs that assist students with their academic, administrative and social transition to study. A dedicated program of international orientation events is customised by level of study.

The 2018 Student Welcome program involved a year-long calendar of 42 events across the eight Victorian VU campuses with over 9,000 attendees. Family Information Day achieved a favourable Net Promoter Score indicating it was a very successful community-building event. Overall, the welcome and engagement events achieved a satisfaction rating of greater than 90% (agree/strongly agree). A new “Getting Started” checklist and online orientation video was launched to ensure all commencing students, including those commencing outside standard higher education intakes, are aware of how best to prepare and start their studies at VU.

Student Life delivered over 100 events and workshops in 2018 for students with more than 15,000 participants. Over 300 student volunteers contributed to events such as the award-winning V4U community volunteering day around Melbourne’s West. Student Life also received an \$8,000 Multicultural grant from the Victorian Government to run a series of outstanding cultural events for students and the wider University community.

STUDENT COMMUNICATIONS

Student Communications distributes student-focused communications that are timely, relevant and clear to all cohorts of VU. Multiple communication channels are used to engage with different student cohorts for different purposes. VU is committed to best practice in communicating with students ensuring that communications are

two way. The Student Communications team continued to work with business areas across VU to enhance the student experience. Communications content was reviewed and customised to ensure that it is student focused, timely, relevant, informative, respectful and inclusive.

In 2018 VU significantly improved the student MyVU platform, a one-stop digital hub that provides students with up-to-date, personalised information, notifications and communications. A key objective for 2018 was to leverage the MyVU technology to personalise communications, deliver services and information more efficiently and increase student engagement. This was achieved with in excess of half a million visits to MyVU throughout the year from students in domestic and international locations. MyVU has also simplified enrolment processes with customised technology that provides personalised content.

In the latter part of 2018 a strategic Student Communications project was established to consolidate and simplify communication activities across channels and support the consolidation of student services within the newly formed Pro Vice-Chancellor, Students portfolio. The project will continue to work within the context of a student-focused perspective and will deliver a measurable impact on the student experience into 2019.

PATHWAYS AND PARTNERSHIPS

Pathways and Partnerships, within the Centre for Student Success, provides strategic direction for over 200 pathways at the University. It interacts with partner stakeholders including TAFE, vocational education providers, schools and other organisations external to the University community. It builds on VU’s 2016–2020 Strategic Plan to provide fit-for-purpose pathways from TAFE to higher education, and post graduate studies with flexible entry and exit points for students from all backgrounds.

Pathways and Partnerships works extensively with all areas of the University, including VU Polytechnic, Higher Education Colleges, Student Services &

Administration, International, Academic Support and Guidance, Marketing and Future Students, to ensure the success of all pathways programs. Key achievements in 2018 included an 80% increase in the number of pathways offered at VU, a dedicated pathways booklet outlining all pathways offered into undergraduate courses and a pathways transition module providing students with key information to start their university studies.

STUDENT LINK RETENTION PROGRAM

The 2018-2020 Retention Strategy was implemented to support retention of commencing students within the First Year College, as the first year of university is typically when attrition is at its highest. A key element of the Retention Strategy was the Student Link Retention program which carried out interventions and initiatives planned around the first year of the student lifecycle in higher education. The program used predictive learner analytics to identify those students who were at risk of attrition at various stages of the lifecycle including pre-census, post-census and throughout their study program. Commencing students identified as at risk received personalised support and contacts (via call campaigns) at appointed times during the lifecycle to offer support and the opportunity to connect with wider university student services. Over 6,000 calls were placed to students throughout this program resulting in a large number of students re-engaging with the University. Key to the success of this program was the involvement of Student Transition Mentors, current students who received specialist training to offer support to students identified as at risk.

STUDENT EMPLOYABILITY

The 2017–2019 Victoria University Employability Strategy – Future Ready was first implemented in 2017. The Centre for Student Success has worked in collaboration with Learning Hubs, Colleges, VU Polytechnic, VU International, Alumni Relations and the Entrepreneurs in Residence to enact the 2018

Implementation Plan. A key focus of the 2018 Implementation Plan was to connect our students with industry. This was achieved with the delivery of two industry expos for the Colleges of Arts and Education and also the College of Engineering and Science attended by over 300 students, over 30 employers and a range of industry bodies and professional associations. These expos provided a valuable platform for students to engage directly with employers and also learn about current and emerging labour market trends in their industries.

The Talent Connect program, now in its second year continued to support final year students make successful transitions from university to the workplace. In 2018, 39 students took part in the program and were matched with VU alumni mentors for six months post-graduation, with a further 20 students taking part in the Talent Connect Boot Camp.

The 2018 Implementation Plan also focused on further embedding career development learning into curriculum by taking an active role in the Block Model Design and Development process. This work will continue in 2019 as capstone units are re-designed.

ACADEMIC SUPPORT AND GUIDANCE

The new Learning Hub model commenced delivery of academic and career advice and guidance to all students in 2018. This model has increased the provision of complementary services to students by centralising and strategically establishing resources to support students more effectively and increase participation.

Welcoming and collaborative spaces on all major campuses enable the Learning Hubs to provide integrated services to guide and advise students throughout their study and as they take their first steps into the graduate market. The Learning Hubs, through study support essential programs, practical workshops, drop-in sessions and online

tutoring, aim to equip students with 21st century skills to complement what is learned in class and to ensure students emerge from VU with the skills and knowledge necessary to succeed in their chosen profession or in later years of study. There were over 11,000 student attendances across the range of Learning Hub activities throughout the year.

The Learning Hub maximises student success, retention and progress by focusing on their individual learning experience. In partnership with the wider VU community, Learning Hubs aim to integrate the range of complementary activities that are offered across VU to meet the needs of students and support them to be confident, capable and ready for their chosen career. Throughout 2018 there were close to 9,000 student attendances at these complementary activities.

ACHIEVEMENT SCHOLARSHIPS PROGRAM

The Achievement Scholarships program, established in 2010, offers two scholarships annually to every eligible secondary school in the western region of Melbourne. Over 550 scholarships have been awarded and recipients continue to maintain impressive retention rates. In recognising VU's commitment to providing pathways to further education, over 35% of recipients of a vocational education scholarship continue on to an additional VE course or enrol in a higher education degree. The Achievement Scholarships program is a major focus of Victoria University Foundation's annual fundraising. In 2018 it was supported by VU staff through workplace giving, donations from alumni and the extended VU community through our Annual Giving Fund as well as funding grants from the George Alexander Foundation, the Invergowrie Foundation, and the Collier Charitable Fund. The program is also generously supported through contributions to the Chancellor's Centenary Circle, where each year philanthropic individuals contribute at least \$5000 to support our Achievement Scholars and other scholarship programs.

POSTGRADUATE RESEARCH SCHOLARSHIPS

In 2018, the University offered 30 new Commonwealth Government-funded research scholarships with a total value of \$812,460*: One new annual Indigenous Postgraduate Scholarship (the Lisa Belleair Postgraduate Research Scholarship) was awarded again through the University Scholarship Program. The Foley Collection Scholarship was also awarded for applications from indigenous and non-indigenous applicants who wish to focus their research on an aspect of the Foley Collection.

*Calculated on an annual basis irrespective of start date.

ALUMNI ENGAGEMENT

2018 saw a significant increase in alumni involvement across all areas of the University. This strong signal of support was also reflected in the Barometer of Alumni Sentiment Survey, with a high response rate, positive feelings towards VU and strong willingness to become involved in VU programs and goals.

Other key outcomes for 2018 include:

- Alumni were involved in 577 separate VU projects or activities.
- Over 402 alumni volunteered their time and expertise on activities such as speaking at events and graduations; joining course advisory boards or mentoring a new alumni; with over 315 of those becoming active with VU for the first time.
- The mentoring component of VU's Talent Connect program saw 59 alumni participating as mentors during 2018 and a 50% increase in employment for the mentees upon completion of the program.
- VU received the Asia-Pacific nomination for a Platinum Award for Best Practice in Alumni Relations by the international peak body, CASE.

- The Alumni Barometer Survey demonstrated increases of between 10-20% (compared with 2015) in the number of alumni with pride and connection with VU, willing to be involved or give time, and valuing being a VU alumna/us.

The 2018 Alumni Awards again celebrated outstanding achievements of VU alumni across the globe. Recipients this year were:

- Lifetime Achievement Alumni Award – Dr Adrian Stoica
- Professional Achievement Alumni Award – Mr Oliver Percovich
- Meritorious Service Alumni Award – Mr Daniel Haile-Michael
- Rising Star Alumni Award – Ms Luba Grigorovitch
- Outstanding Student – Future Alumni Award – Ms Pragya Kapil
- Spirit of VU Award – Ms Carol Fox and Mr Danny Morseu

HONORARY DEGREES

In 2018 Victoria University awarded an honorary degree to Professor Rufus Edward Ries Black, in recognition of his significant role in the growth and development of the University as a long-serving member of the VU Council, and for his significant contribution to the public policy, education and entrepreneurship sectors. Professor Black was elected to the position of Deputy Chancellor in 2013 and 2015, and led the development of the Infrastructure Planning Committee of Council.

VALEDICTORIANS

The following table shows graduate valedictorians during 2018, selected for their outstanding achievements and commitment to their studies.

COLLEGE	STUDENT NAME	COURSE
Arts and Education	Mark Jansz	Master of Teaching
	Natalie Bertone	Bachelor of Education
	Stephanie Belcastro	Master of Teaching (Primary Education)
Business	Shaneal Williams	Bachelor of Business
	Lucas Harris	Bachelor of Business
Engineering and Science	Sistha Kamadjoja	Bachelor of Engineering
	Brendan Aked	Bachelor of Information Technology
Health and Biomedicine	Julia Biernacki	Bachelor of Science (Osteopathy)
	Daniel Cadd	Bachelor of Nursing
Law and Justice	Jacqueline Blazey	Bachelor of Laws (Honours)
Victoria University Polytechnic	Aditi Bhargava	Diploma of Business (Enterprise)

MEDALLISTS

The following table shows the outstanding student medallists in various categories for 2018.

COLLEGE	MEDALIST	CATEGORY	COURSE
Arts and Education	Ezra Warren	University Medal of Excellence	Master of Secondary Teaching
	Sean Nihill	University Medal of Excellence	Master of Education
Business	Paul Marra	University Medal of Excellence	Master of Business (Supply Chain)
	Gina Cohrs	University Medal of Excellence	Master of Finance
Engineering and Science	Brady Hamilton	University Medal of Excellence	Bachelor of Science
	Salvadore Fileccia	University Medal of Excellence	Bachelor of IT
Health and Biomedicine	Kristen Van Bael	University Medal of Excellence	Bachelor of Psychological Studies
	Lauren Sahakian	University Medal of Excellence	Bachelor of Science (Honours) (Biomedical Science)
Law and Justice	Monique Handford	University Medal of Excellence	Graduate Certificate in Migration Law
	Gregory Lascaris	University Medal of Excellence	Bachelor of Laws (Graduate Entry)
Sport and Exercise Science	Matthew Bourke	University Medal of Excellence	Bachelor of Applied Science (Honours) (Human Movement)
	Damon Arezzolo	University Medal of Excellence	Bachelor of Applied Science (Honours) (Human Movement)
VU Polytechnic	Pawan Hurry	University Medal of Excellence	Diploma of Early Childhood Education and Care
	Ali Abubaker	University Medal of Excellence	Advanced Diploma of Legal Practice
VU Research	Vanesa Stojanovska	Academic Excellence in Research Training	PhD
	Meg Polacsek	Academic Excellence in Research Training	PhD

2.4 INDUSTRY AND COMMUNITY

VU's engagement with industry and community stakeholders is fundamental to fulfilling its mission to deliver high quality teaching and research and to uplift the communities we serve.

WESTERN HEALTH

VU's strongest partnership in the health sector is with Western Health (WH). This was reconfirmed by two major events in 2018: the commencement of construction of our new Health clinical school at Sunshine Hospital, and the Victorian Government's announcement of the decision to construct the new Footscray Hospital on VU's car park at Footscray Park campus. While the major headlines were associated with the \$1.5b rebuild of Footscray Hospital, the Sunshine Clinical School will be the first facility co-located with WH to come on stream, and operational by 2020. VU's partnership with WH is one of our best examples of improving our student experience and outcomes by embedding students directly in an industry environment.

CITY WEST WATER

City West Water (CWW) plays a significant role in Melbourne's West, not only providing water but fostering community and social change in our region. The strong overlap in strategic focus offered the opportunity for CWW and VU to deliver improved outcomes for the region working together, leading to the signing of a Memorandum of Understanding. Broad themes of VU and CWW's engagement include: VU/CWW Roundtables, Learning and Growing Together, Driving Change Together, Supporting each other's Success and Leveraging our Internal Programs.

MELBOURNE VICTORY FOOTBALL CLUB

In April, the decade-long high performance sport partnership with Melbourne Victory Football Club (MVFC) was strengthened with the announcement of a Football Academy to be built next to VU's Footscray Park campus. This enhances VU's position as a world-leading sport university. This facility, partnering with the State Government and City of Maribyrnong, will include training and playing facilities, enabling MVFC to play all their W-League and NPL games within VU's Sports Precinct.

VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL

The Sir Zelman Cowen Centre (SZCC) worked with the Victorian Civil and Administrative Tribunal (VCAT) to support and showcase its Victorian-first online dispute resolution pilot. It tested whether the use of technology, including online hearings, could increase access to justice for people involved in small civil disputes. SZCC was a member of the Pilot Advisory Committee and worked with VCAT to develop videos highlighting its new innovative approach to delivering services. In November 2018, VCAT showcased the results of the pilot at the SZCC's international symposium 'Online Dispute Resolution: The State of the Art'.

VU INNOVATIONS

In 2018, the University started VU Innovations, an exciting initiative that built on the achievements of its Entrepreneur-in-Residence program. With a mission to unlock the innovation potential within the University and its network, VU Innovations launched three programs of activity: Stimulate; Learn; and Activate. The team offered a wide range of events and activities to stimulate innovation thinking in staff, students and the community. It designed and delivered entrepreneurship undergraduate degree content to over 3000 students; and it invested in a number of promising innovation growth opportunities inside and outside the University.

FOOTSCRAY DEVELOPMENTS

In early October, the Victorian Government announced that a new \$1.5b Footscray Hospital will be constructed at VU's Footscray Park campus, to open by 2025. This commitment by the re-elected Victorian Government will create a world-class health and education precinct in and around Victoria University's Footscray Park campus, including our College of Health and Biomedicine, College of Sport and Exercise Science, and an Institute for Health and Sport. The hospital will be a much-needed expansion of the west of Melbourne's health and education facilities as this area grows.

The Victorian Government has also committed to further investment in the development of the Footscray Learning Precinct, an innovative networked model linking early childhood, primary, secondary and tertiary education throughout Footscray. The Victorian Government is working in partnership with Maribyrnong City Council (MCC) and VU to implement the vision for the precinct.

This year, Footscray University Town (FUT) partners VU and MCC celebrated the half-way point in their 10 year commitment to realise Footscray as a University Town. MCC's annual community survey in 2018 recorded the highest levels of community awareness of FUT, rising from 14% in 2014 to 37% in 2018. FUT and virtually all respondents considered local education/employment opportunities are benefits.

VU at MetroWest continues to be an important focus for VU's outreach and engagement with the communities of Footscray and surrounding areas, attracting over 18,000 visitors and hosting 370 events, meetings, workshops and learning activities for VU community, government and business groups in 2018.

Thirteen exhibitions were presented at VU at MetroWest with highlights including the Come Together retrospective of previous women exhibitors as well as current VU students and Alumni; and the Nona to Nanna exhibition and culinary events which celebrated the diverse culinary traditions of Australia's grandmothers, supported by VU Polytechnic hospitality students.

VU and Maribyrnong City Council will collaborate on the delivery of a Smart City project for Footscray, having been successful in our application for approximately \$400,000 in funding under the Federal Government's Smart Cities and Suburbs grants program. The Footscray Smart City for Social Cohesion project will deploy integrated smart technologies to improve services for local citizens and businesses. As a partner in the project, VU will contribute to the development of an open data platform that will inform city planning, innovation and citizen experience in areas related to urban congestion and mobility, local economic activity, safety, air quality and physical activity.

WEST OF MELBOURNE ECONOMIC DEVELOPMENT ALLIANCE

The West of Melbourne Economic Development Alliance (WoMEDA), chaired by former Victorian Premier Steve Bracks and supported by key stakeholders in the west, focuses on strengthening employment in the region, where job growth is not matching population growth. The key strategy is to create clusters of industries in which different parts of the west can specialise. For example, WoMEDA's research was crucial to the Government's decision to locate the new hospital close to Footscray's heart in order to maximise the employment benefits. Former Minister for Industry, Wade Noonan, has been appointed as incoming WoMEDA Executive Director for 2019.

VICTORIA POLICE DIVERSITY RECRUITMENT PROGRAM

A new 15-week course developed by Footscray University Town and Victoria University Polytechnic teams will assist people from African-Australian backgrounds to be recruited into Victoria Police. The innovative course is a core component of the Victoria Police Diversity Recruitment Program and is the result of a collaboration between VU and African Australian Multicultural Employment and Youth Services, Jesuit Social Services, Victoria Police, MatchWorks, Maurice Blackburn Lawyers and AMES Australia. The course aims to develop communication and numeracy skills, health and fitness training and swim coaching, first aid and cross-cultural awareness to help applicants progress successfully through the recruitment process to enter the Victoria Police Academy. The program attracted \$497,000 in funding from the Victorian Government.

TIMOR-LESTE

VU and Timor-Leste (TL) have continued a proactive relationship throughout 2018, with two key activities. Referencing the national government's Timor-Leste Strategic Development Plan 2011-2030, VU identified five overarching themes considering the University's key strengths: Education, Skills and Service Development, Student Exchange and Experience, Academic Engagement Community Impact and Service and Government Connection/Networks. VU developed an operations plan for VU's Timor-Leste Reference Group to work to and monitor advancement in these areas.

2.5 RESEARCH

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

Our strategies focus on producing research of the highest quality with the ultimate aim of making a tangible difference to society, industry, and the lives of people. In 2018, the University continued to:

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

In particular, 2018 saw implementation of the VU Research Model: a new, University-wide approach to managing and supporting research and research training at Victoria University.

VU RESEARCH

The VU Research Model is a highly innovative, one-of-a-kind solution to conducting, managing and resourcing research and research training. The model involves identification and prioritisation of areas of research focus to consolidate, align and focus research and research training across the University. Focus is further supported through explicit identification of the discipline expertise, or priority Fields of Research, that VU will apply to support these areas of research focus. Research and research training is now delivered at Victoria University via a dedicated, whole of University department known as VU Research.

VU Research incorporates four main research entities (consolidated from six institutes and six centres formerly), that deliver high-calibre research for the benefit of local and global industries and communities:

- Institute of Health and Sport
- Institute of Sustainable Industries and Liveable Cities
- Centre of Policy Studies
- Centre for International Research on Education Systems.

VU Research also houses the two major research support offices: Research Services and the Office for Researcher Training, Quality and Integrity.

Responsible for allocating University resources to conduct research and research training, VU Research directs resourcing with the following objectives:

- enabling healthy and active populations
- enhancing high performance in sport
- building resilient and inclusive communities
- improving teaching and learning practices for diverse populations
- strengthening the evidence base for public policy development
- supporting industry responses to change.

These objectives define and enrich our engagement with industry, government and people generally to help shape healthier, smarter and more sustainable communities.

VU Research resources the most capable and high performing researchers at the University to undertake research and research training activity. Coordination of college-based academic staff contribution to the strategic research effort is achieved through a competitive Research Fellowship scheme.

A VU Research Fellowship is the mechanism by which academic resources are shared between VU Research and Higher Education Colleges for strategic research outcomes.

RESEARCH PERFORMANCE

INTERNATIONAL RANKING

The Times Higher Education (THE) World University Ranking is the key ranking scheme identified by the University due to its balanced approach to ranking and acknowledgement of institution size. In 2018, VU's THE ranking was maintained in the top 350 or 2% of universities worldwide. Our citation impact and international outlook scored particularly highly. Amongst the Australian universities ranked, VU is positioned equal 18th out of 35 institutions.

Also of note was the world ranking of 151-175 in the discipline of Computer Science and 126-150 in Engineering and Technology. This effectively ranks VU seventh place amongst Australian universities for Computer Science and ninth place for Engineering and Technology. VU also ranked 251-300 in Education.

Subject/special focus rankings were also released by the Academic Ranking of World Universities (ARWU). These prestigious rankings saw our Sports Science program ranked at 12, up from 21 in 2017, and our Tourism program ranked 46 worldwide. The result in Sports Science effectively ranks VU third amongst Australian universities.

RESEARCH INCOME AND PUBLICATIONS

Data reported to the Commonwealth in 2018¹ on research income performance revealed a slight reduction in total research income; an expected outcome given major institutional transformation. Despite this, VU had improved success in securing Australian Competitive grants. In addition, improved performance in end-user funded research, a mission-driven goal aligned with our focus on applied and translational research, was achieved.

¹ Data reported to the Commonwealth in a given year relates to previous year performance; for example, data reported in 2018 refers to 2017 operational performance.

The quantity and quality of the University's research publications continued to rise as a result of a concerted policy to effect this outcome. The quantity of journal publications increased by 16% with a corresponding increase achieved in the number of journal publications per research-engaged academic. Most importantly, recent SCImago data indicates the number of journal publications in the high quality first quartile (Q1) band made up 68.7% of all journal outputs, a slight improvement on the previous reporting period.

The quality of the University's research outputs was also evidenced by VU researcher Dr Hanatsu Nagano being awarded a Global Award in London for the world's most innovative new care product, the ISEAL Insole — an insole scientifically proven to improve walking functions and reduce injury risks, such as tripping falls.

RESEARCH ENGAGEMENT AND IMPACT AND EXCELLENCE IN RESEARCH FOR AUSTRALIA

The University submitted to the Australian Research Council (ARC), Excellence in Research for Australia (ERA) and the new Research Engagement and Impact (EI) assessment frameworks in 2018. The submission process was facilitated by new quality control procedures and the implementation of a new 'dashboard' system to support submission development.

Engagement and impact are mission-based drivers for the University, and VU's submission to the EI assessment highlighted this.

Cash support for research from agencies that will use resulting knowledge to inform policy or practice change makes up a significant portion of VU's research income. For example, it contributes over 90% total external funding to VU research in the Biological Sciences, Medical and Health Sciences, Education and Psychology, over 80% total external funding in Commerce, Management, Tourism and Services, and 79% in Engineering.

Evidence of impact is also wide-ranging and includes:

- Improving fire management and planning capacity through direct contributions to the advancement of computational models used globally and engagement of authorities to impart understanding of the physics of fire.
- Supporting the recovery of one of Australia's critically endangered plants and a Victorian native, the spiny rice-flower.
- Influencing the global uptake of online dispute resolution systems beyond the retail environment by providing and publicly demonstrating early proof-of-concept of its application in law.
- Contributing to the explosion of mimo-based wireless technology worldwide.
- Improving the Victorian policy-setting environment to enhance community participation in sport and build healthier communities.
- Improving education funding models across five Australian states and territories to more equitably address student need.
- Building the resilience and planning capacity of tourism destinations in Victoria, Australia, the Pacific Islands and Bali, Indonesia to manage climate change and related risks.
- Supporting authorities worldwide to understand and prevent acts of extremist violence and lone terrorism acts.
- Impacting life-saving changes to fire and building regulations, including alarm system standards, in Australia and the US.
- Balancing the colonial bias in the Australian story by bringing visibility to the Aboriginal narrative, for which the establishment of the VU-managed Aboriginal history archive, set to

become Australia's pre-eminent online resource for Indigenous political history, has been key.

HIGHER DEGREE BY RESEARCH

VU is recalibrating its Higher Degree by Research (HDR) training portfolio and as part of an intentional strategy to build critical mass, is restricting research training activity to areas of research focus and priority Fields of Research. As a consequence, a reduction in HDR enrolment was experienced in 2018, while 104 doctoral students graduated. Data collected in 2018 on the 2017 HDR student experience revealed high levels of overall satisfaction, with over 80% of all respondents satisfied in particular with supervision, goals and expectations, and skill development.

The quality of the University's research training program is evidenced by 2018 VU PhD graduate Dr Vanesa Stojanovska in securing a highly nationally-competitive NHMRC Peter Doherty Biomedical Early Career Fellowship for commencement in 2019. Dr Stojanovska has also been named a finalist for the Victorian Premier's Award for Health and Medical Research based on her PhD findings.

2.6 INTERNATIONAL

The University's innovative Block Model and First Year College initiatives were recognised through two prestigious awards, the Victorian International Education Award (VIEA) – University category, and the International Education Association of Australia – Innovation category. Both awards recognised the benefits of these core innovations on the educational outcomes of international students. Pass rates for international students improved by 5.3%, with 25% of international students achieving high distinctions (compared to 20.3% in 2017) and 27.7% achieving distinctions (up from 21.6% in 2017).

Through Victoria University International and the International Partnerships team, in 2018 the University continued its international engagement activities in accordance with our 2016-2020 Strategic Plan. As a university, we have remained committed to delivering a world-class education to a diverse student population and continued to maintain our international reputation through our position in the top 350 universities worldwide (Times Higher Education World University Rankings). Commencing onshore international student targets for higher education were exceeded and growth in commencing VET numbers was achieved, the lower than expected, while the University continued to expand its delivery of VU qualifications in partnership with reputable partners across Asia.

STUDENTS

In May 2018, VU Council endorsed a new VU International Student Growth Strategy. It targets significant growth in the international student body over the coming years but also an increase in the diversity of the student profile (source country, discipline, study level and recruitment channel).

In 2018, the University's onshore international student population now exceeded 6500 students enrolled in over 140 courses across our Melbourne and Sydney campuses. The University achieved strong growth in commencing onshore international

higher education students (including Study Abroad) in Melbourne, growing by 10% on 2017 results. In 2018, international enrolments grew approximately 200 EFTSL and 850 EFTSL across our Melbourne and Sydney campuses respectively, with enrolments across a broad range of courses from English language programs to diplomas to degrees and research qualifications. International student enrolments contribute increasingly to the financial viability of the University, with onshore higher education international student revenue exceeding \$68 million, compared with \$59 million in 2017.

The inaugural Trimester 3 intake in Melbourne for postgraduate business courses exceeded expectations, with 60 students enrolling. We continue to enrol international students from an extensive range of countries, with more than 90 nationalities represented. While enrolments from India and China remain strong, recruitment of international students already in Australia overtook both these countries as the largest source of applications.

Offshore, we delivered VU English Language and Diploma programs, and Bachelor and Master Degrees to more than 6000 students. These were delivered through long-standing partnerships in China, Malaysia, Singapore and Vietnam, but also through the first student intakes at new partnerships in India and Sri Lanka. This activity continued to deliver reputational and financial benefits, especially from the transfer of students from offshore to onshore programs. Various international alumni events were held during the year, and more than 400 students graduated at VU's Malaysia ceremony.

Reflecting our growing internationalisation, VU attracted significantly higher federal government funding to support VU students to gain an international study experience. In 2018, VU was awarded more than \$500,000 to fund 150 students' mobility experience under the Australian Government's New Colombo Plan Mobility Program.

As an institution, we were also able to celebrate the successes of our students. Olena Nguyen was a finalist in the prestigious VIEA International Student of the Year – University category, while Audrey Dalton-Power and Laurence Fudim were awarded the highly competitive New Colombo Plan (NCP) Scholars awards.

INTERNATIONAL RELATIONS

2018 provided numerous opportunities to showcase VU's credentials to international stakeholders. We welcomed senior delegations of foreign government ministers and bureaucrats, university presidents and their staff from all over the world, especially Asia. In May we welcomed more than 25 international recruitment agents and five in-country representatives to a week-long, intensive program of training at VU, where participants were introduced to VU's key programs and campuses. In April, we welcomed six overseas partners to the annual Victoria Abroad Study Overseas Fair.

VICTORIA UNIVERSITY SYDNEY

Operating in its eleventh year as a specialised international student delivery location in partnership with Education Centre of Australia, 2018 was a significant year for VU Sydney. At its new premises in central Sydney, and under the leadership of its new Campus Principal and Director, Felicity Orme, VU Sydney experienced high growth in 2018 and made a significant financial contribution to the University. Managing growth in a sustainable way to ensure successful student and business outcomes into the future was a high priority for VU in 2018.

2.7 PEOPLE

Across 2018, Victoria University delivered programs designed to cultivate a diverse, agile and high-performing workforce and a safe, respectful and innovative work environment that enables staff to thrive. The programs included leadership development, mentoring and shadowing, diversity and inclusion activities, staff engagement, safety, and the continuing program of activities aimed to prevent violence against women.

LEADERSHIP PROGRAMS

Tailored leadership programs were delivered to professional staff managers and supervisors across the University with input from leaders with first-hand knowledge and experience of working at high levels in the University. Academic leaders participated in the Australian higher education sector Academic Leadership Colloquium, a program designed specifically to enhance the skills of academic leadership. The programs provided opportunities for staff to build their leadership capabilities, examine the complexities of leadership, and develop a deeper understanding of their personal leadership qualities.

ENTERPRISE AGREEMENT

Negotiations for higher education will continue in earnest in early 2019. Polytechnic TAFE teachers staff voted to endorse their agreement in late 2018. This agreement is currently being vetted for certification by the Fair Work Commission. Importantly, these new agreements are being shaped to meet the needs and aspirations of staff as well as supporting the transformation and sustainability agenda of the University through the critical next four years.

EMPLOYEE ENGAGEMENT

In the lead up to the 2018 Staff Survey, a Staff Benefits and Wellbeing week was held to showcase the University's employee benefits. More than 400 staff participated in various activities across multiple campuses.

The 2018 Staff Survey was conducted in August and achieved the highest ever participation rate of 82% for HE fixed term and continuing staff

and 31% for casual and sessional staff (excluding TAFE teachers). For each completed survey, VU contributed \$3 to a VU student scholarship fund, raising a total of \$5000. The survey results showed improvements in the University's approach to innovation, safety and technology as well as identified areas for improvement. The staff engagement program has continued with staff providing feedback on these improvement areas through five focused "think tanks".

EMPLOYMENT AND CONDUCT PRINCIPLES

VU is committed to providing an inclusive, respectful and safe workplace where staff are enabled to do their jobs well. The Appropriate Workplace Behaviour Policy establishes core professional and behavioural expectations for all staff and outlines the consequences of engaging in behaviour that is not acceptable.

GENDER EQUITY, DIVERSITY AND INCLUSION

2018 saw the delivery of a range of high impact programs and activities across the Diversity and Inclusion portfolio. Key highlights include:

- Submission of an application for citation as an Employer of Choice for Gender Equality to the Workplace Gender Equality Agency.
- 4% increase in senior female staff in line with targets in the Gender Equity Strategy.
- Highly successful Shadowing Program for senior female staff and Mentoring Program for female professional staff.
- Activities promoting the University's participation in the national 'Racism. It stops with me' campaign.
- Aboriginal and Torres Strait Islander cultural awareness workshops for entire Senior Leadership Group and staff conducted by Leon Egan, Director, Bundyi Giilang and AFL Players' Association

Indigenous and Multicultural Manager.

- Employment of Aboriginal and Torres Strait Islander staff in First Year College, and students as staff.
- Diversity and inclusion sessions for Frontline and Middle Manager programs.
- LGBTIQ celebration days involving staff, students and senior leaders; strongly attended awareness sessions for staff and renewed and expanded engagement with VU's Ally Network.
- Recognition as a Participating Employer in the Australian Workplace Equality Index.
- Production of animations, videos and toolkits for managers and staff to promote awareness of flexible work options and processes resulting in thousands of hits over the first two months of launch.

RESPECT AND RESPONSIBILITY

Victoria University remains committed to implementing the Respect and Responsibility Preventing Violence against Women Ten Point Plan, launched by the Vice-Chancellor in August 2016. Significant achievements in 2018 include:

- Developing a new Respectful Relationships e-learning resource co-designed with a student reference group.
- Training student leaders and staff in responding to disclosures of sexual assault or sexual harassment, and bystander action for gender equality.
- Developing new sexual harassment and sexual assault policies and procedures, following an extensive consultation process with students and staff.
- Continuing to build engagement and collaboration with community partners, including through the Preventing Violence Together regional strategy, our involvement in the annual 16 Days of Activism to Prevent Gender-Based Violence campaign, and a successful \$140,000 grant with HealthWest to work with young men.

OCCUPATIONAL HEALTH AND SAFETY

The University continues to make significant progress towards improvements in the occupational health and safety management system and enhancements to the overall safety framework. A health, safety and wellbeing strategic plan has been developed that identifies five key areas of focus:

- Enhance staff safety capability and continue to develop safety leadership initiatives,
- Strengthen collaboration between all VU stakeholders and empower our people to make a positive contribution to the VU safety culture,
- Continue to identify opportunities to improve our safety management system,
- Apply a risk management approach to all VU activities, and
- Develop programs that contribute to improving the mental health and psychological wellbeing of all members of the VU community.

OHS PERFORMANCE INDICATORS

WORKCOVER CLAIMS 2009–2018			
YEAR	No. PHYSICAL CLAIMS	No. PSYCHOLOGICAL CLAIMS	No. CLAIMS
2009	33	8	41
2010	29	9	38
2011	38	12	50
2012	26	8	34
2013	23	11	34
2014	12	6	18
2015	14	2	16
2016	14	6	20
2017	9	3	12
2018	13	9	22

In 2018, Victoria University's premium decreased. Part of this decrease was due to a reduction in claims cost.

OHS HAZARDS, INCIDENTS, STANDARD CLAIMS, ASSOCIATED COSTS 2016–2018

	2016	2017	2018
Number of lost time standard claims per 100 EFT	0.32	0.38	0.35
Average cost per claim	\$27,123	\$40,815	\$66,366
Hazard/ Injury Reports / 100 EFT	22.3	26.2	24.3

Does not include sessional and casual employees.

Increase rate is due to an increase in number of WorkCover Claims reported in 2018.

The above 'Workcover Claims 2009-2018' data is updated information of the previously reported historical data on physical and psychological claims 2014 – 2017.

WORKFORCE DATA

TABLE 1: WORKFORCE DATA AS AT 31 DECEMBER 2018 (INCLUDING CASUAL STAFF)

	HEADCOUNT				EQUIVALENT FULL TIME (EFT)			
	FEMALE	MALE	SELF-DESCRIBED	TOTALS	FEMALE	MALE	SELF-DESCRIBED	TOTALS
ACADEMIC STAFF								
ONGOING/CONTINUING	193	207	0	400	176.47	197.72	0	374.19
CONTRACT/FIXED TERM	60	75	0	135	47.78	62.00	0	109.78
CASUALS	548	446	3	997	37.82	28.87	0.09	66.78
SUBTOTALS	801	728	3	1532	262.08	288.59	0.09	550.76
PROFESSIONAL STAFF								
ONGOING/CONTINUING	573	268	0	841	528.12	262.69	0	790.81
CONTRACT/FIXED TERM	169	82	0	251	149.77	74.22	0	223.99
CASUALS	614	410	0	1024	88.54	55.40	0	143.94
SUBTOTALS	1356	760	0	2116	766.42	392.32	0	1158.74
VET TEACHING STAFF								
ONGOING/CONTINUING	109	80	0	189	88.70	76.30	0	165.00
CONTRACT/FIXED TERM	29	16	0	45	25.70	15.20	0	40.90
CASUALS	234	202	0	436	34.70	36.98	0	71.67
SUBTOTALS	372	298	0	670	149.10	128.48	0	277.57
SENIOR MANAGEMENT								
ONGOING/CONTINUING	1	1	0	2	1.00	1.00	0	2.00
CONTRACT/FIXED TERM	3	7	0	10	3.00	7.00	0	10.00
SUBTOTALS	4	8	0	12	4.00	8.00	0	12.00
ALL STAFF								
ONGOING/CONTINUING	876	556	0	1432	794.29	537.71	0	1332.00
CONTRACT/FIXED TERM	261	180	0	441	226.25	158.42	0	384.67
CASUALS	1396	1058	3	2457	161.06	121.25	0.09	282.40
GRAND TOTALS	2533	1794	3	4330	1181.60	817.38	0.09	1999.07

Note:

Data was extracted on 7th January 2019. Staff occupying multiple jobs at 31st December 2018 have been counted for each individual job within the head count figures. There were 126 staff (16 ongoing/fixed term, 110 casual) who held multiple jobs as at 31st December 2018. All employees have been correctly classified in the workforce data collections.

TABLE 2: WORKFORCE TRENDS 2016–2018 BY EMPLOYMENT CATEGORY – HEADCOUNT AND EFT (INCLUDING CASUAL STAFF)

HEADCOUNT AND EFT		2016	2017	2018
ACADEMIC STAFF	HEADCOUNT	1,831	1,616	1,532
	EFT	694.85	553.09	550.76
PROFESSIONAL STAFF	HEADCOUNT	2,167	2,300	2,116
	EFT	1,130.89	1,166.47	1,158.74
VET TEACHING STAFF	HEADCOUNT	647	660	670
	EFT	284.68	283.48	277.57
SENIOR MANAGEMENT	HEADCOUNT	13	10	12
	EFT	13.00	10.00	12.00
TOTALS	HEADCOUNT	4,658	4,586	4,330
	EFT	2,123.42	2,013.03	1,999.07

Note:

Data was extracted on 7th January 2019. Staff occupying multiple jobs at 31st December have been counted for each individual job within the head count figures. There were 126 staff (16 ongoing/fixed term, 110 casual) who held multiple jobs as at 31st December 2018. All employees have been correctly classified in the workforce data collections.

TABLE 3: WORKFORCE TRENDS 2016–2018 BY EMPLOYMENT CATEGORY AND EMPLOYMENT TYPE – HEADCOUNT (INCLUDING CASUAL STAFF)

HEADCOUNT ONLY		2016	2017	2018
ACADEMIC STAFF	ONGOING/CONTINUING	483	369	400
	CONTRACT/FIXED TERM	198	159	135
	CASUAL	1,150	1,088	997
PROFESSIONAL STAFF	ONGOING/CONTINUING	840	835	841
	CONTRACT/FIXED TERM	185	220	251
	CASUAL	1,142	1,245	1,024
VET TEACHING STAFF	ONGOING/CONTINUING	213	204	189
	CONTRACT/FIXED TERM	58	48	45
	CASUAL	376	408	436
SENIOR MANAGEMENT	ONGOING/CONTINUING	0	0	2
	CONTRACT/FIXED TERM	13	10	10
TOTALS	ONGOING/CONTINUING	1,536	1,408	1,432
	CONTRACT/FIXED TERM	454	437	441
	CASUAL	2,668	2,741	2,457
ALL STAFF		4,658	4,586	4,330

Note:

Data was extracted on 7th January 2019. Staff occupying multiple jobs at 31st December have been counted for each individual job within the head count figures. There were 126 staff (16 ongoing/fixed term, 110 casual) who held multiple jobs as at 31st December 2018. All employees have been correctly classified in the workforce data collections.

TABLE 4: WORKFORCE BY EMPLOYMENT CLASSIFICATION AND GENDER AS AT 31 DECEMBER 2018 (INCLUDING CASUAL STAFF)

EMPLOYEE CLASSIFICATION	No. OF WOMEN	No. OF MEN	No. OF SELF-DESCRIBED
ACADEMIC STAFF			
LEVEL A	67	44	
LEVEL B	90	86	
LEVEL C	61	61	
LEVEL D	24	31	
LEVEL E AND ABOVE	11	60	
CASUAL	548	446	3
TOTAL	801	728	3
PROFESSIONAL STAFF			
HEW 1 – 5	213	68	
HEW 6	169	72	
HEW 7	177	82	
HEW 8	81	44	
HEW 9	54	42	
HEW 10	19	15	
HEW 10+ AND ABOVE	29	27	
CASUAL	614	410	
TOTAL	1356	760	0
VET TEACHING STAFF			
TEACHER	118	86	
SENIOR EDUCATOR 1	4	2	
SENIOR EDUCATOR 2	4	2	
SENIOR EDUCATOR 3	12	6	
HEAD OF SCHOOL / OTHER	0	0	
CASUAL	234	202	
TOTAL	372	298	0
SENIOR MANAGEMENT			
EXECUTIVES	4	8	
GRAND TOTALS	2,533	1,794	3

Note:

Data was extracted on 7th January 2019. Staff occupying multiple jobs at 31st December have been counted for each individual job within the head count figures. There were 126 staff (16 ongoing/fixed term, 110 casual) who held multiple jobs as at 31st December 2018. The overall workforce numbers remained stable in 2018 with respect to continuing and fixed term categories.

- Minimal change in Professional and VET teaching staff.
 - The number of women at Academic Level D have increased by 50%.
 - The number of women at Academic Level E and above has decreased by 45%.
 - Women executives has doubled.
- All employees have been correctly classified in the workforce data collections.

ATTACHMENT B: WORKFORCE DATA - WORKFORCE DISCLOSURES (DECEMBER 2017 – DECEMBER 2018)

HEADCOUNT ONLY	DECEMBER 2017						
	ALL EMPLOYEES			ONGOING		FIXED TERM AND CASUAL	
	NUMBER (HEADCOUNT)	FTE	FULL-TIME (HEADCOUNT)	PART-TIME (HEADCOUNT)	FTE	NUMBER (HEADCOUNT)	FTE
GENDER							
WOMEN EXECUTIVES	2	2.00	0	0	0.00	2	2.00
WOMEN (TOTAL STAFF)	2,695	1,179.33	618	233	774.32	1,844	405.01
MEN EXECUTIVES	8	8.00	0	0	0.00	8	8.00
MEN (TOTAL STAFF)	1,891	833.71	512	45	540.99	1,334	292.71
SELF-DESCRIBED	0	0.00	0	0	0.00	0	0.00
AGE							
15-24	392	59.09	9	1	9.94	382	49.15
25-34	1,121	373.10	173	37	196.62	911	176.48
35-44	1,000	506.13	300	64	342.76	636	163.37
45-54	981	547.98	338	81	394.20	562	153.78
55-64	819	445.61	274	78	325.48	467	120.12
OVER 64	273	81.13	36	17	46.30	220	34.83
TOTAL EMPLOYEES	4,586	2,013.03	1,130	278	1,315.31	3,178	697.73

HEADCOUNT ONLY	DECEMBER 2018						
	ALL EMPLOYEES			ONGOING		FIXED TERM AND CASUAL	
	NUMBER (HEADCOUNT)	FTE	FULL-TIME (HEADCOUNT)	PART-TIME (HEADCOUNT)	FTE	NUMBER (HEADCOUNT)	FTE
GENDER							
WOMEN EXECUTIVES	4	4.00	1	0	1.00	3	3.00
WOMEN (TOTAL STAFF)	2,533	1,181.60	630	246	794.29	1,657	387.31
MEN EXECUTIVES	8	8.00	1	0	1.00	7	7.00
MEN (TOTAL STAFF)	1,794	817.38	506	50	537.71	1,238	279.67
SELF-DESCRIBED	3	0.09	0	0	0.00	3	0.09
AGE							
15-24	377	48.86	6	1	6.80	370	42.06
25-34	973	362.95	184	34	206.47	755	156.48
35-44	974	505.64	282	85	338.97	607	166.67
45-54	915	534.03	335	75	385.00	505	149.03
55-64	845	462.94	284	83	339.51	478	123.43
OVER 64	246	84.64	45	18	55.25	183	29.39
TOTAL EMPLOYEES	4,330	1,999.07	1,136	296	1,332.00	2,898	667.07

Note:

Data was extracted on 7th January 2019.

Staff occupying multiple jobs at 31st December 2018 have been counted for each individual job within the head count figures. There were 126 staff (16 ongoing/fixed term, 110 casual) who held multiple jobs as at 31st December 2018.

The overall workforce numbers remained stable in 2018 with respect to continuing and fixed term categories.

Women executives has doubled.

A decreased need for casual labour resulted in a small reduction in this category. All employees have been correctly classified in the workforce data collections.

3 UNIVERSITY GOVERNANCE

3.1 OBJECTIVES

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

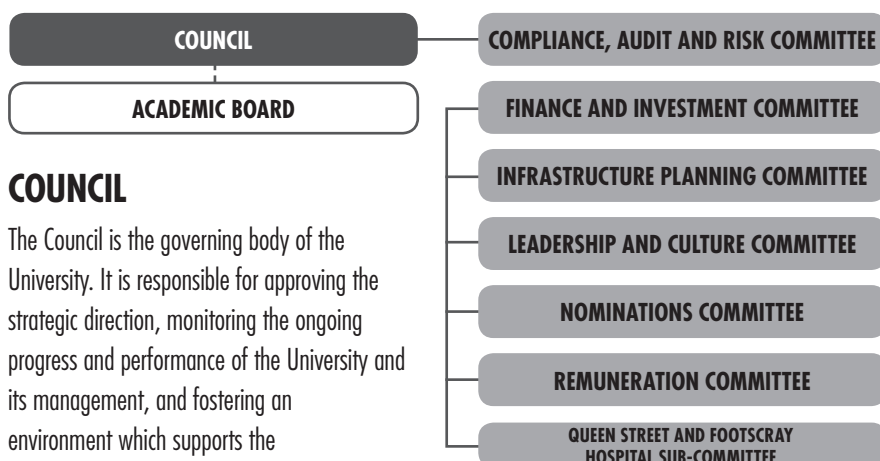
The objectives of the University as provided by Section 5 of the *Act* are:

- To provide and maintain a teaching and learning environment of excellent quality, offering higher education at an international standard
- To provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education
- To undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the wellbeing of the Victorian, Australian and international communities
- To equip graduates of the University to excel in their chosen careers and to contribute to the life of the community
- To serve the Victorian, Australian and international communities and the public interest by:
 - i Enriching cultural and community life
 - ii Elevating public awareness of educational, scientific and artistic developments
 - iii Promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society
- To use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching, learning, research and advancement of knowledge activities and thereby contribute to:
 - i Realising Aboriginal and Torres Strait Islander aspirations and
 - ii Safeguarding the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- To provide programs and services in a way that reflects principles of equity and social justice
- To confer degrees and grant diplomas, certificates, licences and other awards
- To utilise or exploit its expertise and resources, whether commercially or otherwise
- To develop and provide educational, cultural, professional, technical and vocational services, in particular, to foster participation in post-secondary education for people living or working in the western metropolitan region of Melbourne.

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

3.2 GOVERNANCE OVERVIEW

STRUCTURE



COUNCIL

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

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

- Compliance, Audit and Risk Committee, ensures effective oversight of risk management, compliance, audit functions, annual report and financial statements.
- Finance and Investment Committee
- Infrastructure Planning Committee
- Leadership and Culture Committee
- Nominations Committee

- Remuneration Committee
- Queen Street and Footscray Hospital Sub-Committee.

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

The table below details the number of times that Council and its standing committees met during 2018:

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

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

CHANCELLOR'S RESPONSIBILITIES

The Chancellor chairs the University Council, which is the governing body of the University, and leads the strategic direction of the organisation. The Chancellor also represents and advocates the University's interests to the wider community and presides at ceremonial occasions such as graduations.

ACADEMIC BOARD

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

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

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

The Academic Board met 10 times in 2018.

STATUTE AND REGULATIONS

There were no University Statutes approved in 2018.

TABLE 1: COUNCIL AND STANDING COMMITTEE MEETINGS

	MEETINGS	ADDITIONAL MEETINGS	RETREATS	RESOLUTIONS WITHOUT MEETINGS OF COUNCIL
COUNCIL	5		1	
COMPLIANCE, AUDIT AND RISK COMMITTEE	6	-	-	1
FINANCE AND INVESTMENT COMMITTEE	9	2	-	2
INFRASTRUCTURE PLANNING COMMITTEE	5	1	-	1
LEADERSHIP AND CULTURE COMMITTEE	3	-	-	
NOMINATIONS COMMITTEE	3	-	-	1
REMUNERATION COMMITTEE	3	-	-	-
QUEEN STREET AND FOOTSCRAY HOSPITAL SUB-COMMITTEE	8	-	-	-

3.3 COUNCIL MEMBERS

	NAME	CATEGORY OF MEMBERSHIP	PROFESSION / MEMBER OF OTHER BOARDS	FIRST APPOINTED TO COUNCIL	MOST RECENT APPOINTMENT
1	Mr George Pappas	Official Member <i>Chancellor</i>	Chairman – Marmad Pty Ltd Chairman – Zanthryn Pty Ltd Chairman – Pappas Superannuation Director – Hellenic Museum	01.01.2010	01.01.2015
2	Professor Peter Dawkins	Official Member <i>Vice-Chancellor</i>	Non-executive Director – UniSuper	01.01.2011	19.01.2012
3	Ms Deborah Tyler	Official Member <i>Chair, Academic Board</i>	Nil	04.11.2015	01.11.2017
4	Ms Elizabeth Beattie	Appointed by Government	Nil	01.01.2016	01.01.2016
5	Mr Geoff Dale	Appointed by Council	Dale Family Superannuation Fund Director – Dale Consulting Pty Ltd	01.01.2010	01.01.2018
6	Ms Gaye Hamilton	Appointed by Government	Director – Western Bulldogs Community Foundation Director – Western Chances	01.07.2012	01.01.2018
7	Ms Virginia Simmons	Appointed by Government	Nil	01.01.2016	01.01.2016
8	Mr Mark Toohey	Appointed by Government	Director – State Trustees Ltd Co Sec – ANZ Terminals Pty Ltd Director – MJT Family Trust	21.10.2014	01.01.2017
9	Ms Susan Schlesinger	Appointed by Minister	Nil	01.01.2018	01.01.2018
10	Mr Peter George	Appointed by Council	Partner – CIE Legal Pty Ltd Director – George Murphy Pty Ltd	25.08.2015	27.06.2018
11	Ms Rhonda Hawkins ¹	Appointed by Council	Director – Evolve Housing Director – Wentworth Institute Director – Fitzgerald Aged Care	01.01.2016	01.01.2018
12	Mr Wayne Kayler-Thomson	Appointed by Council	Director – Wayne Kayler-Thomson Pty Ltd Trustee – Kayler-Thomson Family Superannuation Fund Trustee Director – Vic Super Pty Ltd Director – Great Ocean Rd Regional Tourism Ltd	01.01.2010	01.01.2016
13	Mr Kee Wong ²	Appointed by Council	Director – e-Centric Innovations Pty Ltd Director – Synthesis System Pty Ltd Managing Director – e-Centric Innovations Pty Ltd Managing Director – e-Imagine Pty Ltd Managing Director – Centric128 Pty Ltd Director – W advisory International Pty Ltd Director – KW & WT Investment Pty Ltd Director – KW HL Investment Pty Ltd Director – KW Trading Pty Ltd Immediate past Chairman – AIIA Deputy Chairman – Asia Link Director – AICD Director – LaunchVic Director – Committee for Melbourne Director – Car Sales.Com Ltd	01.01.2015	01.01.2017
14	Ms Ghofran Al-Nasiri	Student elected member	Nil	01.08.2016	01.08.2018
15	Dr Siew Fang Law	Staff elected member	Nil	01.08.2017	01.08.2018

¹ The Council approved Ms Rhonda Hawkins' application for leave of absence from Council, to take effect from 21 June 2017 to 7 July 2018.

² Mr Kee Wong resigned from Council effective 29 August 2018.

3.4 COUNCIL AND COMMITTEES ATTENDANCE

COUNCIL

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mr George Pappas (Chair and Chancellor)	5	5
Ms Ghofran Al-Nasiri	5	5
Ms Elizabeth Beattie	5	5
Mr Geoff Dale	4	5
Professor Peter Dawkins	5	5
Mr Peter George	5	5
Mrs Gaye Hamilton	5	5
Ms Rhonda Hawkins*	3	3
Mr Wayne Kayler-Thomson	4	5
Ms Siew Fang Law	5	5
Ms Virginia Simmons	4	5
Ms Susan Schlesinger	5	5
Mr Mark Toohey	4	5
Ms Deborah Tyler	5	5
Mr Kee Wong**	3	3

*Ms Rhonda Hawkins was granted leave of absence from Council effective from 21 June 2017 to 7 July 2018.

**Mr Kee Wong resigned from Council effective 29 August 2018.

REMUNERATION COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mr George Pappas (Chair)	3	3
Mr Geoff Dale	3	3
Mrs Gaye Hamilton	3	3
Mr Mark Toohey	3	3

NOMINATIONS COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mrs Gaye Hamilton (Chair)	3	3
Professor Peter Dawkins	3	3
Mr George Pappas	2	3
Ms Virginia Simmons	3	3
Mr Kee Wong*	1	2

*Mr Kee Wong resigned from Council effective 29 August 2018.

FINANCE AND INVESTMENT COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mr Mark Toohey (Chair)	11	11
Mr Tony Brain	11	11
Mr Geoff Dale	9	11
Professor Peter Dawkins	10	11
Mr Peter George	10	11
Dr Jenny Gray	7	11
Mrs Rhonda Hawkins	5	5
Mr Wayne Kayler-Thomson	7	11

COMPLIANCE, AUDIT AND RISK COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mr Peter George (Chair)	6	6
Ms Elizabeth Beattie	5	6
Mr Tim Boyle*	1	3
Mr David Fisher	5	6
Mr Alan Fotheringham	4	6
Mrs Gaye Hamilton	5	6
Dr Susan Gould	3	4

*Mr Tim Boyle resigned from the Compliance, Audit & Risk Committee effective 17 July 2018.

INFRASTRUCTURE PLANNING COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Ms Rhonda Hawkins (Chair)*	5	5
Professor Richard Constantine	5	5
Professor Peter Dawkins	5	5
Mr Ian Ford	5	5
Mr Roger Poole	4	6
Mr Kee Wong**	2	3
Mr George Pappas	4	5
Professor Marcia Devlin	1	2
Mr Kevin McCarthy	5	5

*Ms Rhonda Hawkins was granted leave of absence from Council effective from 21 June 2017 to 7 July 2018. Prior to 21 June 2017 Ms Hawkins was appointed under category 'Council Member'. Post 21 June 2017 Ms Hawkins was appointed under category 'VU Management'. Ms Hawkins resumed appointment under the category of 'Council Member' on 7 July 2018 and took up the position of Chair at that time.

**Mr Kee Wong resigned from Council effective 29 August 2018.

LEADERSHIP AND CULTURE COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mr Geoff Dale (Chair)	3	3
Ms Lisa Bradley	2	3
Professor Peter Dawkins	2	3
Mr Grant Dreher	3	3
Mr Shaun Eltham	3	3
Mr Ian Ford	1	3
Ms Rhonda Hawkins *	3	3
Mr Craig Murphy	3	3
Mr George Pappas	3	3
Ms Virginia Simmons**	2	2

*Ms Rhonda Hawkins was granted leave of absence from Council effective from 21 June 2017 to 7 July 2018. Prior to 21 June 2017 Ms Hawkins was appointed under category 'Council Member'. Post 21 June 2017 Ms Hawkins was appointed under category 'VU Management'. Ms Hawkins resumed appointment under the category of 'Council Member' on 7 July 2018.

**Ms Virginia Simmons who was replacing Ms Rhonda Hawkins under the category of 'Council Member' stepped down from the Committee effective 20 June 2018 upon the return of Ms Hawkins from leave of absence.

QUEEN STREET AND FOOTSCRAY HOSPITAL SUB-COMMITTEE

MEMBER	TOTAL No. MEETINGS ATTENDED	No. ELIGIBLE TO ATTEND
Mr George Pappas (Chair)	8	8
Mrs Gaye Hamilton	8	8
Mr Peter Dawkins	8	8
Ms Rhonda Hawkins*	6	6
Mr Mark Toohey	8	8
Mr Roger Poole	8	8
Professor Marcia Devlin	1	2

*Ms Hawkins ceased being a member on 7 July 2018 as her employment as Deputy Vice Chancellor concluded.

3.5 DISCLOSURE STATEMENTS

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

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

2018 ACTIVITY

In 2018, the University received 13 requests for access to documents under the *Act*. Most requests were from current or former students or staff, seeking information relating to themselves, or information about matters in which they were involved. Other requests were from the media, law firms and members of the public on various subject matters. The following table details activities during the reporting period:

Requests	13
Requests refused	0
Decisions to release	5
— In part	2
— In full	3
Decisions denying access in full	2
Decisions where no documents identified	0
Requests not proceeded with by the applicant	6
Requests not finalised by the end of 2018	1
FOI Commissioner reviews	0
Victoria Civil and Administrative Tribunal appeals	1
Requests receiving timely responses	12

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

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

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

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

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

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

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

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

STATEMENT OF COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

Victoria University is committed to meeting the requirements of the *Carers Recognition Act 2012*.

STATEMENT ON NATIONAL COMPETITION POLICY & VICTORIAN INDUSTRY PARTICIPATION POLICY

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

During the 2018 reporting period, Victoria University did not enter into any arrangements in accordance with the Victorian Industry Participation Policy.

SUMMARY OF ENVIRONMENTAL PERFORMANCE

Victoria University is committed to improving environmental sustainability performance across all campuses and developing education for sustainability in its learning, teaching and research. The University continues to maintain extensive programs for recycling, energy efficiency and water conservation, as well as various sustainability education and awareness initiatives. Environmental sustainability is also embedded into various courses. A number of the University's research centres and institutes conduct environmental sustainability research, such as the Institute for Sustainable Industries and Liveable Cities.

The University's resource usage in 2018 is summarised as follows:

RESOURCE USAGE	2015	2016	2017	2018
Water consumption (KL)	135,630	153,322	131,995	115,748
Water consumption per FTE (KL per FTE)	74	84.1	77.9	68.3
Energy Usage (MJ)	192,893,000	184,339,000	175,801,057	167,198,948
Energy Usage per FTE (MJ per FTE)	105,200	101,300	103,717	98,642
Energy Usage per floor area (MJ per GFA, m ²)	550	570	624	631*
Greenhouse Gas Emission (tonnes CO ₂ -e)	38,998	36,653	34,205	32,826
Greenhouse Gas Emission per floor area (tonnes CO ₂ -e per GFA, m ²)	0.1121	0.1129	0.1215	0.1988
Waste – Landfill (Kg)	993,284	911,163	887,566	801,538
Waste – Recycling (Kg)	186,075	181,649	194,396	191,184
Recycling Rate	15.80%	16.60%	18.00%	19.30%
Greenhouse Gas Emissions – Waste (tonnes CO ₂ -e)	1,192	1,093	1,065	962

* University GFA in 2018 has been adjusted down from 2017.

PAPER USAGE *	2014	2015	2016	2017	2018
No reams used	35,903	35,535	33,139	30,579	30,352
Usage per FTE	18.26	19.38	18.32	18.04	15.18

*79% of the total paper used in 2018 was from 80%-100% recycled content and 1% was from 1%-79% recycled content.

The University procures its large format and digital print from a University procured panel of print providers. The paper consumption from our Preferred Print Suppliers is 4738 reams of A4 paper. The remaining balance relates to office printing (multifunction device printing).

Environmental benefits/impacts, where applicable to the services, form part of the evaluation criteria and decision making for the University's procurement processes. All new building projects are designed to achieve a high level of environmental sustainability. These projects together with our program of replacing aged infrastructure will ensure continued improvement in Victoria University's environmental performance.

The University's Environmental Policy covers energy, water, waste and procurement objectives to minimise our environmental impact in line

with operational best practice. Environmental responsibility by all members of the University community is facilitated by fostering and targeting positive and specific behaviours across all areas of operations. In addition, the University is committed to protecting and enhancing biodiversity on all campuses.

COMPULSORY NON-ACADEMIC FEES AND CHARGES

In accordance, with the requirements of Part 3.2 of the *Education and Training Reform Act 2006*, Victoria University applied the following compulsory Student Services and Amenities Fees, (SSAF) in 2018 for eligible domestic students:

2018 SSAF FEES

	VOCATIONAL EDUCATION/TAFE STUDENTS	HIGHER EDUCATION DOMESTIC STUDENTS
Full time	\$208.60 per year. (government funded students with no concession, studying 541 hours or more per year).	\$149 per semester. (maximum of \$298 for the year).
Part-time	\$104.30 per year. (government funded students with no concession, studying 25–540 hours or more per year).	\$74.50 per semester. (maximum of \$149.00 for the year).
Off-campus & Industry training	\$44.70 per year. (students studying off campus).	n/a
Concession	\$89.40 per year. (students currently eligible for concession rates on tuition).	n/a

The fees are used to improve non-academic services, facilities and amenities for students that enrich the student experience. Students are encouraged to provide feedback regarding how the fees are used and can apply, along with staff, each year for SSAF Student Experience Grants. In 2018 the SSAF Consultative Committee, convened by Student Services with membership comprising staff and students, met regularly to review SSAF spend and funding performance, discuss student feedback and award grants.

The amount of compulsory non-academic fees and charges collected by the University is also disclosed in the Notes to Financial Statements – 5 Fees and Charges.

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

RELEVANT MINISTER

The relevant minister for Victoria University's 2018 annual reporting period was The Hon Gayle Tierney, MP, Minister for Training and Skills and Minister for Higher Education.

FURTHER INFORMATION

Consistent with the provisions of the *Freedom of Information Act 1982*, the following information is available upon request:

- A statement on declarations of pecuniary interests duly completed by all relevant officers
- Details of shares held by senior officers as nominees
- Details of publications produced and how these can be obtained
- Details of changes in prices, fees, charges, rates and levies
- Details of major external reviews
- Details of major research and development activities
- Details of overseas visits including a summary of the objectives and outcomes of each visit
- Details of major promotional, public relations and marketing activities to develop community awareness and services provided
- Details of occupational health and safety assessments and measures
- A general statement on industrial relations and time lost through accidents and disputes
- Details of major committees sponsored, purpose of each committee and extent to which purposes have been achieved
- Details of consultancies and contractors including:
 - Consultants / contractors engaged
 - Services provided
 - Expenditure committed to for each engagement

Enquiries should be emailed to:

records@vu.edu.au

3.6 RISK MANAGEMENT

OVERVIEW

Victoria University is committed to the maintenance of an effective risk management framework in accordance with the Risk Management Standard (AS/NZS ISO 31000:2018).

Victoria University applies the core principles of the Victorian Government's Risk Management Framework in terms of identifying, reviewing and evaluating risks regularly at all levels of the organisation, and ensuring appropriate mitigation policies are in place.

In addition, as per the framework, resources are devoted to effective risk management in the organisation. Risk identification and management is addressed through the Annual Planning exercise of the University.

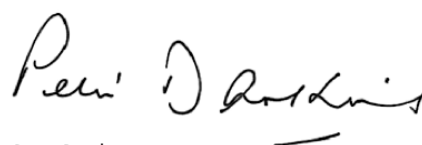
Risk management is an integral part of the University's governance. It encompasses the identification and assessment of risks, the adoption of appropriate risk mitigation strategies to effectively manage risks, and regular monitoring, review and reporting of risks. This approach enables Victoria University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

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

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

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

I, Peter Dawkins (Vice-Chancellor and President) certify that Victoria University has risk management processes in place consistent with the Victorian Government's Risk Management Framework, and the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2018 or its successor), and that an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Compliance, Audit and Risk Committee verifies this assurance, and that the risk profile of Victoria University has been critically reviewed within the last 12 months.



Peter Dawkins

Vice-Chancellor and President

Victoria University

15 March 2019

3.7 CONSULTANCIES AND ICT EXPENDITURE

CONSULTANCIES

In 2018, there were 20 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2018 in relation to these consultancies is \$656,000 (excluding GST). Details of individual consultancies can be viewed at vu.edu.au/about-us/facts-figures/annual-reports

In 2018, there were 22 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2018 in relation to these consultancies is \$83,000 (excluding GST).

ICT EXPENDITURE

A summary of the information and communication technology expenditure is included below:

BAU ICT EXPENDITURE TOTAL (\$ MILLION)	NON-BUSINESS AS USUAL ICT EXPENDITURE (\$ MILLION)	OPERATIONAL EXPENDITURE (\$ MILLION)	CAPITAL EXPENDITURE (\$ MILLION)
TOTAL	TOTAL = A + B	A	B
47	21.2	1.2	20.0

3.8 COMMERCIAL ACTIVITIES

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

INCOME STATEMENT

NAME	PRINCIPAL ACTIVITIES	DOMICILE	OWNERSHIP INTEREST	TOTAL REVENUE 2018	TOTAL REVENUE 2017	TOTAL EXPENDITURE 2018	TOTAL EXPENDITURE 2017	TAX / EXTRA ORD ITEMS 2018	TAX / EXTRA ORD ITEMS 2017	OPERATING RESULT*** 2018	OPERATING RESULT*** 2017	UNI OPERATING RESULTS*** 2018	UNI OPERATING RESULTS*** 2017
			%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Victoria University Foundation Ltd *	Trustee for the trust	Australia	100%	-	-	-	-	-	-	-	-	-	-
Victoria University Foundation Trust	Fund raising for VU	Australia	100%	864	2,246	1,177	1,419	-	-	(313)	827	(313)	827
Victoria University Enterprises Pty Ltd	Administers IP from research related spin-off companies	Australia	100%	-	-	-	-	-	-	-	-	-	-
Victoria University International Pty Ltd	Dormant	Australia	100%	-	-	-	-	-	-	-	-	-	-
VU Online Pty Ltd	Online course provider	Australia	100%	287	-	280	-	-	-	7	-	7	-
VU Online	Dormant	Australia	100%	-	-	-	-	-	-	-	-	-	-
Total - University Commercial Activities				1,151	2,246	1,457	1,419	-	-	(306)	827	(306)	827

BALANCE SHEET

NAME	WORKING CAPITAL 2018	WORKING CAPITAL 2017	PHYSICAL ASSETS 2018	PHYSICAL ASSETS 2017	TOTAL ASSETS 2018	TOTAL ASSETS 2017	INTERNAL BORROWINGS 2018	INTERNAL BORROWINGS 2017	EXTERNAL BORROWINGS 2018	EXTERNAL BORROWINGS 2017	TOTAL LIABILITIES 2018	TOTAL LIABILITIES 2017	EQUITY 2018	EQUITY 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Victoria University Foundation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria University Foundation Trust*	369	585	28	28	6,022	6,355	-	-	-	-	9	29	6,013	6,326
Victoria University Enterprises Pty Ltd ****	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria University International Pty Ltd**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VU Online Pty Ltd	7	-	-	-	78	-	-	-	-	-	72	-	6	-
VU Online	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - University Commercial Activities	376	585	28	28	6,100	6,355	-	-	-	-	81	29	6,019	6,326

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

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

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

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

4 FINANCIAL STATEMENTS

4.1 FINANCIAL OVERVIEW 2018

(1) INTRODUCTION

Victoria University (VU) and its controlled entities (the Group) posted a total net operating surplus of \$6.9 million for the year ending 31 December 2018. This has resulted in an operating margin of 1.5%, (2017: -6.6%) on gross revenue. A positive underlying result was also achieved of \$6.7 million excluding capital grants and donations, investment income and loss on sale of assets.

The University's surplus is in part a reflection of the benefits realised through the implementation of the Toward Success Program, which includes the introduction of the block mode of learning and teaching for First Year units and centralisation of VU Research. This has resulted in productivity improvements from both cost savings and an increase in Higher Education student load.

Table One, (Key Financial Data - Group), shows that Group revenue increased by 2.1% from the 2017 level of \$443.8 million to \$453 million. Group expenses has decreased by 5.7% during the financial year to \$446.1 million.

During 2018, the Group experienced a decrease of \$24.4 million in the value of its net asset base, representing a 2.5% decrease (2017: 18.2% increase). The Group's net assets at 31 December 2018 were \$966 million. As a result of the Queen Street campus precinct and other Campus Master Plan development, land and buildings were revalued downwards by \$48 million prior to sale. However, proceeds from the Queen Street sale and leaseback increased current assets, increasing the Group's liquidity ratio to 1.05 (2017: 0.71). The reduction of net assets has been offset by fair value gains on equity investments held by the University (of \$16.8 million), following an

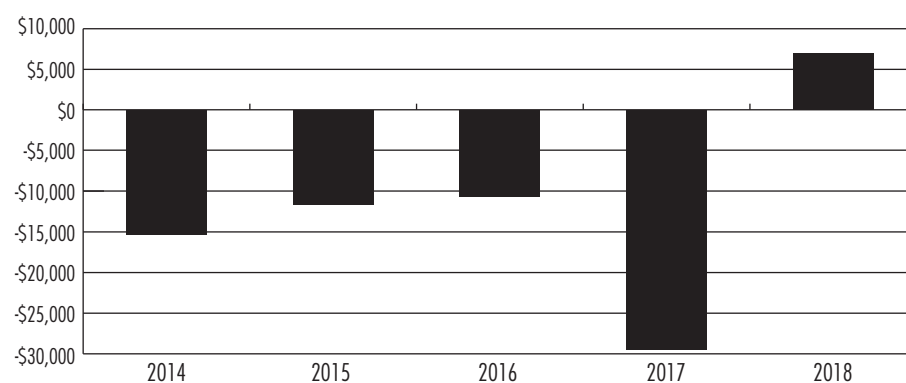
accounting standard change on the measurement and classification of equity instruments.

TABLE ONE: KEY FINANCIAL DATA - GROUP

	2014	2015	2016	2017	2018
	\$M	\$M	\$M	\$M	\$M
Revenue	428.5	420.3	430.5	443.8	453.0
Expenses	444.1	432.1	441.4	473.0	446.1
Operating Surplus/Deficit after tax	(15.6)	(11.8)	(10.9)	(29.2)	6.9
Cash Flows from Operating Activities	27.4	25.8	22.1	16.8	40.4
Operating Margin %*	(3.6)%	(2.8)%	(2.5)%	(6.6)%	1.5%
Net Assets	788.4	820.9	838.0	990.4	966.0
Liquidity Ratio	1.27	1.26	0.68	0.71	1.05

*Operating margin calculations exclude deferred government superannuation contributions

GROUP OPERATING RESULTS FOR PERIOD 2014–2018



(2) REVENUE

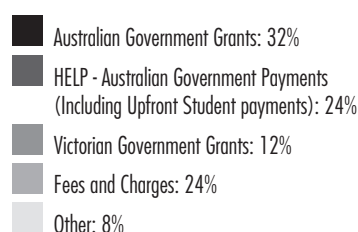
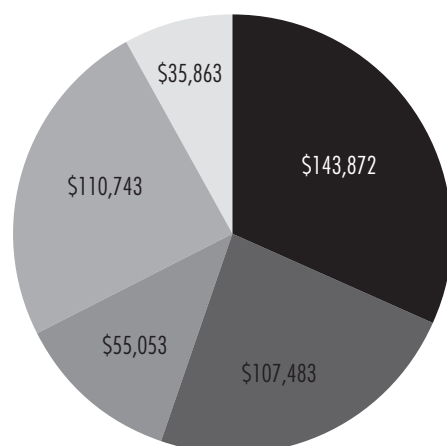
The increase in Group revenue amounted to \$9.2 million or 2.1% (2017: 3.1% growth), total revenue generated for the year amounted to \$453 million which is largely attributed to:

- Increase in course fees and charges of \$13.3 million, primarily as a result of fee-paying onshore overseas students.
- Increase in consultancy and contracts \$1.1 million specifically in relation to Research (domestic Category three income).

- The above increases in revenues were partly offset by a decline in investment income of \$6.9 million with a decrease in dividends received and no gains on investments.

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

SOURCE OF INCOME \$'000



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

(3) EXPENSES

The Group expenses decreased by \$26.9 million during 2018 (5.7% decrease on 2017). Separation costs of \$1.6 million in 2018 were significantly lower than the \$27.4 million recorded in 2017 (which were a result of the implementation of the major reform program in 2017). The Program included restructuring in higher education to develop the First Year Model for 2018, and the centralisation of research for the VU Research Model which strengthened the University's focus and improved the use of resources.

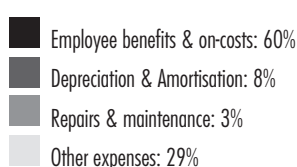
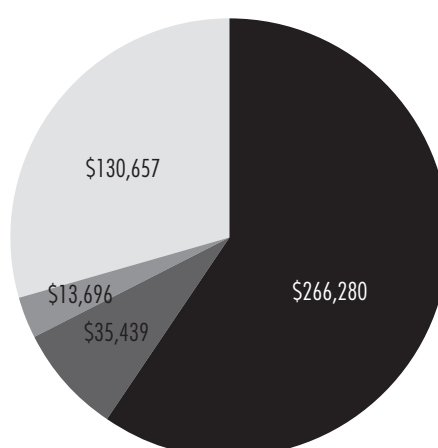
Total non-salary costs increased \$8.8 million year to year (2018 \$179.8 million; 2017 \$170.9 million). Major movements include:

- \$8.7 million loss recognised on the sale of Queen Street;
- \$5.4 million increase in 'other expenses', namely marketing and consulting;
- Offset by a \$5.9 million decrease in repairs and maintenance.

The repairs and maintenance decline was mostly due to \$4.4 million of expenditure incurred in 2017 on preparing the Queen Street precinct for sale and development. The nature of spend in 2018 on the Queen Street precinct were costs for finalising the sale and leaseback, driving the increase in other expenses together with the increased marketing efforts to build brand awareness, particularly around the First Year model.

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

EXPENDITURES \$'000



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

(4) MAJOR BALANCE SHEET MOVEMENTS

Victoria University Group has continued to maintain a strong and healthy net asset position; as at 31 December 2018 the Group held net assets of \$966 million (2017: \$990.4 million). Whilst this has decreased from 2017, the liquidity ratio has improved from 0.71 to 1.05. This is mainly due to the revaluation of land and buildings, and the subsequent sale and lease back of the Queen Street campus precinct.

(5) REPORT ON KEY PERFORMANCE INDICATORS

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

The non-government income ratio (with HELP schemes included as Government Income) measures the proportion of University revenue generated from non-government income sources as a proportion of total income. There has been little change in this ratio in recent years. Measured against our benchmark competitors — Australian Universities — the contribution of non-government to government income remains below the 2016 benchmark ratio of 42:58; VU's group ratio for 2018 was 33:67 (2017 was 32:68).

The current ratio KPI is a liquidity ratio measuring the University's ability to meet its short-term financial obligations. At 31 December 2018, the Group's current ratio was 1.05 (2017: 0.71) compared to the Australian Universities benchmark of 1.20.

The Group's operating margin of 1.5% is significantly below the Australian Universities 2016 benchmark ratio of 5.2% (national) however there was a strong improvement from the prior year's performance.

4.2 FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED
31 DECEMBER 2018

	2018 000s \$	2017 000s \$	2016 000s \$	2015 000s \$	2014 000s \$
CONSOLIDATED INCOME STATEMENT					
Income from Continuing Operations					
Government Sources					
Australian Government Grants	143,872	142,961	153,799	147,955	149,156
HELP- Australian Government Payments	102,538	103,371	107,454	105,128	102,253
State and Local Government financial assistance	55,053	54,109	36,975	30,562	38,469
Non-Government Sources					
Fees and charges	110,743	97,436	91,574	97,025	96,344
Other income	40,808	45,962	40,659	39,582	42,255
Total revenue	453,014	443,839	430,461	420,252	428,477
Total operating expenses	446,072	473,000	441,335	432,064	444,083
Operating result for the year	6,942	(29,161)	(10,874)	(11,812)	(15,606)
Accumulated funds at the beginning of year	369,799	400,480	411,918	424,060	439,892
	376,741	371,319	401,044	412,248	424,286
Transfer to/(from) reserves	1,035	(1,519)	(564)	(330)	(226)
Accumulated funds at end of year	377,776	369,799	400,480	411,918	424,060
Consolidated Balance Sheet					
Current assets	116,157	85,160	72,912	135,955	124,249
Non-current assets	1,171,723	1,221,965	1,070,495	994,209	921,016
Current liabilities	(110,633)	(120,465)	(107,922)	(107,647)	(97,916)
Non-current liabilities	(211,240)	(196,289)	(197,491)	(201,596)	(158,943)
Net Assets	966,007	990,371	837,994	820,921	788,406
Reserves	588,231	620,572	437,514	409,003	364,346
Accumulated funds	377,776	369,799	400,480	411,918	424,060
Total Equity	966,007	990,371	837,994	820,921	788,406

The table above provides a summary of the University's financial results for 2018 and the preceding four reporting periods.

4.3 REPORT BY THE MEMBERS OF COUNCIL

Victoria University

ABN: 83776954731

Report By The Members Of The Council

31 December 2018

The members of the Council present their report on the Group consisting of Victoria University and the entities it controlled at the end of, or during, the year ended 31 December 2018.

1. General Information

Members

A list of Victoria University Council members during 2018 is shown in note 26 of the notes to the financial statements. The number of meetings of the members of Victoria University Council and each Council committee held during the year ended 31 December 2018, and the number of meetings attended by each member are as disclosed in the annual report.

Principal Activities

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

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

2. Operating Results and Review of Operations for the Year

Review of Operations

Information on the operations and financial position of the Group are as set out in the financial report.

3. Other items

In 2018 Victoria University commenced implementation of its Campus Master Plan - the City West Precinct development. This included the development of the Queen Street Precinct through a sale and lease back arrangement and the sale of its Sunbury campus and Pilgrim Street properties. The proceeds from these sales will be reinvested into new campus infrastructure in the West of Melbourne.

Matter Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

In late 2018 the Victorian State Government has selected the open-air car parks opposite Victoria University's Footscray Park campus as the site for the new Footscray Hospital. Construction will commence in 2020 for completion in 2025.

No other significant developments have arisen since the end of the financial year that have affected the financial position of the Group.

Environmental Regulation

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

Victoria University

ABN: 83776954731

Report By The Members Of The Council

31 December 2018

Insurance of Officers

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

Proceedings on Behalf of Victoria University

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

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

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



.....

Chancellor



.....

Vice-Chancellor and President

Dated at Melbourne on the 15th day of March 2019

4.4 2018 FINANCIAL STATEMENTS INDEX

CONTENTS

<u>FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Five Year Financial Summary.....	48
Report by the Members of Council.....	49
Auditor-General's Independence Declaration.....	52
Independent Audit Report.....	53
Statement by the Chancellor, the Vice-Chancellor and President and Principal Accounting Officer.....	56
Income Statement.....	57
Statement of Comprehensive Income.....	58
Statement of Financial Position.....	59
Statement of Changes in Equity.....	60
Statement of Cash Flows.....	61
Notes to the Financial Statements.....	62

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION



Auditor-General's Independence Declaration

To the Council, Victoria University

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

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

Independence Declaration

As auditor for Victoria University for the year ended 31 December 2018, 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.

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

MELBOURNE
22 March 2019

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the Council of Victoria University

Opinion	<p>I have audited the consolidated financial report of Victoria University (the university) and its controlled entities (together the consolidated entity) which comprises the:</p> <ul style="list-style-type: none">• consolidated entity and university statements of financial position as at 31 December 2018• consolidated entity and university income statements and statements of comprehensive income for the year then ended• consolidated entity and university statements of changes in equity for the year then ended• consolidated entity and university statements of cash flows for the year then ended• notes to the financial statements, including significant accounting policies• statement by the Chancellor, Vice-Chancellor and President and Principal Accounting Officer. <p>In my opinion the financial report is in accordance with the financial reporting requirements <i>Part 7 of the Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> including:</p> <ul style="list-style-type: none">• presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2018 and their financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
----------------	--

Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the university and the consolidated entity in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
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Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

<p>Council's responsibilities for the financial report</p>	<p>The Council of the university is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Part 7 of the Financial Management Act</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Council is responsible for assessing the university and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
<p>Auditor's responsibilities for the audit of the financial report</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university and the consolidated entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council • conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the university and the consolidated entity to cease to continue as a going concern.

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

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the university and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the university and the consolidated entity. I remain solely responsible for my audit opinion.

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

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

MELBOURNE
22 March 2019



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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

Victoria University ABN: 83776954731

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

In our opinion:

(a) the financial statements of Victoria University and the consolidated entity present fairly the financial transactions during the financial year ended 31 December 2018 and the financial position for the year ended on that date;

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

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

(d) the financial statements have been prepared in accordance with *Australian Accounting Standards*, applicable requirements of the *Financial Management Act 1994* including Financial Reporting Directions, the *Australian Charities and Not-for-profits Commission Act 2012*, other mandatory professional reporting requirements and the Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period as issued by the Australian Government, Department of Education and Training.

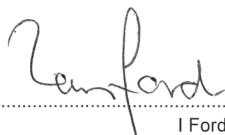
In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate and there are reasonable grounds to believe that Victoria University and the consolidated entity will be able to pay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



G Pappas
Chancellor



P Dawkins
Vice-Chancellor and President



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

Dated at Melbourne on the 15th day of March 2019

INCOME STATEMENT

FOR THE YEAR ENDED
31 DECEMBER 2018

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
INCOME FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	3	143,872	142,961	143,872	142,961
HELP - Australian Government payments	3	102,538	103,371	102,538	103,371
State and local government financial assistance	4	55,053	54,109	55,053	54,109
HECS-HELP - Student payments		4,945	5,062	4,951	5,066
Fees and charges	5	110,743	97,436	110,463	97,436
Royalties, trademarks and licences		10	48	10	48
Investment revenue and other investment income	6	866	7,795	952	7,677
Consultancy and contracts	7	13,962	12,891	13,967	13,218
Other revenue and income	8	21,025	20,166	21,178	18,207
Total income from continuing operations		453,014	443,839	452,984	442,093
EXPENSES FROM CONTINUING OPERATIONS					
Employee related expenses	9	266,280	302,038	266,218	302,038
Depreciation and amortisation	10	35,439	34,613	35,439	34,613
Repairs, maintenance, cleaning and security	11	13,696	19,590	13,696	19,590
Borrowing costs	12	484	729	484	729
Impairment of assets	13	2,439	427	2,439	429
Loss on disposal of assets	19(a)	7,305	101	7,305	101
Other expenses	14	120,429	115,501	120,156	114,581
Total expenses from continuing operations		446,072	473,000	445,737	472,082
Net result for the period		6,942	(29,161)	7,247	(29,989)

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 DECEMBER 2018

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
Net result for the period		6,942	(29,161)	7,247	(29,989)
Items that will not be reclassified subsequently to profit or loss					
Gain/(loss) on revaluation of land, buildings and artwork	25(b)	(48,045)	179,614	(48,045)	179,611
(Decrease)/increase in Deferred government contribution for superannuation	37	6,069	(410)	6,069	(410)
Decrease/(increase) in Deferred employee benefits for superannuation	37	(6,069)	410	(6,069)	410
Total		(48,045)	179,614	(48,045)	179,611
Items that may be reclassified to profit or loss					
Gain/(loss) on available for sale financial assets	25(b)	-	2,731	-	2,647
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	25(b)	9,525	-	9,525	-
Adjustment from subsidiary	25(b)	-	(115)	-	-
Total		9,525	2,616	9,525	2,647
Other comprehensive income for the period		(38,520)	182,230	(38,520)	182,258
Total comprehensive income for the period		(31,578)	153,069	(31,273)	152,269

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED
31 DECEMBER 2018

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	15	44,317	32,444	43,883	31,831
Trade and other receivables	16	28,496	28,326	28,474	28,345
Other financial assets	17	34,841	16,200	34,841	16,200
Other non-financial assets	18	8,503	8,190	8,503	8,190
TOTAL CURRENT ASSETS		116,157	85,160	115,701	84,566
NON-CURRENT ASSETS					
Trade and other receivables	16	147,842	141,556	147,842	141,556
Other financial assets	17	99,142	22,616	93,676	17,053
Property, plant and equipment	19	853,128	991,210	853,100	991,182
Intangible assets	20	65,485	60,278	65,485	60,278
Other non-financial assets	18	6,126	6,305	6,126	6,305
TOTAL NON-CURRENT ASSETS		1,171,723	1,221,965	1,166,229	1,216,374
TOTAL ASSETS		1,287,880	1,307,125	1,281,930	1,300,940
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	21	36,073	49,534	35,995	49,526
Borrowings	22	1,091	177	1,091	177
Provisions	23	53,882	55,102	53,882	55,102
Other liabilities	24	19,587	15,652	19,587	15,652
TOTAL CURRENT LIABILITIES		110,633	120,465	110,555	120,456
NON-CURRENT LIABILITIES					
Trade and other payables	21	243	298	243	298
Borrowings	22	10,897	244	10,897	244
Provisions	23	153,291	147,392	153,291	147,392
Other liabilities	24	46,809	48,355	46,809	48,355
TOTAL NON-CURRENT LIABILITIES		211,240	196,289	211,240	196,289
TOTAL LIABILITIES		321,873	316,754	321,795	316,745
NET ASSETS		966,007	990,371	960,135	984,195
EQUITY					
Reserves	25	588,231	620,572	582,242	614,271
Retained earnings	25	377,776	369,799	377,893	369,924
TOTAL EQUITY		966,007	990,371	960,135	984,195

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 2018

	RESERVES 000s \$	RETAINED EARNINGS 000s \$	TOTAL 000s \$
2017 - Consolidated			
Balance at 1 January 2017	437,514	400,480	837,994
Operating result for the period	-	(29,161)	(29,161)
Revaluation increment/(decrement)	179,614	-	179,614
Ordinary dividends	-	(692)	(692)
Adjustments from subsidiary	(115)	-	(115)
Transfers from retained earnings to general reserve	827	(827)	-
Gain/(loss) on revaluation of available for sale financial assets	2,731	-	2,731
Balance at 31 December 2017	620,572	369,799	990,371

2018 - Consolidated			
Balance at 1 January 2018	620,572	369,799	990,371
Operating result for the period	-	6,942	6,942
Revaluation increment/(decrement)	(48,045)	-	(48,045)
Amount restated through reserves on adoption of AASB 9	7,232	-	7,232
Transfer in	84	-	84
Movement in retained earnings on adoption of AASB 9	-	721	721
Transfer/(to) special purpose reserve	(313)	313	-
Transfer out	(824)	-	(824)
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	9,525	-	9,525
Balance at 31 December 2018	588,231	377,776	966,007

2017 - University			
Balance at 1 January 2017	432,013	399,912	831,925
Operating result for the period	-	(29,989)	(29,989)
Revaluation increment/(decrement)	179,611	-	179,611
Gain/(loss) on revaluation of available for sale financial assets	2,647	-	2,647
Balance at 31 December 2017	614,271	369,924	984,195

2018 - University			
Balance at 1 January 2018	614,271	369,924	984,195
Operating result for the period	-	7,247	7,247
Revaluation increment/(decrement)	(48,045)	-	(48,045)
Amount restated through reserves on adoption of AASB 9	7,232	-	7,232
Transfer out	(740)	-	(740)
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	9,525	-	9,525
Movement in retained earnings on adoption of AASB 9	-	721	721
Balance at 31 December 2018	582,242	377,893	960,135

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 2018

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Australian Government Grants received		240,458	235,980	240,458	235,980
OS-HELP (net)		(145)	231	(145)	231
Superannuation Supplementation		7,332	7,044	7,332	7,044
State Government Grants received		55,801	52,878	55,801	52,878
Local Government Grants received		58	6	58	6
HECS-HELP - Student payments		4,945	5,062	4,951	5,066
Dividends received		1,187	4,020	931	4,015
Interest received		546	3,774	535	3,662
Interest and other costs of finance paid		(469)	(759)	(469)	(759)
Royalties received		10	48	10	48
Receipts from student fees and other customers (inc. of GST)		163,900	140,911	164,271	139,201
Payments to suppliers and employees (inc. of GST)		(432,317)	(440,784)	(432,557)	(439,876)
GST recovered/paid		(890)	8,428	(838)	8,484
Net cash provided by/(used in) operating activities	33	40,416	16,839	40,339	15,980
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment		110,249	38	110,249	38
Payments for property, plant and equipment		(39,904)	(33,076)	(39,904)	(33,076)
Payments for intangible asset		(18,533)	(14,942)	(18,533)	(14,942)
Payment for financial assets		(80,017)	-	(79,761)	-
Proceeds from sale of financial assets		-	41,998	-	45,128
Net cash provided by/(used in) investing activities		(28,205)	(5,982)	(27,949)	(2,852)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		(177)	(177)	(177)	(177)
Repayment of finance leases		(161)	-	(161)	-
Other financing outflows		-	(806)	-	-
Net cash provided by/(used in) financing activities		(338)	(983)	(338)	(177)
Net increase/(decrease) in cash and cash equivalents		11,873	9,874	12,052	12,951
Cash and cash equivalents at beginning of year		32,444	22,570	31,831	18,880
Cash and cash equivalents at the end of the financial year	15	44,317	32,444	43,883	31,831

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 2018

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The principal address of the University is
Ballarat Road,
Footscray Vic 3011
Australia.

(A) BASIS OF PREPARATION

The annual financial statements represent the audited general purpose financial statements of Victoria University and have been prepared as follows:

- Prepared on an accrual basis and apply Tier 1 reporting requirements.
- 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*.
- Prepared under the historical cost convention, except for debt and equity financial assets that have been measured at fair value either through other comprehensive income or income statement, certain classes of property, plant and equipment.
- Victoria University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.
- Presented in Australian dollars, which is the Group's functional and presentation currency.

- Rounded to the nearest thousand dollars unless otherwise specified.
- Where necessary, comparative amounts have been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the members of Victoria University on 15 March 2019.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates

- Impairment Note 13
- Provisions Note 23
- Other financial assets Note 17
- Property, plant and equipment Note 19 and
- Fair value of financial assets and financial liabilities Note 35

Judgements

- Income Notes 3 – 8 and
- Property, plant and equipment Note 19

(B) FOREIGN CURRENCY TRANSACTIONS

(I) FUNCTIONAL AND PRESENTATION CURRENCY

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

(II) TRANSACTIONS AND BALANCES

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

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

(III) GROUP ENTITIES

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

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

- all resulting exchange differences are recognised as a separate component of equity.

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

(C) INCOME TAX

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

(D) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless

the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position.

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

Commitments are presented on a net basis.

(E) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

As at balance date, certain new accounting standards and interpretations have been published that are not mandatory for the financial year ending 31 December 2018. Victoria University has not, and does not intend to, adopt these standards early. Victoria University's assessment of the impact of these new standards and interpretations is set out below.

STANDARD/INTERPRETATION	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	EXPECTED IMPACT ON THE FINANCIAL STATEMENTS OF THE GROUP
AASB 15 Revenue from contracts with customers AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 AASB 2015-8 Amendments to Australian Accounting Standards - Effective date of AASB 15 AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 to NFP entities AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for NFP entities	1 January 2019	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. AASB 15 has been assessed to have an immaterial impact to the Group. On the application date, 1 January 2019, its impact is estimated to reduce retained earnings by \$1.3 million.
AASB 16 Leases AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities	1 January 2019	The key changes introduced by AASB 16 include the recognition of most operating leases on balance sheet. The assessment has indicated that the changes from AASB 16 will have a material impact as follows: (i) right-of-use-assets will be recorded for assets that are leased by the Group; (ii) liabilities will be recorded for future lease payments in the Group's balance sheet; and (iii) the income statement will include depreciation and interest on lease liabilities. Using the modified retrospective approach, the Group has estimated the impact of AASB 16 to include the recognition of: (i) \$78.3 million in Right of Use Assets and \$75.2 million in Lease liabilities; and (ii) depreciation expense of \$10.5 million and interest expense of \$3.6 million, equating to \$14.1 million in increased expenses, versus a reduction of \$12.8 million in lease payments expense. The estimated net impact to the result in 2019 is an increase of \$1.3 million in expenses.
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives. AASB 1058 has been assessed to have an immaterial impact to the Group. On application date, 1 January 2019, its impact is estimated to reduce retained earnings by \$1.6 million.
AASB 1059 Service Concession Arrangements: Grantors	1 January 2019	The assessment has identified that there will be no impact to the Group resulting from AASB 1059.

In addition to the new standards and amendments, the AASB has issued a list of other amending standards that are not effective for the 2018 reporting period. In general, these amending standards include editorial and references changes that are expected to have no impact on the reporting Group. Furthermore, the International Accounting Standard Board (IASB) has published its revised "Conceptual Framework for Financial Reporting", but for which Australian equivalent Standards and Interpretations have not yet been issued. Detail of the impact to the Group will be assessed for future periods.

(F) INITIAL APPLICATION OF AAS

Adoption of AASB 9 and Interpretation 22 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of adoption of these new accounting standards and interpretations are described below.

AASB 9 FINANCIAL INSTRUMENTS

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial

instruments: classification and measurement; impairment; and hedge accounting.

The Group applied AASB 9 retrospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of adoption of AASB 9 are described as follows:

Impact on the statement of financial position (increase/(decrease)):

	REF. ADJUSTMENTS	CONSOLIDATED	UNIVERSITY
		1 JANUARY 2018	1 JANUARY 2018
		000s \$	000s \$
Classification and measurement	(i)	-	-

The nature of the adjustments are described below:

The nature and effect of the changes as a result of adoption of AASB 9 are described as follows:

	REF. ADJUSTMENTS	CONSOLIDATED	UNIVERSITY
		1 JANUARY 2018	1 JANUARY 2018
		000s \$	000s \$
Assets			
Investment in equity instruments	(i)	7,232	7,232
Investment in other financial assets	(i)	740	740
Trade receivables	(ii)	721	721
Total assets	(i)	8,693	8,693
Equity			
Retained earnings	(i),(ii)	721	721
Reserves	(i)	7,232	7,232
Total adjustments on equity	(i)	7,953	7,953

The nature of these adjustments are described below:

(I) CLASSIFICATION AND MEASUREMENT

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: Victoria University's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of Victoria University's business model was made as of the date of initial application, 1 January 2018.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to Victoria University.

Victoria University continued measuring at fair value all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of Victoria University's financial assets:

(a) Trade receivables and Other non-current financial assets classified as receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

(b) Equity investments in non-listed companies classified as AFS financial assets as at 31 December 2017 are classified and measured

as Equity instruments designated at fair value through OCI beginning 1 January 2018. The Group elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

(c) Other financial assets - managed funds classified as AFS financial assets as at 31 December 2017 are classified and measured as financial assets at fair value through profit or loss beginning 1 January 2018.

In summary, upon the adoption of AASB 9, the Group had the following required or elected reclassifications as at 1 January 2018.

	CONSOLIDATED				UNIVERSITY			
	AASB 9 MEASUREMENT CATEGORY				AASB 9 MEASUREMENT CATEGORY			
	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FAIR VALUE THROUGH OCI	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FAIR VALUE THROUGH OCI	FAIR VALUE THROUGH OCI	
000s	000s	000s	000s	000s	000s	000s	000s	
\$	\$	\$	\$	\$	\$	\$	\$	
AASB139 measurement category								
Receivables								
Trade receivables*	170,604	-	170,604	-	170,623	-	170,623	-
Available for sale								
Other financial assets - managed funds	20,909	20,909	-	-	15,196	15,196	-	-
Equity investments - other shares at cost	25,300	-	-	25,300	25,300	-	-	25,300
Total adjustments on equity	216,813	20,909	170,604	25,300	211,119	15,196	170,623	25,300

* The change in carrying amount is a result of reduction to the impairment allowance. See the discussion on impairment below.

(II) IMPAIRMENT

The adoption of AASB 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of AASB 9 the Group recognised a reduction to impairment on the Group's trade receivables of \$721,000, which

resulted in an increase in retained earnings of \$721,000 as at 1 January 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with AASB 9:

	CONSOLIDATED			UNIVERSITY		
	ALLOWANCE FOR IMPAIRMENT UNDER AASB 139 AS AT 31 DECEMBER		ECL UNDER AASB 9 AS AT	ALLOWANCE FOR IMPAIRMENT UNDER AASB 139 AS AT 31 DECEMBER		ECL UNDER AASB 9 AS AT
	2017	REMEASUREMENT	1 JANUARY 2018	2017	REMEASUREMENT	1 JANUARY 2018
	000'S	000'S	000'S	000'S	000'S	000'S
	\$	\$	\$	\$	\$	\$
Loans and receivables under AASB 139/Financial assets at amortised cost under AASB 9	2,948	(721)	2,227	2,948	(721)	2,227

INTERPRETATION 22 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATION

This interpretation addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after 1 January 2018.

Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

Victoria University considers that they already account for transactions involving the payment or receipt of advance consideration in a foreign currency in a way that is consistent with the interpretation and therefore, there is no impact arising from the application of this interpretation.

2 DISAGGREGATED INFORMATION

(A) GEOGRAPHICAL - CONSOLIDATED ENTITY

	REVENUE		RESULTS		ASSETS	
	2018	2017	2018	2017	2018	2017
	000s	000s	000s	000s	000s	000s
	\$	\$	\$	\$	\$	\$
Australia	442,379	434,060	1,537	(34,516)	1,286,248	1,305,040
Asia	10,635	9,779	5,405	5,355	1,632	2,085
	453,014	443,839	6,942	(29,161)	1,287,880	1,307,125
Total Geographical	453,014	443,839	6,942	(29,161)	1,287,880	1,307,125

(B) INDUSTRY - PARENT ENTITY

INCOME STATEMENT						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2018 000s \$	2018 000s \$	2018 000s \$	2017 000s \$	2017 000s \$	2017 000s \$
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	143,868	4	143,872	142,934	27	142,961
HELP - Australian Government payments	96,019	6,519	102,538	96,005	7,366	103,371
State and local government financial assistance	5,258	49,795	55,053	3,952	50,157	54,109
HECS-HELP - Student payments	4,951	-	4,951	5,066	-	5,066
Fees and charges	90,745	19,718	110,463	78,431	19,005	97,436
Royalties, trademarks and licenses	9	1	10	44	4	48
Investment income	809	143	952	6,527	1,150	7,677
Consultancy and contracts	13,957	10	13,967	13,219	(1)	13,218
Other revenue and income	18,270	2,908	21,178	15,441	2,766	18,207
Total income from continuing operations	373,887	79,098	452,984	361,619	80,474	442,093
Expenses from continuing operations						
Employee related expenses	207,418	58,800	266,218	247,459	54,579	302,038
Depreciation and amortisation	24,423	11,016	35,439	24,478	10,136	34,614
Repairs, maintenance, cleaning and security	11,427	2,270	13,696	16,565	3,025	19,589
Borrowing costs	442	42	484	620	109	729
Impairment of assets	2,406	33	2,439	369	60	429
Loss on disposal of assets	7,145	160	7,305	81	20	101
Other expenses	99,899	20,257	120,156	98,119	16,462	114,581
Total expenses from continuing operations	353,160	92,578	445,737	387,691	84,391	472,081
Net result for the period	20,727	(13,480)	7,247	(26,072)	(3,917)	(29,989)

STATEMENT OF COMPREHENSIVE INCOME						
Net result for the period	20,727	(13,480)	7,247	(26,072)	(3,917)	(29,989)
Items that will not be reclassified subsequently to profit or loss						
(Decrease)/increase in Deferred government contributions for superannuation	6,069	-	6,069	(410)	-	(410)
Decrease/(increase) in Deferred employee benefits for superannuation	(6,069)	-	(6,069)	410	-	410
Gain/(loss) on revaluation of land, buildings and artwork	(37,001)	(11,044)	(48,045)	130,155	49,456	179,611
Items that may be reclassified to profit or loss						
Gain/(loss) on value of available-for-sale financial assets	-	-	-	1,932	715	2,647
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	6,858	2,667	9,525	-	-	-
Other comprehensive income for the period	(30,143)	(8,377)	(38,520)	132,087	50,171	182,258
Total comprehensive income for the period	(9,415)	(21,857)	(31,273)	106,015	46,254	152,269

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF FINANCIAL POSITION						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2018 000s \$	2018 000s \$	2018 000s \$	2017 000s \$	2017 000s \$	2017 000s \$
ASSETS						
Current Assets						
Cash and cash equivalents	86,883	(43,000)	43,883	74,831	(43,000)	31,831
Trade and other receivables	22,821	5,653	28,474	21,166	7,179	28,345
Other financial assets	27,888	6,953	34,841	11,664	4,536	16,200
Other non-financial assets	7,375	1,128	8,503	6,986	1,204	8,190
Total Current Assets	144,967	(29,266)	115,701	114,647	(30,081)	84,566
Non-Current Assets						
Trade and other receivables	147,839	3	147,842	141,552	4	141,556
Other financial assets	90,881	2,795	93,676	16,533	520	17,053
Property, plant and equipment	588,091	265,009	853,100	683,829	307,353	991,182
Intangible assets	45,449	20,036	65,485	47,275	13,003	60,278
Other non-financial assets	5,535	591	6,126	5,803	502	6,305
Total Non-Current Assets	877,795	288,434	1,166,229	894,992	321,382	1,216,374
TOTAL ASSETS	1,022,762	259,168	1,281,930	1,009,639	291,301	1,300,940
LIABILITIES						
Current Liabilities						
Trade and other payables	25,123	10,872	35,995	28,279	22,613	50,892
Borrowings	1,074	17	1,091	150	27	177
Provisions	42,262	11,619	53,882	43,543	11,558	55,102
Other liabilities	15,330	4,257	19,587	8,916	5,369	14,285
Total Current Liabilities	83,789	26,765	110,555	80,888	39,567	120,456
Non-Current Liabilities						
Trade and other payables	188	55	243	235	63	298
Borrowings	10,878	19	10,897	207	37	244
Provisions	152,134	1,157	153,291	146,114	1,278	147,392
Other liabilities	46,610	199	46,809	47,924	431	48,355
Total Non-Current Liabilities	209,810	1,430	211,240	194,480	1,809	196,289
TOTAL LIABILITIES	293,599	28,195	321,795	275,368	41,376	316,745
NET ASSETS	729,162	230,973	960,135	734,271	249,925	984,195
EQUITY						
Reserves	429,816	152,426	582,242	455,493	158,778	614,271
Retained surplus	299,346	78,547	377,893	278,778	91,146	369,924
TOTAL EQUITY	729,162	230,973	960,135	734,271	249,925	984,195

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF CHANGES IN EQUITY									
	RESERVES			RETAINED EARNINGS			TOTAL		
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$
Balance at 1 January 2017	324,139	107,874	432,013	304,846	95,066	399,912	628,985	202,940	831,925
Operating result for the period	-	-	-	(26,072)	(3,917)	(29,988)	(26,072)	(3,917)	(29,989)
Revaluation increment/(decrement)	130,155	49,456	179,611	-	-	-	130,155	49,456	179,611
Gain/(loss) on available for sale financial assets	1,199	1,448	2,647	-	-	-	1,199	1,448	2,647
Balance at 31 December 2017	455,493	158,778	614,271	278,778	91,146	369,924	734,271	249,924	984,195
Balance at 1 January 2018	455,493	158,778	614,271	278,778	91,146	369,924	734,271	249,924	984,195
Operating result for the period	-	-	-	20,727	(13,480)	7,247	20,727	(13,480)	7,247
Revaluation increment/(decrement)	(37,001)	(11,044)	(48,045)	-	-	-	(37,001)	(11,044)	(48,045)
Amount restated through reserves on adoption of AASB 9	5,207	2,025	7,232	-	-	-	5,207	2,025	7,232
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	6,858	2,667	9,525	-	-	-	6,858	2,667	9,525
Transfer out	(740)	-	(740)	-	-	-	(740)	-	(740)
Movement on retained earnings on adoption of AASB 9	-	-	-	(160)	881	721	(160)	881	721
Balance at 31 December 2018	429,816	152,426	582,242	299,346	78,547	377,893	729,162	230,973	960,135

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF CASH FLOWS						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2018 000s \$	2018 000s \$	2018 000s \$	2017 000s \$	2017 000s \$	2017 000s \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Australian Government Grants	234,200	6,258	240,458	230,170	5,810	235,980
OS-HELP (net)	(145)	-	(145)	231	-	231
Superannuation Supplementation	7,332	-	7,332	7,044	-	7,044
State Government Grants	5,554	50,247	55,801	3,945	48,933	52,878
Local Government Grants received	(10)	68	58	7	(1)	6
HECS-HELP - Student Payments	4,951	-	4,951	5,066	-	5,066
Receipts from student fees and other customers	140,419	23,852	164,271	113,080	26,120	139,200
Royalties received	8	2	10	44	4	48
Interest received	532	3	535	3,115	547	3,662
Payments to suppliers and employees (inclusive of GST)	(337,714)	(94,843)	(432,557)	(364,673)	(75,200)	(439,873)
Interest and other costs of finance paid	(423)	(46)	(469)	(645)	(114)	(759)
GST recovered/paid	(2,085)	1,248	(838)	7,307	1,177	8,484
Dividends received	792	140	931	3,413	602	4,015
Net cash provided by/(used in) operating activities	53,411	(13,071)	40,339	8,104	7,878	15,980
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment	76,796	33,453	110,249	24	14	38
Payments for property, plant and equipment	(30,475)	(9,429)	(39,904)	(26,945)	(6,131)	(33,076)
Payments for financial assets	(79,761)	-	(79,761)	-	-	-
Proceeds from sale of financial assets	-	-	-	45,128	-	45,128
Payments for intangibles	(7,607)	(10,926)	(18,533)	(10,204)	(4,738)	(14,942)
Net cash provided by/(used in) investing activities	(41,047)	13,098	(27,949)	8,003	(10,855)	(2,852)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of borrowings	(150)	(27)	(177)	(150)	(27)	(177)
Repayment of finance leases	(161)	-	(161)	-	-	-
Net cash provided by/(used in) financing activities	(311)	(27)	(338)	(150)	(27)	(177)
Net increase/(decrease) in cash and cash equivalents	12,053	-	12,053	15,957	(3,004)	12,953
Cash and cash equivalents at the beginning of the financial year	74,833	(42,999)	31,834	58,877	(39,997)	18,880
Cash and cash equivalents at the end of the financial year	86,883	(43,000)	43,883	74,833	(42,999)	31,831

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

(A) COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
Commonwealth Grants Scheme #1		118,170	117,537	118,170	117,537
Indigenous Student Success Program #3		351	291	351	291
Access and Participation Program		3,767	3,786	3,767	3,786
Disability Performance Funding #2		180	141	180	141
Superannuation Supplementation		7,957	7,546	7,957	7,546
Total Commonwealth Grants Scheme and Other Grants	38(a)	130,425	129,301	130,425	129,301

(B) HIGHER EDUCATION LOAN PROGRAMS

HECS - HELP		84,045	82,168	84,045	82,168
FEE - HELP		8,958	10,869	8,958	10,869
VET FEE - HELP		(3)	1,846	(3)	1,846
SA - HELP		3,017	2,968	3,017	2,968
VET Student Loan Program		6,521	5,520	6,521	5,520
Total Higher Education Loan Programs	38(b)	102,538	103,371	102,538	103,371

(C) SCHOLARSHIPS

Research Training Program		7,482	7,309	7,482	7,309
Total Scholarships	38(c)	7,482	7,309	7,482	7,309

(D) EDUCATION RESEARCH

Research Support Program		4,255	4,392	4,255	4,392
Total Education Research	38(c)	4,255	4,392	4,255	4,392

(E) OTHER CAPITAL FUNDING

Linkage Infrastructure Equipment and Facilities Grant #4		235	240	235	240
Total Other Capital Funding	38(e)	235	240	235	240

(F) AUSTRALIAN RESEARCH COUNCIL

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
(i) Discovery					
Discovery - Projects	38(f) (i)	442	246	442	246
(ii) Linkages					
Linkages - Projects	38(f) (ii)	367	209	367	209
Total ARC		809	455	809	455

(G) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

Non-Capital					
Other		400	1,070	400	1,070
National Health & Medical Research Council		266	194	266	194
Total Other Australian Government Financial Assistance	38(g)	666	1,264	666	1,264
Total Australian Government Financial Assistance		246,410	246,332	246,410	246,332

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

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

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

#4 ARC Linkage Infrastructure, Equipment and Facilities grants is reported in (e) Other Capital Funding.

		CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
Reconciliation					
Australian Government grants (A + C + D + E + F + G)		143,872	142,961	143,872	142,961
HECS - HELP payments		84,045	82,168	84,045	82,168
FEE - HELP payments		8,958	10,869	8,958	10,869
VET FEE - HELP payments		(3)	1,846	(3)	1,846
SA - HELP		3,017	2,968	3,017	2,968
VET Student Loan Program		6,521	5,520	6,521	5,520
Total Australian Government financial assistance		246,410	246,332	246,410	246,332

Accounting Policy

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of Victoria University's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in Notes 3 through 6 .

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

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

4 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Non-capital				
TAFE - Recurrent funding	5,035	6,175	5,035	6,175
TAFE - Specific funded programs	3,240	2,242	3,240	2,242
TAFE - Fee for service	95	24	95	24
TAFE - Other	68	-	68	-
Higher Education - Other	1,218	689	1,218	689
TAFE Contestable Income	37,357	35,717	37,357	35,717
Total Non-capital	47,013	44,847	47,013	44,847
Capital				
Higher Education - Capital	4,040	3,262	4,040	3,262
TAFE - Capital	4,000	6,000	4,000	6,000
Total capital	8,040	9,262	8,040	9,262
Total State and Local Government financial assistance	55,053	54,109	55,053	54,109

5 FEES AND CHARGES

Course Fees and Charges				
Fee-paying onshore overseas students	78,024	64,205	78,024	64,205
Fee-paying offshore overseas students	11,014	10,154	11,014	10,154
Fee-paying domestic postgraduate students	2,128	4,311	1,848	4,311
Fee-paying domestic undergraduate students	157	187	157	187
Fee-paying domestic non-award students	698	457	698	457
Other domestic course fees and charges:				
TAFE tuition fees and full fee Australian Award	5,690	5,032	5,690	5,032
Fee for service	7,872	8,022	7,872	8,022
Total Course Fees and Charges	105,583	92,368	105,303	92,368
Other Non-Course Fees and Charges				
Student Services and Amenities Fees from students	1,618	1,496	1,618	1,496
Enrolment fees	75	101	75	101
Student accommodation	-	326	-	326
Other	827	624	827	624
Graduation fees	413	534	413	534
Student material fees	2,227	1,987	2,227	1,987
Total Other Fees and Charges	5,160	5,068	5,160	5,068
Total Fees and Charges	110,743	97,436	110,463	97,436

Accounting Policy

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

6 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Interest Income:					
Interest revenue		546	483	535	370
Dividends received		1,187	4,020	931	4,015
Net fair value gains/(losses) on financial assets designated at fair value through profit & loss		(867)	-	(514)	-
Gain/(loss) on available for sale investments		-	3,292	-	3,292
Total investment revenue		866	7,795	952	7,677
Total investment income		866	7,795	952	7,677

Accounting Policy

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

7 CONSULTANCY AND CONTRACTS

Consultancy	273	285	273	285
Contract research	90	119	90	119
Other contract revenue	13,599	12,487	13,604	12,814
Total consultancy and contracts	13,962	12,891	13,967	13,218

8 OTHER REVENUE AND INCOME

Other revenue and income				
Sale of goods	2,309	2,865	2,309	2,865
Commissions, subscriptions and sale of publications	1,709	1,709	1,709	1,709
Facilities and equipment hire	1,317	1,282	1,317	1,282
Seminar/conference income	822	681	822	679
Parking meter and fines	1,932	2,084	1,932	2,084
Childcare	2,924	2,791	2,924	2,791
Disbursements oncharged/reimbursements	1,878	1,145	1,878	1,145
Library fees and fines	30	30	30	30
Health unit fees	351	373	351	373
Non-government grants	99	57	99	57
Property leases	2,683	2,644	2,683	2,644
Donations and bequests	2,753	2,998	1,876	1,003
Scholarships and prizes	312	249	1,350	275
Foreign exchange gains	341	261	341	261
Miscellaneous	1,565	997	1,557	1,009
Total other revenue and income	21,025	20,166	21,178	18,207

Accounting Policy

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

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

9 EMPLOYEE RELATED EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Academic				
Salaries	95,546	102,761	95,513	102,761
Contributions to superannuation and pension schemes				
Contributions to funded schemes	13,476	14,961	13,476	14,961
Contributions to unfunded schemes	6,428	6,404	6,428	6,404
Payroll tax	5,672	6,806	5,672	6,806
Worker's compensation	635	742	635	742
Long service leave expense	2,093	2,068	2,093	2,068
Annual leave	6,798	6,773	6,798	6,773
Other	24	66	24	66
Separation costs	1,113	20,464	1,113	20,464
Total academic	131,785	161,045	131,752	161,045
Non-academic				
Salaries	97,805	98,491	97,777	98,491
Contributions to superannuation and pension schemes				
Contributions to funded schemes	16,208	15,531	16,208	15,531
Contribution to unfunded schemes	1,651	1,603	1,651	1,603
Payroll tax	6,148	6,062	6,148	6,062
Worker's compensation	695	721	694	721
Long service leave expense	3,056	3,188	3,056	3,188
Annual leave	8,401	8,333	8,401	8,333
Other	36	99	36	99
Separation costs	495	6,965	495	6,965
Total non-academic	134,495	140,993	134,466	140,993
Total employee related expenses	266,280	302,038	266,218	302,038

Accounting Policy

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

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

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

10 DEPRECIATION AND AMORTISATION

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Depreciation				
Buildings	12,869	14,933	12,869	14,933
Leasehold Improvements	999	1,755	999	1,755
Library collections	2,016	1,948	2,016	1,948
Leased building	1,190	1,230	1,190	1,230
Plant and equipment	6,842	5,580	6,842	5,580
Total depreciation	23,916	25,446	23,916	25,446
Amortisation				
Computer software, other	11,523	9,167	11,523	9,167
Total depreciation and amortisation	35,439	34,613	35,439	34,613

Depreciation and amortisation is calculated and recognised in accordance with the accounting policy set out in Notes 19 and 20.

11 REPAIRS, MAINTENANCE, CLEANING AND SECURITY

Repairs and maintenance	6,409	11,386	6,409	11,386
Cleaning	3,394	3,461	3,394	3,461
Security	3,795	4,615	3,795	4,615
Others	98	128	98	128
Total repairs, maintenance, cleaning and security	13,696	19,590	13,696	19,590

Accounting Policy

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

12 BORROWING COSTS

Finance charges in respect of finance leases	205	-	205	-
Other borrowing costs*	279	729	279	729
Total borrowing costs expensed	484	729	484	729

*Other borrowing costs include a loan facility fee.

Accounting Policy

Borrowing costs incurred for the construction of any qualifying asset are expensed in the period in which they are incurred regardless of how the borrowings are applied.

Finance charges in respect of finance leases, are included in the definition of borrowing costs.

13 IMPAIRMENT OF ASSETS

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Student fees and charges	277	367	277	367
Trade receivables	162	62	162	62
Impairment of assets	2,000	(2)	2,000	-
Total impairment of assets	2,439	427	2,439	429

Accounting Policy

The Group assesses impairment at each reporting date by evaluating conditions that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

For further information on accounting policies of impairment of financial assets, refer to Note 16 and Note 17.

14 OTHER EXPENSES

Purchases	388	372	388	372
Advertising, marketing and promotional expenses	12,079	10,623	12,079	10,623
Consulting, legal and professional fees	23,018	20,123	22,791	20,114
Class materials and consumables	3,600	3,585	3,600	3,585
Donations	20	27	20	56
Fees and subscriptions	16,975	15,537	16,975	15,537
Non-capitalised equipment	2,044	2,822	2,044	2,822
Operating lease rental expenses	14,451	14,550	14,451	14,550
Printing and stationeries	5,557	5,737	5,557	5,737
Refund of income received in prior year	164	227	154	227
Postage and freight	632	755	632	755
Scholarships, grants and prizes	10,020	9,455	9,985	8,518
Student placement and practicum expenses	5,223	3,579	5,223	3,579
Telecommunications	9,317	10,752	9,317	10,752
Travel, staff development and entertainment	5,890	6,478	5,890	6,478
Energy costs	5,797	5,476	5,797	5,476
Other operating expenses	5,254	5,403	5,253	5,400
Total other expenses	120,429	115,501	120,156	114,581

Accounting Policy

Operating leases and rental expenses

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 30).

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

Other expenses are recognised on an accrual basis.

15 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Cash at bank and on hand	44,317	32,444	43,883	31,831
Total cash and cash equivalents	44,317	32,444	43,883	31,831

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

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

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Balances as above	44,317	32,444	43,883	31,831
Balance as per statement of cash flows	44,317	32,444	43,883	31,831

(B) CASH AT BANK AND ON HAND

Cash in operating accounts earns floating interest rates between 0.01% and 1.50% (2017: 0.05% and 1.50%).

Accounting Policy

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

16 TRADE AND OTHER RECEIVABLES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Current					
Trade receivables		18,838	17,531	18,816	17,550
Less: Provision for impaired receivables		(94)	(50)	(94)	(50)
Student fees		3,966	6,061	3,966	6,061
Less: Provision for impaired receivables		(1,674)	(2,898)	(1,674)	(2,898)
Deferred government benefit for superannuation	37	7,460	7,682	7,460	7,682
Total current receivables		28,496	28,326	28,474	28,345
Non-current					
Sundry receivables		22	27	22	27
Deferred government benefit for superannuation	37	147,820	141,529	147,820	141,529
Total non-current receivables		147,842	141,556	147,842	141,556
Total receivables		176,338	169,882	176,316	169,901

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(A) RECONCILIATION OF CHANGES IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES

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

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
At 1 January	2,948	3,637	2,948	3,637
Amount restated through opening retained earnings on adoption of AASB 9	(721)	-	(721)	-
Provision for impairment recognised during the year	-	505	-	505
Provision for expected credit losses	495	-	495	-
Write-off	(954)	(1,194)	(954)	(1,194)
At 31 December	1,768	2,948	1,768	2,948

Accounting Policy

Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payment of principal and interest. 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. Student fees are generally due before the start of the teaching period, or 10 days from the issue of the invoice.

Impairment

A simplified approach in calculating expected credit losses ("ECLs") is applied to impairment of trade receivables. Changes in credit risk is not tracked, but instead a loss allowance is recognised based on lifetime ECLs at each reporting date. The University 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. For impairment of student receivables, a provision matrix has been established based on its historical credit loss experience.

17 OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Current				
Investments in equity instruments designated at fair value through other comprehensive income**	24,833	-	24,833	-
Other financial assets at fair value through profit or loss*	10,008	-	10,008	-
Other financial assets - listed shares	-	16,200	-	16,200
Total current other financial assets	34,841	16,200	34,841	16,200
Non-Current				
Other financial assets at fair value through profit or loss*	89,310	-	83,694	-
Investments in equity instruments designated at fair value through other comprehensive income**	9,992	-	9,992	-
Available for sale financial assets*	-	20,909	-	15,196
Shares in controlled entities at cost	-	-	150	150
Other shares at cost **	-	2,027	-	2,027
Less accumulated impairment losses	(160)	(320)	(160)	(320)
Total non-current other financial assets	99,142	22,616	93,676	17,053
Total other financial assets	133,983	38,816	128,517	33,253

* All financial assets at fair value through profit or loss (2017 available-for-sale investments) are managed funds denominated in Australian dollars.

** Investments in equity instruments include investments in UniSuper Ltd, Education Australia, AARNet Pty Ltd and VERNet Pty Ltd.

Accounting Policy

Financial assets

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.

Initial recognition and measurement

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. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, 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.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (Other) financial assets at amortised costs
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss

Financial assets at amortised cost

The Group measures 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 (EI) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is 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 other 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.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

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.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, 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 derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) 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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of debt instruments other than receivables

At each balance date, the Group assess whether there is a significant increase in credit risk and applies a loss allowance in relation to shares in controlled entities.

The Group does not hold debt instruments (other than receivables) where the ECL method would apply.

AASB 9 eliminates impairment assessment for equity instruments designated at fair value through OCI and other financial assets at fair value through profit or loss.

18 OTHER NON-FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Current				
Prepayments*	8,503	8,190	8,503	8,190
Non-current				
Prepayments*	6,126	6,305	6,126	6,305
Total other non-financial assets	14,629	14,495	14,629	14,495

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

Accounting Policy

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

19 PROPERTY, PLANT AND EQUIPMENT

	LAND 000s \$	BUILDINGS 000s \$	WORK IN PROGRESS* 000s \$	LEASEHOLD IMPROVEMENTS 000s \$	PLANT AND EQUIPMENT 000s \$	WORKS OF ART 000s \$	LIBRARY 000s \$	TOTAL 000s \$
University								
At 1 January 2017								
- Cost	-	-	10,524	-	-	-	18,587	29,111
- Valuation	222,131	530,093	-	3,428	26,313	557	-	782,522
Accumulated depreciation	-	-	-	-	-	-	(8,229)	(8,229)
Net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404
Year ended 31 December 2017								
Opening net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404
Additions	1,200	5,009	16,339	1,140	6,718	34	2,636	33,076
Disposals/transfers (written down value)	-	(85)	-	-	(23)	-	(18)	(126)
Transfers between asset classes/adjustments	-	6,739	(7,394)	792	527	-	-	664
Revaluation increments/(decrements)**	190,811	(11,602)	-	-	-	280	121	179,610
Depreciation expense	-	(16,163)	-	(1,756)	(5,579)	-	(1,948)	(25,446)
Closing net book amount	414,142	513,991	19,469	3,604	27,956	871	11,149	991,182
At 31 December 2017								
- Cost	-	-	19,469	-	-	-	19,473	38,942
- Valuation	414,142	513,991	-	3,604	27,956	871	-	960,564
Accumulated depreciation	-	-	-	-	-	-	(8,324)	(8,324)
Net book amount	414,142	513,991	19,469	3,604	27,956	871	11,149	991,182
Year ended 31 December 2018								
Opening net book amount	414,142	513,991	19,469	3,604	27,956	871	11,149	991,182
Additions***	2,630	23,183	17,567	198	5,351	-	2,675	51,604
Disposals	(107,596)	(11,915)	-	-	-	-	(17)	(119,528)
Transfer between asset classes/adjustments	40	11,448	(16,444)	17	6,743	-	-	1,804
Revaluation increments/(decrements)**	(39,573)	(8,472)	-	-	-	-	-	(48,045)
Depreciation expense	-	(14,059)	-	(1,000)	(6,841)	-	(2,016)	(23,916)
Closing net book amount	269,643	514,176	20,592	2,819	33,209	871	11,790	853,100
At 31 December 2018								
- Cost	-	-	20,592	-	-	-	20,511	41,103
- Valuation	269,643	514,176	-	2,819	33,209	871	-	820,718
Accumulated depreciation	-	-	-	-	-	-	(8,721)	(8,721)
Net book amount	269,643	514,176	20,592	2,819	33,209	871	11,790	853,100

* Work in progress for 2018 consists of construction in progress of \$20.54 million (2017: \$14.83 million) and wireless network installations of \$0.05 million (2017: \$4.64 million).

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

*** Additions to Buildings include an \$11.7 million finance lease asset located at the Queen Street Precinct, which is leased for 33 years. Refer to Note 22 and Note 30(a)(iii) for details on the corresponding lease liabilities and the finance lease commitments.

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LAND 000s \$	BUILDINGS 000s \$	WORK IN PROGRESS* 000s \$	LEASEHOLD IMPROVEMENTS 000s \$	PLANT AND EQUIPMENT 000s \$	WORKS OF ART 000s \$	LIBRARY 000s \$	TOTAL 000s \$
Consolidated								
At 1 January 2017								
- Cost	-	-	10,524	-	-	-	18,587	29,111
- Valuation	222,131	530,093	-	3,428	26,313	580	-	782,545
Accumulated depreciation	-	-	-	-	-	-	(8,229)	(8,229)
Net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427
Year ended 31 December 2017								
Opening net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427
Additions	1,200	5,009	16,339	1,140	6,718	34	2,636	33,076
Disposals/ transfers (written down value)	-	(85)	-	-	(23)	-	(18)	(126)
Transfer between asset classes/adjustments	-	6,739	(7,394)	792	527	-	-	664
Revaluation increments/ decrements**	190,811	(11,602)	-	-	-	285	121	179,615
Depreciation expense	-	(16,163)	-	(1,756)	(5,579)	-	(1,948)	(25,446)
Closing net book amount	414,142	513,991	19,469	3,604	27,956	899	11,149	991,210
At 31 December 2017								
- Cost	-	-	19,469	-	-	-	19,473	38,942
- Valuation	414,142	513,991	-	3,604	27,956	899	-	960,592
Accumulated depreciation	-	-	-	-	-	-	(8,324)	(8,324)
Net book amount	414,142	513,991	19,469	3,604	27,956	899	11,149	991,210
Year ended 31 December 2018								
Opening net book amount	414,142	513,991	19,469	3,604	27,956	899	11,149	991,210
Additions***	2,630	23,183	17,567	198	5,351	-	2,675	51,604
Disposals	(107,596)	(11,915)	-	-	-	-	(17)	(119,528)
Transfer between asset classes/ adjustments	40	11,448	(16,444)	17	6,743	-	-	1,804
Revaluation increments/ (decrements)**	(39,573)	(8,472)	-	-	-	-	-	(48,045)
Depreciation expense	-	(14,059)	-	(1,000)	(6,841)	-	(2,016)	(23,916)
Closing net book amount	269,643	514,176	20,592	2,819	33,209	899	11,790	853,128
At 31 December 2018								
- Cost	-	-	20,592	-	-	-	20,511	41,103
- Valuation	269,643	514,176	-	2,819	33,209	899	-	820,746
Accumulated depreciation	-	-	-	-	-	-	(8,721)	(8,721)
Net book amount	269,643	514,176	20,592	2,819	33,209	899	11,790	853,128

*Work in progress for 2018 consists of construction in progress of \$20.54 million (2017: \$14.83 million) and wireless network installations of \$0.05 million (2017: \$4.64 million).

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

*** Additions to Buildings include an \$11.7 million finance lease asset located at the Queen Street Precinct, which is leased for 33 years. Refer to Note 22 and Note 30(a)(iii) for details on the corresponding lease liabilities and the finance lease commitments.

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

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Proceeds from sale of property, plant and equipment	110,249	38	110,249	38
Written down value of assets sold and disposed of	(117,528)	(124)	(117,528)	(124)
Incidental cost of sale	(26)	(15)	(26)	(15)
Written down value of assets sold	(117,554)	(139)	(117,554)	(139)
Net gain/(loss) on disposal of property, plant and equipment	(7,305)	(101)	(7,305)	(101)

The University has recorded an accounting loss on the sale and lease back of various CBD properties. The sale and leaseback transaction includes the development of a purpose built facility that will be leased back to the University at below economic rent, which will generate a financial benefit to the University over the lease term.

Key estimates and judgements

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

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

Building	Plant and equipment	Library collections
- Structural 40 years	- Furniture and fittings 10 years	- Books 10 years
- Components 4-35 years	- Computer equipment 4-7 years	- Serials 5 years
	- Motor vehicles 5 years	- Audio Visual and software 4 years
	- Other	
	- Other equipment 8-25 years	
	- Infrastructure 3-5 years	

Leasehold Improvements 1-11 years

There were no changes to estimated useful lives of tangible fixed assets in 2018. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Acquisitions are depreciated from the date of purchase and disposals are depreciated up to date of sale. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Accounting Policy

The University capitalisation thresholds are as follows: \$5,000 for property, plant and equipment. Items under \$5,000 are expensed with exception to Works of Art, and Library collections which are capitalised and \$100,000 for intangible assets. There has been no change to the capitalisation threshold from the prior year (2017).

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

Valuation of Land and Buildings

Land and buildings are shown at fair value, based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the carrying amount is adjusted to the revalued amount of the asset. The valuation of the land and buildings is based on the highest and best use of the asset. The last formal valuation was conducted by an independent valuer appointed by the Valuer General of Victoria in 2017.

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

Valuation of Artworks

Artworks are shown at fair value, based on a periodic basis at least every five years.

Valuation of other items of property, plant and equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Victoria University and the cost of the item can be measured reliably.

20 INTANGIBLE ASSETS

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
At 31 December				
Cost	122,700	106,253	122,700	106,253
Accumulated amortisation and impairment	(57,215)	(45,975)	(57,215)	(45,975)
Net book amount	65,485	60,278	65,485	60,278

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

	CONSOLIDATED		UNIVERSITY	
	COMPUTER SOFTWARE	TOTAL	COMPUTER SOFTWARE	TOTAL
	000s \$	000s \$	000s \$	000s \$
Year ended 31 December 2018				
Opening balance	60,278	60,278	60,278	60,278
Additions (work in progress \$15,909)	19,456	19,456	19,456	19,456
Transfers	(1,803)	(1,803)	(1,803)	(1,803)
Amortisation	(11,523)	(11,523)	(11,523)	(11,523)
Impairment	(923)	(923)	(923)	(923)
Closing value at 31 December 2018	65,485	65,485	65,485	65,485

Accounting Policy

(i) Research and development

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

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

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

Capitalised development expenditures are recorded as intangible assets and amortised from the point at which the asset is available for use. Amortisation is calculated using the straight line method with a useful life between 3-11 years (2017: between 3-11 years). The student management system, Callista, is amortised over 10.65 years (2017: 10 years).

(ii) Computer software

Software is capitalised only when the amounts are greater than the University's capitalisation threshold and they satisfy the conditions for capitalisation. Software is recognised at cost and assessed for amortisation over the useful life of 4 years (2017: 4 years). Useful life of the software is assessed annually and adjusted where appropriate.

21 TRADE AND OTHER PAYABLES

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Current				
OS-HELP Liability to Australian Government	2,010	2,154	2,010	2,154
Trade creditors	17,912	18,399	17,901	18,399
Sundry creditors and other accruals	15,869	19,508	15,802	19,500
Separation costs accrual	282	9,473	282	9,473
Total current trade and other payables	36,073	49,534	35,995	49,526
Non-current				
Sundry creditors and other accruals	243	298	243	298
Total non-current trade and other payables	243	298	243	298
Total trade and other payables	36,316	49,832	36,238	49,824

Accounting Policy

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 45 days (2017: 45 days) of recognition. Other accruals represent expenses incurred but not yet invoiced.

(A) FOREIGN CURRENCY RISK

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

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Australian Dollars	36,073	49,625	36,073	49,625
	36,073	49,625	36,073	49,625

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

22 BORROWINGS

(A) FINANCING ARRANGEMENTS

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Bank loan facility				
Total facilities	50,000	50,000	50,000	50,000
Unused at balance date	50,000	50,000	50,000	50,000
Current borrowings				
Borrowings	117	177	117	177
Finance lease liabilities	974	-	974	-
Total	1,091	177	1,091	177
Non-current borrowings				
Borrowings	127	244	127	244
Finance lease liabilities	10,770	-	10,770	-
Total	10,897	244	10,897	244

(B) DETAILS OF BORROWINGS

Bank loan facility

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

At 31 December 2018, the University has a loan facility of \$50 million (2017: \$50 million). No amounts had been drawn down under this facility.

Borrowings

The University has entered into an interest-free financing arrangement for 2-4 years for the purchase of IT equipment and software licences.

Finance lease liabilities

The University has entered into a finance lease arrangement for a 33 year lease of a building. Refer to Note 30(a) (iii) for further details of the finance lease arrangement. Refer to Note 19 Buildings for the corresponding finance lease asset disclosed within additions.

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2017	CASH FLOWS		NON-CASH CHANGES			2018
			ACQUISITION / DISPOSAL	FOREIGN EXCHANGE MOVEMENT	FAIR VALUE CHANGES	OTHER	
	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$
Long-term borrowings	421	(177)	-	-	-	-	244
Lease liabilities	-	-	11,744	-	-	-	11,744
Total liabilities from financing activities	421	(177)	11,744	-	-	-	11,988

Accounting Policy

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

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

23 PROVISIONS

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Annual leave	9,262	9,655	9,262	9,655
Defined benefit obligation	7,460	7,682	7,460	7,682
Short-term provisions				
Leasehold make good provisions	10	164	10	164
	16,732	17,501	16,732	17,501
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual leave	7,842	8,073	7,842	8,073
Long service leave	29,308	29,528	29,308	29,528
	37,150	37,601	37,150	37,601
Total current provisions	53,882	55,102	53,882	55,102
Non-current provisions				
Employee benefits				
Defined benefit obligation	147,820	141,529	147,820	141,529
Long service leave	4,443	4,849	4,443	4,849
Long-term provisions				
Leasehold make good provisions	1,028	1,014	1,028	1,014
Total non-current provisions	153,291	147,392	153,291	147,392
Total provisions	207,173	202,494	207,173	202,494

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

	LEASEHOLD MAKE GOOD PROVISION 000s \$	TOTAL 000s \$
Consolidated 2018		
Carrying amount at start of year 1 January	1,178	1,178
Additional provisions recognised	24	24
Utilised during the period	(164)	(164)
Carrying amount at end of year 31 December	1,038	1,038

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 including 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 the present value of expected future payments to be made in respect of services provided by employees up to reporting date. The discount rate of 2.33% (2017: 2.68%) is based on interest rates applicable to Australian Government Securities.

Defined benefit obligation

The provision for the defined benefit superannuation is assessed by the Superannuation Board and calculated annually by independent actuaries, refer Note 37.

Leasehold make good provisions

Leasehold make good provisions are taken up for leased properties if there is an obligation in the lease agreements.

24 OTHER LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Current				
Australian Government unspent financial assistance	1,964	1,367	1,964	1,367
Rental income in advance	1,669	1,615	1,669	1,615
Student fees - in advance	13,267	11,400	13,267	11,400
Other current liabilities	2,687	1,270	2,687	1,270
Total current other liabilities	19,587	15,652	19,587	15,652
Non-current				
Rental income in advance	46,809	48,355	46,809	48,355
Total non-current other liabilities	46,809	48,355	46,809	48,355
Total other liabilities	66,396	64,007	66,396	64,007

25 RESERVES AND RETAINED SURPLUS

(A) COMPOSITION

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Equity at the end of the year comprises:					
Accumulated funds	25(b)	377,776	369,799	377,893	369,924
Reserves					
Asset revaluation reserve	25(b)	549,298	597,344	549,295	597,341
Special purpose reserve	25(b)	5,986	6,214	-	-
Equity instruments reserve	25(b)	32,947	17,014	32,947	16,930
Total reserves	25(b)	588,231	620,572	582,242	614,271
Total equity		966,007	990,371	960,135	984,195

(B) MOVEMENTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
Foreign Currency Translation Reserve					
Balance 1 January		-	115	-	-
Transfer (from)/to subsidiary		-	(115)	-	-
Balance 31 December	25(a)	-	-	-	-
Asset Revaluation Reserves					
Land					
Balance 1 January		435,387	244,576	435,387	244,576
Net movements due to revaluation		(39,574)	190,811	(39,574)	190,811
Balance 31 December	25(a)	395,813	435,387	395,813	435,387
Buildings					
Balance 1 January		161,234	172,835	161,234	172,835
Net movements due to revaluation		(8,472)	(11,601)	(8,472)	(11,601)
Balance 31 December	25(a)	152,762	161,234	152,762	161,234
Artwork					
Balance 1 January		602	318	599	318
Net movements due to revaluation		-	284	-	281
Balance 31 December	25(a)	602	602	599	599
Library Collections					
Balance 1 January		121	-	121	-
Net movements due to revaluation		-	121	-	121
Balance 31 December	25(a)	121	121	121	121
Special Purpose Reserve					
Balance 1 January		6,214	5,387	-	-
Transfer from/(to) accumulated funds		(313)	827	-	-
Transfers in		84	-	-	-
Balance 31 December	25(a)	5,985	6,214	-	-
Equity Instruments Reserve					
Balance 1 January		17,014	14,283	16,930	14,283
Amount restated through retained earnings on adoption of AASB 9		7,232	-	7,232	-
Net movements in financial assets classified as available for sale		-	2,731	-	2,647
Transfer out		(824)	-	(740)	-
Net movements in investments in equity instruments designated at fair value through other comprehensive income		9,525	-	9,525	-
Balance 31 December	25(a)	32,948	17,014	32,947	16,930
Total reserves		588,231	620,572	582,242	614,271

Movements in retained earnings were as follows:

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Opening balance	369,799	400,480	369,924	399,912
Net result after income tax for the period	6,942	(29,161)	7,247	(29,989)
Transfer from/(to) special purpose reserve	313	(827)	-	-
Ordinary dividends	-	(692)	-	-
Movement in retained earnings on adoption of AASB 9	721	-	721	-
Balance 31 December	377,776	369,799	377,893	369,924

(C) NATURE AND PURPOSE OF RESERVES

Asset Revaluation Reserves

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

Special Purpose Reserve

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

Equity Instruments Reserve

The reserve for equity instruments designated at fair value through other comprehensive income is used to record fair value market movements of equity instruments.

26 KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) NAMES OF RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

(i) Names of Responsible Persons

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

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

Council Members

Mr George Pappas
 Professor Peter Dawkins
 Ms Deborah Tyler
 Ms Virginia Simmons
 Ms Gaye Hamilton

Ms Elizabeth Beattie
 Mr Mark Toohey
 Mr Geoff Dale
 Ms Susan Schlesinger
 Ms Rhonda Hawkins (*LOA)
 Mr Wayne Kayler-Thomson
 Mr Peter George
 Mr Kee Wong (until 29 August 2018)
 Dr Siew Fang Law
 Ms Ghofran Al-Nasiri

*LOA - The Council approved Ms Rhonda Hawkins' application for leave of absence from Council of Victoria University, to take effect from 21 June 2017 to 7 July 2018.

(ii) Name of Accountable Officer

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

(iii) Names of Executive Officers

Mr Grant Dreher

Mr Ian Ford
 Professor Ian Solomonides
 Professor Karen Dodd
 Professor Peter Dawkins
 Professor Marcia Devlin (appointed 4 June 2018)
 Ms Rhonda Hawkins (until 6 July 2018)
 Professor Richard Constantine
 Professor Rob Strathdee
 Mr Shaun Eltham
 Mr Steve Berridge
 Ms Teresa Tjia
 Professor Vasso Apostolopoulos (appointed 22 October 2018)
 Professor Warren Payne (until 11 October 2018)

All of the above persons were also key management personnel during the year ended 31 December 2018.

The consolidated comparatives in Note 26 does not include key management personnel of subsidiaries as they are not considered key management personnel within the definition of AASB 124 Related Party Disclosures, paragraph 9.

(B) REMUNERATION OF BOARD MEMBERS AND EXECUTIVES

(i) Remuneration of Council Members

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Remuneration				
Income paid or payable, or otherwise made available, to Council members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities	343	351	343	351

Remuneration Bands				
Nil to \$9,999	2	3	2	3
\$10,000 to \$19,999	2	1	2	1
\$20,000 to \$29,999	9	10	9	10
\$60,000 to \$69,999	1	1	1	1
Number of executive officers who also act as Council members and their remuneration disclosed under remuneration of executive officers	1	1	1	1
	15	16	15	16

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

(ii) Remuneration of Accountable Officer

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

Base Remuneration in the range of \$680,000 - \$689,999 (\$700,000 - \$709,999 in 2017)

Total Remuneration in the range of \$710,000 - \$719,999 (\$770,000 - \$779,999 in 2017)

(iii) Remuneration of Executive Officers

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Remuneration				
Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties:	4,466	3,225	4,466	3,225

	TOTAL REMUNERATION				BASE REMUNERATION			
	CONSOLIDATED		UNIVERSITY		CONSOLIDATED		UNIVERSITY	
	2018 NUMBER	2017 NUMBER	2018 NUMBER	2017 NUMBER	2018 NUMBER	2017 NUMBER	2018 NUMBER	2017 NUMBER
\$210,000 to \$219,999	-	1	-	1	-	-	-	-
\$240,000 to \$249,999	-	1	-	1	2	1	2	1
\$250,000 to \$259,999	-	-	-	-	1	1	1	1
\$270,000 to \$279,999	1	-	1	-	-	-	-	-
\$280,000 to \$289,999	-	-	-	-	-	1	-	1
\$290,000 to \$299,999	-	1	-	1	1	-	1	-
\$300,000 to \$309,999	-	-	-	-	-	1	-	1
\$310,000 to \$319,999	1	1	1	1	2	1	2	1
\$320,000 to \$329,999	1	1	1	1	1	2	1	2
\$330,000 to \$339,999	1	1	1	1	-	1	-	1
\$340,000 to \$349,999	1	1	1	1	2	-	2	-
\$350,000 to \$359,000	-	1	-	1	-	-	-	-
\$360,000 to \$369,999	3	-	3	-	-	1	-	1
\$370,000 to \$379,999	-	-	-	-	1	-	1	-
\$380,000 to \$389,999	1	1	1	1	1	1	1	1
\$390,000 to \$399,999	-	-	-	-	1	-	1	-
\$400,000 to \$409,999	-	1	-	1	-	-	-	-
\$410,000 to \$419,999	1	-	1	-	-	-	-	-
\$420,000 to \$429,999	1	-	1	-	-	-	-	-
\$430,000 to \$439,999	1	-	1	-	-	-	-	-
	12	10	12	10	12	10	12	10
Total annualised employee equivalent	11	8	11	8	11	8	11	8

Note:

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

Executives with total remuneration lower than \$100,000 (2018: 1 Executive and 2017: Nil Executive) are not disclosed in the above remuneration bands however the remuneration paid is disclosed under remuneration.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Short-term employee benefits	3,813	2,743	3,813	2,743
Post-employment benefits	506	412	506	412
Other long-term benefits	62	59	62	59
Termination benefits	85	11	85	11
Total key management personnel compensation	4,466	3,225	4,466	3,225

(D) LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans made to any members of Council or Executive officers in 2018 (2017: Nil).

(E) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Other related transactions requiring disclosure have been considered, refer to Note 27(c).

27 RELATED PARTIES

(A) PARENT ENTITIES

The ultimate parent entity within the Group is the University.

(B) SUBSIDIARIES

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

(C) KEY MANAGEMENT PERSONNEL

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

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

Professor R Constantine – Senior Executive Officer holds an external position as Director, VERNet Pty Ltd. The University paid VERNet Pty Ltd for subscription services 2018: \$615,502 and 2017: \$612,950.

Professor P Dawkins – Accountable Officer holds an external position as Non-executive Director of UniSuper. Amounts received from UniSuper 2018: \$64,976 and 2017: \$57,700 was for director's fee. Amount received by the University in 2017 was subsequently transferred to Victoria University Foundation.

Mr K Wong – held an external position as Managing Director of e-Centric Innovations Pty Ltd. Amounts received from e-Centric Innovations Pty Ltd were 2018: Nil and 2017: \$69,595.

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

(D) TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	UNIVERSITY	
	2018	2017
	000s \$	000s \$
Donation paid to Victoria University Foundation	50	88
Donation received from staff and Council members of Victoria University	393	440
Donations received from Victoria University Foundation	1,123	472
Audit fees paid on behalf of Victoria University International Pty Ltd	4	4
Audit fees paid on behalf of Victoria University Enterprises Pty Ltd	4	4
Audit fees paid on behalf of Victoria University of Technology (Singapore) Pte Ltd	-	5
Fees paid to VU Online Pty Ltd	287	-

(E) OUTSTANDING BALANCES

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

	UNIVERSITY	
	2018	2017
	000s \$	000s \$
Amount receivable from Victoria University Foundation	-	4
Amounts receivable from VU Online Pty Ltd	61	-

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

(F) TERMS AND CONDITIONS

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

28 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	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Audit of the Financial Statements				
Fees paid to Victorian Auditor-General's Office	189	145	169	125
Total	189	145	169	125

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Other services				
Other audit and assurance services				
Fees paid to internal auditors				
Fees paid for Internal Audit Services	267	836	267	836
Total paid for audit and assurance	267	836	267	836
Taxation services				
Total taxation services	-	-	-	-
Other services				
Other services	104	13	104	13
Total other services	104	13	104	13

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

29 CONTINGENCIES

(A) GUARANTEES

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Guarantees	674	732	674	732
Total guarantees	674	732	674	732

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

(B) LITIGATION

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

(C) CONTINGENT LIABILITIES

(i) The University has entered into a series of agreements with the private sector in relation to the construction, operation and maintenance of a 500-bed student accommodation complex for a period of 37 years. In consideration for the private sector financing the construction of the premises, the University under the agreements allow the operator of the student accommodation to collect all the rental income from the student accommodation and in addition has provided a financial guarantee effectively underwriting a level of occupancy (approximately 65%). In the event that the guarantee is triggered there is also an ability for the University to recoup the guarantee in subsequent years where occupancy levels are above that forecasted. In 2018, the occupancy levels were sufficient to ensure that no payment was made by the University pursuant to the guarantee. The occupancy levels forecast in the 2019 year also indicate that it is probable that the occupancy levels will be sufficient to result in no payment being made by the University pursuant to the guarantee.

(D) CONTINGENT ASSETS

There are no material contingent assets at balance date (2017: Nil).

30 COMMITMENTS

(A) LEASE COMMITMENTS

(i) Lease commitments – as lessee

Commitments for minimum lease payments in relation to non-cancellable operating leases at the reporting date but not recognised as liabilities payable are as follows:

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Property leases	836,467	58,848	836,467	58,848
Plant and equipment leases	15,632	18,439	15,632	18,439
Total lease commitments - as lessee (excluding GST)	852,099	77,287	852,099	77,287
Due within one year	15,080	15,182	15,080	15,182
Due after one year, but within five years	63,717	42,690	63,717	42,690
Later than five years	773,302	19,415	773,302	19,415
Net commitments	852,099	77,287	852,099	77,287

(ii) Lease commitments – as lessor

Commitments for minimum rentals receivable under non-cancellable operating leases at the reporting date but not recognised as assets receivable are as follows:

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Due within one year	2,483	2,056	2,483	2,056
Between one year, but within five years	7,991	6,914	7,991	6,914
Later than five years	42,232	40,338	42,232	40,338
Total lease commitments – as lessor (excluding GST)	52,706	49,308	52,706	49,308

(iii) Finance lease

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Due within one year	974	-	974	-
Between one year, but within five years	4,275	-	4,275	-
Later than five years	38,262	-	38,262	-
Total future minimum lease payments	43,511	-	43,511	-
Less: finance charges	31,767	-	31,767	-
Finance lease liabilities	11,744	-	11,744	-
Representing lease liabilities:		-		-
Current	974	-	974	-
Non-current	10,770	-	10,770	-
Total lease liabilities	11,744	-	11,744	-

On 30 October 2018, the University entered into a contract of sale and lease back of the "Queen Street Precinct properties". The proponents will develop a new 32-storey vertical campus which will incorporate office and teaching space for key academic activities, to be leased back to the University, consolidating its city campuses into a single new precinct. Work on the 32-storey tower is set to commence in 2019 with completion slated for 2021. The lease term is for 33 years.

(i) The weighted average interest rate implicit in the finance lease is 10% (2017: 0%).

(B) CAPITAL COMMITMENTS

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

	CONSOLIDATED		UNIVERSITY	
	2018	2017	2018	2017
	000s \$	000s \$	000s \$	000s \$
Buildings and IT infrastructure major works	40,930	11,903	40,930	11,903
Net commitments are payable as follows:				
Due within one year	39,474	11,903	39,474	11,903
Due after one year, but within five years	1,456	-	1,456	-
Total property, plant and equipment commitments	40,930	11,903	40,930	11,903

(C) OTHER COMMITMENTS

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

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Network service fees	393	997	393	997
Student management system licence fees	5,621	7,303	5,621	7,303
IT infrastructure	5,760	3,691	5,780	3,691
CSG software license fees	59	95	59	95
CSG service fees	189	310	189	310
Remuneration	12,051	11,494	12,051	11,494
	24,073	23,890	24,093	23,890
Net commitments are payable as follows:				
Due within one year	8,845	8,589	8,845	8,589
Due after one year but within five years	13,857	12,893	13,857	12,893
Due after five years	1,371	2,408	1,371	2,408
Total other commitments (excluding GST)	24,073	23,890	24,073	23,890

Key estimates, judgements and accounting policy

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

31 SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Victoria University ("parent entity") as at 31 December 2018 and the results of all subsidiaries for the year then ended.

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

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS	CLASS OF SHARES	EQUITY HOLDING	
			2018 %	2017 %
Victoria University Foundation Ltd (ACN 007 151 895)	Australia	-	100	100
Victoria University Foundation*	Australia	-	100	100
Victoria University Enterprises Pty Ltd (ACN 007 382 818)	Australia	Ordinary	100	100
Victoria University of Technology (Singapore) Pte Ltd**	Singapore	Ordinary	-	100
Victoria University International Pty Ltd (ACN 079 529 089)	Australia	Ordinary	100	100
VU Online	Australia	-	100	100
VU Online Pty Ltd (ACN 623 496 186)	Australia	Ordinary	100	100

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

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

32 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

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

	NOTE	CONSOLIDATED		UNIVERSITY	
		2018	2017	2018	2017
		000s \$	000s \$	000s \$	000s \$
Operating result after income tax for the period		6,942	(29,161)	7,247	(29,989)
<i>Add non cash items</i>					
Depreciation and amortisation	10	35,439	34,613	35,439	34,613
Net (gain)/loss on sale of non-current assets	19(a)	7,279	86	7,279	86
Impairment/reversal of impairment	13	277	367	277	367
Impairment of non-financial assets	13	2,000	(2)	2,000	-
Bad debt recovered		162	62	162	62
Fair value gains/losses on other financial assets at fair value through profit or loss		867	-	514	-
Interest expense		44	-	44	-
<i>Change in operating assets and liabilities</i>					
Increase/(decrease) in Provision for employee benefits		4,679	(2,571)	4,679	(2,571)
Increase/(decrease) in Trade and Other Payables		(12,830)	12,594	(13,427)	12,581
Increase/(decrease) in Other Liabilities		1,864	1,492	2,391	1,492
(Increase)/decrease in Receivables		(6,172)	(2,099)	(6,131)	(2,119)
(Increase)/decrease in Other Non-financial Assets		(135)	1,458	(135)	1,458
Net cash provided by / (used in) operating activities		40,416	16,839	40,339	15,980

34 FINANCIAL RISK MANAGEMENT

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

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

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks, and ageing analysis for credit risk. Risk management is carried out by the finance department under policies approved by the Council through the Finance and Investment Committee.

(A) MARKET RISK

Market risk is the risk that the value of financial instruments fluctuate due to changes in foreign exchange rates, changes in market interest rates, and changes in market prices. The Group appoints external, independent investment advisors to monitor financial markets and report to management and the Finance and Investment Committee. The Committee regularly review investment performance against established objectives and performance benchmarks and monitors the asset allocation mix of the investment portfolio.

(i) Foreign exchange risk

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

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

(ii) Price risk

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

Financial assets at fair value through profit or loss are subject to price risk, with changes in underlying securities valuations.

Unlisted securities are not traded, thus price risk is mitigated. It is therefore not included in the sensitivity analysis.

(iii) Cash flow and fair value interest rate risk

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

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

(iv) Summarised sensitivity analysis

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

31 DECEMBER 2018		INTEREST RATE RISK				FOREIGN EXCHANGE RISK				PRICE RISK			
		-1%		+1%		-5%		+5%		-1%		+1%	
	CARRYING AMOUNT	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY
	000s	000s	000s	000s	000s	000s	000s	000s	000s	000s	000s	000s	000s
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets													
Cash and cash equivalents - at bank	44,317	(443)	(443)	443	443	-	-	-	-	-	-	-	-
Receivables	19,275	-	-	-	-	(344)	(344)	344	344	-	-	-	-
Other financial assets at fair value through profit or loss - managed funds	99,318	-	-	-	-	-	-	-	-	(993)	(993)	993	993
Investments in equity instruments designated at fair value through other comprehensive income	34,825	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Creditors and payables	36,050	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease liabilities	11,744	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	244	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(443)	(443)	443	443	(344)	(344)	344	344	(993)	(993)	993	993

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

* There are restrictions imposed on equity instruments (listed shares) and hence no material risk is envisaged at this stage.

(B) CREDIT RISK

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

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

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

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

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

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

31 DECEMBER 2018	TRADE RECEIVABLES					TOTAL \$000'S
	CURRENT	DAYS PAST DUE				
		<30 DAYS	30-60 DAYS	61-90 DAYS	>91 DAYS	
Expected credit loss rate - trade receivables %	0.05	2	4	11	18	-
Expected credit loss rate - student fees receivables %	5	10	30	35	38 - 80	-
Estimated total gross carrying amount at default \$'000	12,173	1,003	1,685	394	4,838	20,093
Expected credit loss \$'000	26	42	93	37	1,570	1,768

1 JANUARY 2018	TRADE RECEIVABLES					TOTAL \$000'S
	CURRENT	DAYS PAST DUE				
		<30 DAYS	30-60 DAYS	61-90 DAYS	>91 DAYS	
Expected credit loss rate - trade receivables %	0.05	2	4	11	42	-
Expected credit loss rate - student fees receivables %	5	10	30	35	38 - 80	-
Estimated total gross carrying amount at default \$'000	8,940	830	4,650	349	6,548	21,317
Expected credit loss \$'000	46	33	196	80	1,871	2,226

(C) LIQUIDITY RISK

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

This risk is minimised as cash and cash equivalent assets are held in highly liquid cash holdings, and the monitoring of cash flows ensures that maximum funds are available for investment. This risk is also mitigated through the bank loan facility of \$50 million entered into in 2012 (full balance unused at 31 December 2018 and 31 December 2017). Details of this bank loan facility are outlined in Note 22.

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

	AVERAGE INTEREST RATE		VARIABLE INTEREST RATE		1 TO 5 YEARS		5+ YEARS		NON INTEREST BEARING		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$	000s \$
Financial assets:												
Cash and cash equivalents - at bank	1.28	1.27	44,317	32,444	-	-	-	-	-	-	44,317	32,444
Receivables	-	-	-	-	-	-	-	-	19,275	18,447	19,275	18,447
Other financial assets at fair value through profit or loss - managed funds	-	-	-	-	-	-	-	-	99,318	-	99,318	-
Other financial assets - listed shares	-	-	-	-	-	-	-	-	-	16,200	-	16,200
Other financial assets - unlisted shares	-	-	-	-	-	-	-	-	-	1,707	-	1,707
Financial assets - available for sale managed funds	-	-	-	-	-	-	-	-	-	20,909	-	20,909
Investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	34,825	-	34,825	-
Total financial assets	-	-	44,317	32,444	-	-	-	-	153,418	57,263	197,735	89,707
Financial liabilities:												
Payables	-	-	-	-	-	-	-	-	36,050	50,797	36,050	50,797
Borrowings	-	-	-	-	-	-	-	-	244	421	244	421
Finance lease liabilities	10.00	-	-	-	(970)	-	12,714	-	-	-	11,744	-
Total financial liabilities	-	-	-	-	(970)	-	12,714	-	36,294	51,218	48,038	51,218

35 FAIR VALUE MEASUREMENT

(A) FAIR VALUE MEASUREMENTS

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

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

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

	CARRYING AMOUNT		FAIR VALUE	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Financial assets				
Cash and cash equivalents - at bank	44,317	32,444	44,317	32,444
Receivables	19,275	18,447	19,275	18,447
Other financial assets - unlisted shares	-	1,707	-	1,707
Available for sale other financial assets - listed shares	-	16,200	-	16,200
Available for sale other financial assets - managed funds	-	20,909	-	20,909
Other financial assets at fair value through profit and loss - managed funds	99,318	-	99,318	-
Investments in equity instruments designated at fair value through other comprehensive income	34,825	-	34,825	-
Total financial assets	197,735	89,707	197,735	89,707
Financial liabilities				
Payables	36,050	50,797	36,050	50,797
Borrowings	484	421	484	421
Finance lease liabilities	11,744	-	11,744	-
Total financial liabilities	48,278	51,218	48,278	51,218

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

Recognised Financial Instruments

Cash at Bank, Receivables and Creditors - These financial instruments have a short term to maturity. Accordingly, it is considered that their carrying amounts reflect fair values.

Equity instruments - These are shares held in entities and have been valued as at 31 December 2018. Accordingly, it is considered that their carrying amount reflect their fair value.

Financial asset at fair value through profit and loss - managed funds - These are units held in managed funds and have been valued as at 31 December 2018. Accordingly, it is considered that their carrying amount reflect their fair value.

Borrowings - Short-term and long-term interest-free loan facility due to be repaid in 2-4 years, thus it is considered that the carrying amount reflects its fair value.

Finance lease liabilities is measured using the weighted average interest rate implicit in the finance lease, hence it is considered that the carrying amount reflects its fair value.

(B) FAIR VALUE HIERARCHY

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

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

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

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

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2018.

THE GROUP'S FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2018	NOTE	2018	LEVEL 1	LEVEL 2	LEVEL 3
CONSOLIDATED		000s	000s	000s	000s
		\$	\$	\$	\$
Recurring fair value measurements					
Financial assets					
Investments in equity instruments designated at fair value through other comprehensive income	17	34,825	-	-	34,825
Other financial assets at fair value through profit or loss - managed funds		99,318	99,318	-	-
Total financial assets		134,143	99,318	-	34,825
Non-financial assets					
Property, plant and equipment	19				
Land		269,643	-	45,718	223,925
Building		514,176	-	-	514,176
Leasehold improvement		2,819	-	-	2,819
Plant and equipment - general equipment		33,209	-	-	33,209
Other plant and equipment - artwork		899	-	899	-
Library collections		11,790	-	210	11,580
Total non-financial assets		832,536	-	46,827	785,709

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

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

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

(ii) Disclosed fair values

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

The fair values of other financial assets at fair value through profit or loss that are disclosed in Note 17 were determined by reference to published price quotations in an active market (Level 1).

The fair value of equity instruments was determined by independent valuer ShineWing Australia Pty Ltd discounted by market factors (Level 3).

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

(i) Recurring fair value measurements

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

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

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

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

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

The following table is a reconciliation of the Group's Level 3 items for the periods ended 31 December 2018 and 2017.

LEVEL 3 FAIR VALUE MEASUREMENT 2018	LAND	BUILDINGS	LEASEHOLD	PLANT & EQUIPMENT	LIBRARY	EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE	TOTAL
	000s \$	000s \$	IMPROVEMENTS 000s \$	- GENERAL EQUIPMENT 000s \$	COLLECTIONS 000s \$	INCOME 000s \$	000s \$
Consolidated							
Opening balance	342,232	513,991	3,604	27,956	10,938	16,200	914,921
Acquisitions	-	23,184	198	5,351	2,675	-	31,408
Disposals	(77,105)	(11,915)	-	-	(17)	-	(89,037)
Depreciation and impairment	-	(14,059)	(1,000)	(6,841)	(2,016)	-	(23,916)
Revaluation increment/decrement	(41,202)	(8,472)	-	-	-	-	(49,674)
Transfers from/to other asset class	-	11,448	17	6,743	-	-	18,208
Adjustment to opening balance on adoption of AASB 9	-	-	-	-	-	9,100	9,100
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	9,525	9,525
Closing balance	223,925	514,176	2,819	33,209	11,580	34,825	820,535

LEVEL 3 FAIR VALUE MEASUREMENT 2017	LAND	BUILDINGS	LEASEHOLD	PLANT & EQUIPMENT	LIBRARY	AVAILABLE FOR SALE FINANCIAL ASSETS	TOTAL
	000s \$	000s \$	IMPROVEMENTS 000s \$	- GENERAL EQUIPMENT 000s \$	COLLECTIONS 000s \$	- LISTED SHARES 000s \$	000s \$
Consolidated							
Opening balance	187,863	530,093	3,428	26,313	10,358	11,027	769,082
Acquisitions	-	5,009	1,140	6,718	2,636	-	15,503
Transfers out of level 3	(18,460)	-	-	-	(90)	-	(18,550)
Disposals	-	(85)	-	(23)	(18)	-	(126)
Depreciation and impairment	-	(16,163)	(1,756)	(5,579)	(1,948)	-	(25,446)
Transfers from/(to) other asset class	-	6,739	792	527	-	-	8,058
Revaluation increments/(decrements)	172,829	(11,602)	-	-	-	-	161,227
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	5,173	5,173
Closing balance	342,232	513,991	3,604	27,956	10,938	16,200	914,921

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

There were no changes in valuation techniques during the year.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements and applies to both financial year 2017 and financial year 2018. See above for the valuation techniques adopted.

DESCRIPTION	FAIR VALUE AT 31 DECEMBER 2018 000s \$	VALUATION TECHNIQUE*	SIGNIFICANT UNOBSERVABLE INPUTS
Land	223,925	Market approach	Service Obligation (CSO) 20%
Buildings	514,176	Depreciated replacement cost	Useful life
Leasehold improvements	2,819	Depreciated replacement cost	Useful life of leasehold improvement
Plant and equipment - general equipment	33,209	Depreciated replacement cost	Useful life
Library collections	11,580	Depreciated replacement cost	Respective useful life
Investment in equity instruments	34,825	Market approach	Discount method to account for any restrictions imposed on the shares

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

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

The valuation of equity instruments has been determined by an appropriately skilled independent third party. Valuation techniques including discounting and other techniques considered appropriate in the circumstance have been employed in pricing or valuing investments. These valuation techniques are inherently subject to estimation uncertainty. Given the inherent subjectivity, the underlying inputs and assumptions are reviewed on an on-going basis to ensure the valuations reflect the best estimates of the economic conditions at reporting date.

36 INTERESTS IN JOINT OPERATIONS AND UNCONSOLIDATED STRUCTURED ENTITIES

(A) JOINT OPERATIONS

As at 31 December 2018, the University has the following joint operation.

NAME OF JOINT OPERATION	NATURE OF RELATIONSHIP	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST/ VOTING RIGHTS HELD	
			2018	2017
Game Insight Group	Partnership agreement	Melbourne - Australia	50%	50%

The University's share of assets in the above jointly controlled operations is \$0.74 million (2017: \$0.4 million). The aim is to use the latest analytics research to provide new data on professional tennis, which may be commercialised in the future.

(B) UNCONSOLIDATED STRUCTURED ENTITIES

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

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

As at 31 December 2018, these projects were still in their early stages of development and had not yet achieved their potential. Contributions towards these projects are included in operational expenditure.

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

The proceeds from these ventures are included in the University operating income as at 31 December 2018. In all of the above instances, the University does not:

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

37 SUPERANNUATION COMMITMENTS

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

UniSuper

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

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

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

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

(ii) UniSuper also offers a cash accumulation productivity scheme known as Accumulation Super (1) (previously referred to as the Award Plus Plan (APP)). University employees have no requirement to contribute to the scheme.

The University contributes the equivalent of 3% of base salary in respect of these employees who were members of the Defined Benefit Division or the Accumulation Super (2) Plan. Employees who do not qualify for membership of Defined Benefit Division and Accumulation Super (2) will have a minimum contribution 9.5% of their annual salary contributed by the University to Accumulation Super (1) prescribed under the *Superannuation Guarantee Charge Act 1992*.

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

As at 30 June 2018 the assets of the DBD in aggregate were estimated to be \$3,785 million in excess (30 June 2017: \$2,797 million in excess) of vested benefits (after allowing for various reserves). The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution)

and include the value of indexed pensions being provided by the DBD.

As at 30 June 2018 the assets of the DBD in aggregate were estimated to be \$5,477 million in excess (30 June 2017: \$4,258 million in excess) of accrued benefits (after allowing for various reserves). The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

State Superannuation Schemes

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

Existing arrangements provide for the Commonwealth to reimburse the University on an emerging cost basis for payments made to employees of the unfunded scheme. The superannuation liability, as assessed by the Superannuation Board for future benefits for current employees and pensions was as at 31 December 2018 \$155.28 million (31 December 2017: \$149.21 million).

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

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

SUMMARY OF SUPERANNUATION SCHEME PAYMENTS:	2018	2017
	000s	000s
	\$	\$
UniSuper	27,507	28,318
State Superannuation Schemes	8,108	7,738
Others	2,810	2,805
	38,425	38,861

(A) ACTUARIAL ASSUMPTIONS AND SENSITIVITY

The sensitivity of the defined benefit obligation of the State Superannuation Schemes to changes in the significant assumptions are:

	2018	2017	CHANGE IN ASSUMPTION
Discount rate	2.36%	2.92%	(0.56)%
Salary growth rate	4.00%	4.00%	nil
Pension indexation	2.50%	2.50%	nil
Demographic assumptions	Triennial review	-	1.7%

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

38 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(A) EDUCATION - CGS AND OTHER EDUCATION GRANTS

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	COMMONWEALTH GRANTS SCHEME #1		INDIGENOUS STUDENT SUCCESS PROGRAM #3		ACCESS AND PARTICIPATION FUND	
		2018	2017	2018	2017	2018	2017
		000s	000s	000s	000s	000s	000s
		\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		118,170	117,537	357	291	3,767	3,786
Net accrual adjustments		-	-	(6)	-	-	-
Revenue for the period	3(a)	118,170	117,537	351	291	3,767	3,786
Surplus/(deficit) from the previous year		-	-	207	233	-	-
Total revenue including accrued revenue		118,170	117,537	558	524	3,767	3,786
Less expenses including accrued expenses		(118,170)	(117,537)	(324)	(317)	(3,767)	(3,786)
Surplus/(deficit) for reporting period		-	-	234	207	-	-

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	DISABILITY PERFORMANCE FUNDING #2		PROMO OF EXC IN LEARNING AND TEACHING		TOTAL	
		2018	2017	2018	2017	2018	2017
		000s	000s	000s	000s	000s	000s
		\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		180	141	-	-	122,474	121,755
Net accrual adjustments		-	-	-	-	(6)	-
Revenue for the period	3(a)	180	141	-	-	122,468	121,755
Surplus/(deficit) from the previous year		-	-	58	99	265	332
Total revenue including accrued revenue		180	141	58	99	122,733	122,087
Less expenses including accrued expenses		(180)	(141)	(26)	(41)	(122,467)	(121,822)
Surplus/(deficit) for reporting period		-	-	32	58	266	265

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

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

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

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

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	HECS-HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE-HELP	
		2018	2017	2018	2017
		000s	000s	000s	000s
		\$	\$	\$	\$
Cash Payable/(Receivable) at the beginning of the year		(160)	269	(45)	90
Financial assistance received in cash during the reporting period		83,879	81,739	10,420	10,734
Cash available for the period		83,719	82,008	10,375	10,824
Revenue earned	3(b)	84,045	82,168	8,958	10,869
Cash Payable/(Receivable) at end of year		(326)	(160)	1,417	(45)

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	VET FEE-HELP		SA-HELP		TOTAL	
		2018	2017	2018	2017	2018	2017
		000s	000s	000s	000s	000s	000s
		\$	\$	\$	\$	\$	\$
Cash Payable/(Receivable) at the beginning of the year		416	753	(507)	75	(296)	1,187
Financial assistance received in cash during the reporting period		(970)	1,509	3,991	2,386	97,320	96,368
Cash available for the period		(554)	2,262	3,484	2,461	97,024	97,555
Revenue earned	3(b)	(3)	1,846	3,017	2,968	96,017	97,851
Cash Payable/(Receivable) at end of year		(551)	416	467	(507)	1,007	(296)

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

(C) DEPARTMENT OF EDUCATION AND TRAINING RESEARCH

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	RESEARCH TRAINING PROGRAM		RESEARCH SUPPORT PROGRAM		TOTAL	
		2018	2017	2018	2017	2018	2017
		000s	000s	000s	000s	000s	000s
		\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		7,482	7,309	4,255	4,392	11,737	11,701
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c), 3(d)	7,482	7,309	4,255	4,392	11,737	11,701
Surplus/(deficit) from the previous year		232	358	-	373	232	731
Total revenue including accrued revenue		7,714	7,667	4,255	4,765	11,969	12,432
Less expenses including accrued expenses		(7,714)	(7,435)	(4,255)	(4,765)	(11,969)	(12,200)
Surplus/(deficit) for reporting period		-	232	-	-	-	232

(D) TOTAL HIGHER EDUCATION PROVIDER RESEARCH TRAINING PROGRAM EXPENDITURE #4

PARENT ENTITY (UNIVERSITY) ONLY	TOTAL DOMESTIC STUDENTS	TOTAL OVERSEAS STUDENTS		
			000s	000s
			\$	\$
Research Training Program Fees offsets	(3,428)	(239)		
Research Training Program Stipends	(3,121)	(447)		
Research Training Program Allowances	(419)	(60)		
Total for all types of support #5	(6,968)	(746)		

#4 Refer to the Commonwealth Scholarship Guidelines for expenditure definition for the Research Training Program.

#5 The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses at Note 38(c) in respect to the 2018 year.

(E) OTHER CAPITAL FUNDING

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	LINKAGE INFRASTRUCTURE EQUIPMENT AND FACILITIES GRANT		TOTAL	
		2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		235	240	235	240
Net accrual adjustments		-	-	-	-
Revenue for the period	3(e)	235	240	235	240
Surplus/(deficit) from the previous year		136	-	136	-
Total revenue including accrued revenue		371	240	371	240
Less expenses including accrued expenses		(294)	(104)	(294)	(104)
Surplus/(deficit) for reporting period		77	136	77	136

(F) AUSTRALIAN RESEARCH COUNCIL GRANTS

(I) DISCOVERY PARENT ENTITY (UNIVERSITY) ONLY	NOTE	PROJECTS		TOTAL DISCOVERY	
		2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		442	219	442	219
Net accrual adjustments		-	27	-	27
Revenue for the period	3(f) (i)	442	246	442	246
Surplus/(deficit) from the previous year		-	216	-	216
Total revenue including accrued revenue		442	462	442	462
Less expenses including accrued expenses		(442)	(462)	(442)	(462)
Surplus/(deficit) for reporting period		-	-	-	-

(II) LINKAGES PARENT ENTITY (UNIVERSITY) ONLY	NOTE	PROJECTS		TOTAL LINKAGES	
		2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		163	159	163	159
Net accrual adjustments		204	50	204	50
Revenue for the period	3(f) (ii)	367	209	367	209
Surplus/(deficit) from the previous year		-	43	-	43
Total revenue including accrued revenue		367	252	367	252
Less expenses including accrued expenses		(264)	(252)	(264)	(252)
Surplus/(deficit) for reporting period		103	-	103	-

(G) OS-HELP

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2018 000s \$	2017 000s \$
Cash received during the reporting period		1,643	1,648
Cash spent during the reporting period		(1,787)	(1,417)
Net cash received		(144)	231
Cash surplus/(deficit) from the previous period		2,154	1,923
Cash surplus/(deficit) for reporting period	21	2,010	2,154

(H) SUPERANNUATION SUPPLEMENTATION

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2018 000s \$	2017 000s \$
Cash received during the reporting period		7,332	7,044
Cash available		7,332	7,044
Cash surplus/(deficit) from the previous period		(7,643)	(6,949)
Cash available for current period		(311)	95
Contributions to specified defined benefit funds	37	(8,108)	(7,738)
Cash surplus/(deficit) this period		(8,419)	(7,643)

(I) STUDENT SERVICES AND AMENITIES FEE

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2018 000s \$	2017 000s \$
SA-HELP revenue earned	3(b)	3,017	2,968
Student Services and Amenities Fees direct from students	5	1,618	1,496
Total revenue expendable in period		4,635	4,464
Student services expenses during period		(4,635)	(4,464)
Unspent/(overspent) student services revenue		-	-

39 EX-GRATIA EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2018 000s \$	2017 000s \$	2018 000s \$	2017 000s \$
	The University has made no ex-gratia payments	-	-	-

DISCLOSURE INDEX

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE No./S
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22H	Manner of establishment and the relevant Minister	10, 41, 92
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	16-31, 36-37
3	FRD 22H	Nature and range of services provided including communities served	16-31
MANAGEMENT AND STRUCTURE			
4	FRD 22H	Organisational structure and chart, detailing members of the governing Council, Audit Committee, Chancellor, senior officers and their responsibilities	14-15, 37-38
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	63-64
7	FRD 10A	Disclosure Index	114-116
8	FRD 17B	Long Service leave and annual leave for employees	88-89
9	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	13
10	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators	33
11	FRD 22H	Workforce data for current and previous reporting period, including a statement on employment and conduct principles, and that employees have been correctly classified in the workforce data collections	32-35
12	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	48
13	FRD 22H	Significant changes in financial position	46-47
14	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	5-10, 12, 17-20, 27, 29-30
15	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	49-50, 100
16	FRD 22H	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	40
17	FRD 22H	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	40
18	FRD 22H	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	13, 46-47
19	FRD 22H	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target	N/A
20	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	N/A
21	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform	40
22	FRD 22H	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
23	FRD 22H	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act	40
24	FRD 22H and FRD 24D	Summary of Environmental Performance	40-41

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE No./S
25	FRD 22H	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available 1. Consultant engaged 2. Brief summary of project 3. Total project fees approved (excluding GST) 4. Expenditure for reporting period (excluding GST) 5. Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	44
26	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	42
27	FRD 22H	An entity shall disclose the following in the report of operations: a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX)	13, 44
28	FRD 25C	Victorian Industry Participation Policy Disclosures	40
29	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
30	FRD 119A	Transfers through contributed capital	N/A
31	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework	43
32	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions, the Standing Directions, the instructions, the applicable Australian Accounting Standards and the FMA	4, 56
33	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved	4, 56
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER STANDING DIRECTIONS/ FINANCIAL MANAGEMENT ACT 1984			
34	SD 5.2.2(a), 5.2.2(b) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none">• Present fairly the financial transactions during reporting period and the financial position at end of the period;• Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards	56

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE No./S
35	FRD 30D	Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> • \$10,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000 	62
36	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> • 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 	37, 49-50
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
37	FRD 11A	Disclosure of ex-gratia payments	113
38	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	92-94
39	FRD 102A	Inventories	N/A
40	FRD 103G	Non-financial physical assets	81-85, 105-108
41	FRD 105B	Borrowing costs	76
42	FRD 106B	Impairment of assets	57-58, 67, 77-79, 82-83
43	FRD 107B	Investment properties	N/A
44	FRD 109A	Intangible assets	85
45	FRD 110A	Cash flow statements	61, 70
46	FRD 112D	Defined benefit superannuation obligations	88-89, 109
47	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	17-18, 45, 62-63, 99, 108
48	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	62-66
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
49	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2018	41, 73, 113
50	PAEC	Financial and other information relating to the university's international operations	8, 21-22, 31, 66, 73
51	University Commercial Activity Guidelines	<ul style="list-style-type: none"> • Summary of the university commercial activities • If the university has a controlled entity, include the accounts of that entity in the university's Annual Report 	45-113



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