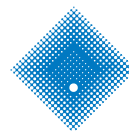
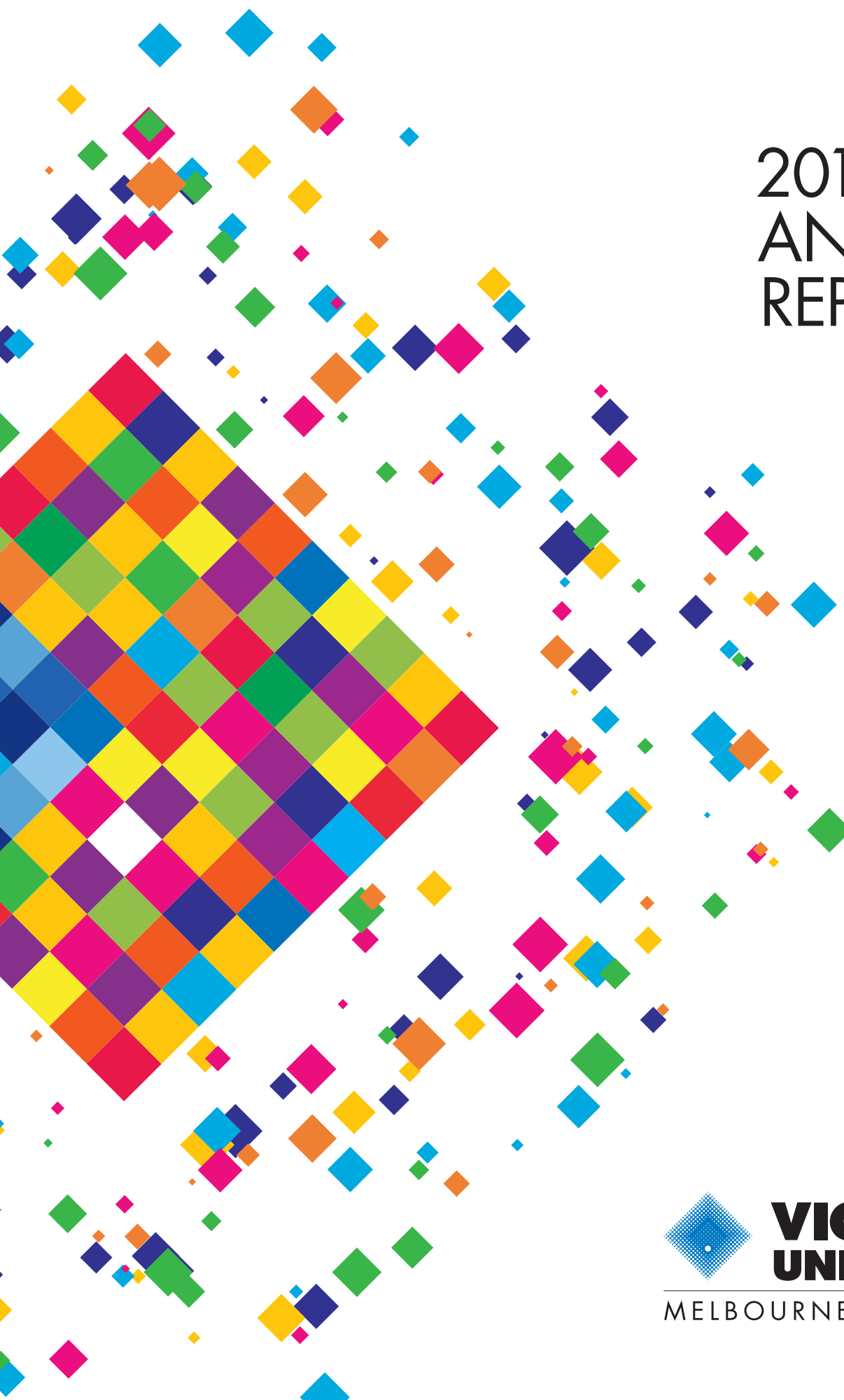


CELEBRATING
A CENTENARY OF
OPPORTUNITY 2016



2016 ANNUAL REPORT



**VICTORIA
UNIVERSITY**

MELBOURNE AUSTRALIA

ACKNOWLEDGEMENT OF COUNTRY

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

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

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

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

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

GENERAL ENQUIRIES

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Victoria University's 2016 Annual Report and previous reports are available at:

vu.edu.au/about-us/facts-figures/annual-reports

Cover design – Victoria University's centenary logo depicts 100 years of operation and the diversity of the VU community represented by the use of 100 coloured diamonds, together with embedded shades of blue representing 25 years as a university.

CONTENTS

ACKNOWLEDGEMENT OF COUNTRY	2	4 FINANCIAL STATEMENTS	46
GENERAL ENQUIRIES	2	4.1 FINANCIAL OVERVIEW 2016	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 2016 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 CENTENARY OF OPPORTUNITY	9	STATEMENT BY THE CHANCELLOR, THE VICE-CHANCELLOR AND PRESIDENT AND PRINCIPAL ACCOUNTING OFFICER	56
1.4 OUR VISION AND MISSION	10	INCOME STATEMENT	57
1.5 STRATEGIC PLAN 2016–2020	11	STATEMENT OF COMPREHENSIVE INCOME	58
1.6 OPERATIONAL AND BUDGETARY OBJECTIVES	12	STATEMENT OF FINANCIAL POSITION	59
1.7 SENIOR EXECUTIVE GROUP	13	STATEMENT OF CHANGES IN EQUITY	60
1.8 HIGHER EDUCATION COLLEGES AND VICTORIA POLYTECHNIC	14	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	120
2.2 LEARNING AND TEACHING	17		
2.3 STUDENTS	23		
2.4 INDUSTRY AND COMMUNITY	27		
2.5 RESEARCH	30		
2.6 INTERNATIONAL	33		
2.7 PEOPLE	34		
3 UNIVERSITY GOVERNANCE	37		
3.1 OBJECTIVES	37		
3.2 GOVERNANCE OVERVIEW	38		
3.3 COUNCIL MEMBERS	39		
3.4 COUNCIL AND COMMITTEES ATTENDANCE	40		
3.5 DISCLOSURE STATEMENTS	41		
3.6 RISK MANAGEMENT	43		
3.7 CONSULTANCIES	44		
3.8 COMMERCIAL ACTIVITIES	45		

LETTER OF TRANSMITTAL



14 March 2017

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

Dear Minister

In accordance with the requirements of regulations under the Financial Management Act 1994, we are pleased to submit for your information and presentation to Parliament the Victoria University Annual Report for the year ending 31 December 2016.

The Annual Report was approved by the Victoria University Council on 14 March 2017.

Yours sincerely



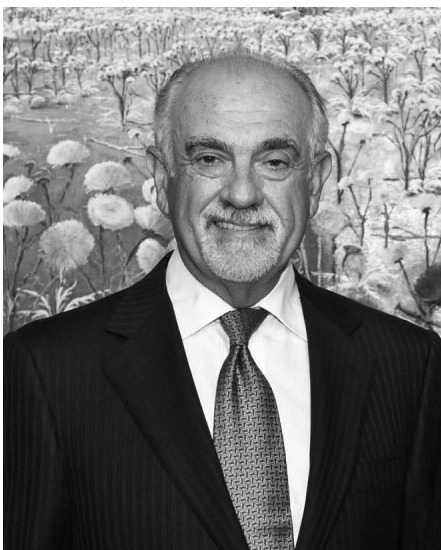
Mr George Pappas
Chancellor



Professor Peter Dawkins
Vice-Chancellor and President

1 ORGANISATIONAL OVERVIEW

1.1 CHANCELLOR'S FOREWORD



CHANCELLOR'S FOREWORD

The past year was a successful year for Victoria University. We celebrated our Centenary with an exciting and engaging program of activities, we achieved a ranking in the top 2% of Universities worldwide and our status as Australia's Leading Sport University was reinforced when our partners, the Western Bulldogs, won the AFL Premiership.

OUR CENTENARY

In marking the Centenary of the establishment of Footscray Technical School — the first in the west of Melbourne — we were also showcasing our hundred-year commitment to the community. While much has changed in the last 100 years, some things have not. Victoria University was the first, and is the only, University based in the west of Melbourne. We remain strongly committed to our community — though our courses, our research and our community engagement. Today we are proud to be an iconic institution of the west.

It was therefore fitting that our Centenary celebrations embraced the entire VU family. We celebrated with an exciting program, across all campuses and with students, alumni, staff and partners. Some notable highlights included *Heritage Day* marking the anniversary of the first day students attended Footscray Technical School in 1916, a gala *Malaysian Alumni Celebration* for 900 people hosted by VU's Malaysian Alumni Chapter, a *Government House Reception* hosted by Her Excellency the Honourable Linda Dessau AC and a *Centenary Dinner* in the Great Hall of the National Gallery of Victoria, and *VU Homecoming*, which brought together alumni, staff and students from our predecessor institutions to finish the year.

Of course, one of the important legacies of the year was our Centenary Campaign which aimed to raise funds for priority projects of the University. This included the establishment of a Creating Opportunity Fund to support scholarships for our students for the next 100 years.

A UNIVERSITY FOR THE WEST

It is clear that there is a continuing need for us to be both a university *for* and *of* the west even as we expand globally.

We are very proud that in such a special year we were ranked in the top 2% of Universities worldwide in the prestigious Times Higher Education World Rankings. We aim to provide not only opportunities but an excellent standard of education to our diverse student community as we strongly believe that the west of Melbourne deserves nothing less.

The Western Bulldogs' success in winning both the AFL and VFL Premierships was a cause of great joy. Many of our staff work collaboratively with the Bulldogs on research and teaching projects, and students undertake work placements with the Bulldogs. We also jointly undertake programs to help strengthen our shared community and we welcome Bulldogs' players under our elite athlete program. After the Bulldogs' Premierships, VU's expertise in sport science was much lauded by the Bulldogs themselves and widely across the sport sector.

Our TAFE strategy and the initiative in relaunching our TAFE division under the banner of Victoria polytechnic in late 2015 was given ringing endorsement when at the end of 2016 the State Government advised that it would provide \$10m of funding to help build a new facility at our Sunshine Campus. This funding complemented a significant grant of \$5m from The Ian Potter Foundation.

The work we are doing to expand our Sunshine Campus is in keeping with our broader plan for our involvement in the west of Melbourne, which includes a commitment to improving the health outcomes through our Sunshine Hospital investment plans and our increasingly important Brimbank Collaboration.

GOVERNANCE AND LEADERSHIP

The University Council's focus for the year was to resolve three key issues. Council has supported considerable investment in programs to increase student satisfaction and is looking at evidence of sustained and significant improvement. We continue to work hard to equip our students with the skills and attitude to make a contribution in the real world. Our goal is for our students to be leaders, not followers, to be innovators not bound by tradition.

For that reason in 2016 we engaged our first Entrepreneur-in-Residence to help nurture our students as emerging entrepreneurs. As this program develops it will provide an opportunity to stretch our students, encouraging them to think in new ways.

Council continues to seek improvements in productivity. The student and staff voice on Council, and in Council meetings, has helped us understand some of the issues impacting on productivity and to challenge and guide management's strategies.

The third area of Council focus is the ambitious investment program to upgrade our physical infrastructure, aimed at improving the student experience and providing a more efficient campus footprint.

To help us better respond to these issues we restructured the Committees of Council replacing the previous Resources Committee with a new Finance and Investment Committee and introduced the Leadership and Culture Committee.

As always we have relied on the expertise and skills of our senior management team under the leadership of Professor Peter Dawkins. Our leadership team has given both direction and stability to staff as we continue to improve the educational offer to our students.

We also have a committed, dedicated and passionate staff with a strong commitment to the University. The celebration of our Centenary showed that this has been a characteristic of staff throughout our history and it has helped make us the institution we are.

On behalf of Council I again want to acknowledge and thank the staff and our many supporters for their enormous contribution to Victoria University.

George Pappas, AO
Chancellor

1.2 VICE-CHANCELLOR'S FOREWORD



THE UNIVERSITY OF OPPORTUNITY AND SUCCESS

In 2016, we celebrated the Centenary of the founding of Victoria University's predecessor, the Footscray Technical School, and our 25th anniversary as a university. Within a wonderful program of Centenary activities, we also had the opportunity to reflect on the achievements of our previous strategic plan, and launch our new strategic plan, The University of Opportunity and Success, 2016–2020.

Our strategic vision is to be 'open and excellent, creating exceptional value for any student from any background and uplifting the communities in which we operate'.

We are very focused on enhancing our learning and teaching and the student experience, and have made significant progress in recent years. As measured by the University Experience Survey, VU is performing above the national average in two important areas (Skills Development and Learner Engagement), and at the same time has been steadily reducing the gap between itself and the national average for Student Satisfaction with the Quality of the Entire Educational Experience, Teaching Quality and Student Support.

In vocational education and training, VU is exceeding the state average in the areas of Overall Quality of Training, Assessment, and Generic Skills and Learning Experiences.

These results are pleasing but there is a long way to go. Our program of strategic investment will continue under the new strategic plan, to realise our ambition to provide exceptional value to our students.

HIGHER EDUCATION: VU RANKED IN THE TOP 400 UNIVERSITIES IN THE WORLD

VU's progress was rewarded in 2016 by being ranked in the top 2% of universities worldwide in the Times Higher Education World University Rankings 2016–17. As a young university that is only 25 years old, we are delighted to have achieved a Top 400 ranking in this prestigious list.

In higher education we have prioritised enhancing the offer to students and improving student success with work commenced on:

- refreshing the curriculum through blended learning with 123 units transformed for 2017 delivery
- exploring an enhanced approach to first-year higher education ('VU Student Success') to improve the quality of our first-year students' learning experiences and outcomes
- developing the open university concept, with the Student Experience Taskforce implementing key projects including Open Access and Pathways, Student Advising, Online Engagement, Timetabling, and Student Voice.

VOCATIONAL EDUCATION: VICTORIA POLYTECHNIC'S FIRST YEAR OF OPERATION

Positioning the newly launched Victoria Polytechnic as a premium provider of high quality TAFE, supported by a market-focused strategy and business plan, was a priority. Like higher education, significant progress has been made in blended learning with 60 VET programs (462 units of competency) ready for delivery. Victoria Polytechnic was also successful in securing additional State Government funding for the Youthspark IT Careers Pathway Program (Cert II, Cert III) through the Back to Work Scheme and Skills and Jobs Centres at MetroWest and Sunshine.

We will be developing a Sunshine Skills Development and Innovation Hub at Sunshine campus, in partnership with the State Government and the Ian Potter Foundation. The hub will be a world-class training facility that will sit alongside our state-of-the-art Trades building, creating an 'innovation centre' for industry to assist the transition from a traditional manufacturing dominated workforce to one that services the knowledge economy. This will make Sunshine the heart of TAFE in the west and will reinforce VU as a leading TAFE provider in Victoria.

WEST OF MELBOURNE STRATEGY

The Centre for Policy Studies was commissioned to undertake an analysis of our economic impact on the west of Melbourne. This report demonstrated that VU contributed \$632m to the region's GDP and supported an estimated 4400 jobs, highlighting the major role VU has in the economic and social prosperity of the region.

A key plank of our new strategic plan is a West of Melbourne Strategy designed to ensure a strong and vibrant university that drives economic prosperity and serves the needs of the region.

In 2016 we commenced implementation of a number of elements including:

- planning for three strong precincts, deeply integrated with industry and community, in Maribyrnong (Footscray), Brimbank (Sunshine/St Albans) and Wyndham (Werribee)
- undertaking research with impact that contributes significantly to uplifting communities in the west of Melbourne, for example the *Brimbank Collaboration*, which is addressing entrenched health and educational disadvantage
- revitalising TAFE in the west of Melbourne through Victoria Polytechnic, our new TAFE division
- providing regional leadership and coordination to shape the economic development of the region, in partnership with other leading institutions and prominent individuals of the west, through the West of Melbourne Economic Development Alliance (WoMEDA).

OUR PARTNERSHIPS WITH INDUSTRY AND COMMUNITY

Nothing connects us more deeply to the communities we serve than our strong partnerships with industry and community. Our Centenary year placed a spotlight on these very important relationships that contribute to the type of institution we are today. Most notably, significant developments took place with two key partners of VU in the west of Melbourne – Western Health and the Western Bulldogs.

A new strategic partnership agreement with Western Health was signed. Building on the success of our current joint venture, the Western Centre for Health Research and Education, our Council endorsed the development of a new Nursing and Midwifery building, as an integral part of the Sunshine Hospital Precinct. This new building will deliver an innovative integrative model of clinical and pre-clinical training in the final year for nursing and midwifery students.

VU has also been a partner of the Western Bulldogs since 2003 and in our Centenary year, the hard work of our respective staff and students involved on and off the field, was rewarded with the winning of the 2016 AFL and VFL Premierships. This success has been driven by both the Western Bulldogs and VU striving to establish a world-leading partnership that contributes substantially to:

- Western Bulldogs being a sustainably successful football club
- VU being a world-class leader in sport, exercise and active living.

A TRANSFORMATIONAL AGENDA

Contestability in vocational education, and cuts in TAFE funding, alongside the introduction of the demand driven system of higher education, resulted in a 15% reduction in VU's revenue between 2011 and 2015. This has necessitated a transformational agenda to deliver a competitive cost structure, an attractive offer to students and ensure long term financial sustainability.

Our end of year operating deficit was \$11.4m, which due to significant financial controls and the commencement of a transformative program across all aspects of university business, was significantly better than budgeted. This outcome is part of a long term financial sustainability strategy, which through major productivity improvement, equivalent to a \$30m turnaround by 2018 and \$50m by 2020, aims to produce a surplus from 2018 and long term sustainability by 2020.

THE TOWARDS SUCCESS PROGRAM

The Towards Success Program is a suite of projects designed to ensure that we achieve our 2018 and 2020 financial sustainability targets, while also contributing to our transformational agenda to achieve our vision of being an open and excellent university, providing exceptional value to any student from any background who seeks a tertiary education. The most important priority of the Senior Executive Group over the next 18 months is to work with the broader leadership group and the whole university community to progress this important program to generate sustainable value and to deliver a financial surplus in 2018.

The following priority areas have been identified:

- higher education performance, productivity and staff development
- revitalising TAFE for Melbourne's west
- streamlining process and campus infrastructure efficiencies
- immediate cost containment initiatives
- plus exploring additional value generating opportunities.

Implementation planning commenced in the second half of 2016 with the Senior Executive Group committed to a rapid and focused execution with strong, visible leadership. The University is acting with full commitment and urgency to begin to 'bank' immediate net benefits and have put in place a rigorous program management and governance framework to realise full value from the program by 2018.

2017 will be both an exciting and challenging year for VU. I am optimistic that working in partnership with our staff and strategic partners we will realise our ambition to achieve its vision as the University of Opportunity and Success.

Professor Peter Dawkins
Vice-Chancellor and President

1.3 CENTENARY OF OPPORTUNITY

OUR HISTORY

In 2016, VU proudly celebrated the centenary of the establishment of its predecessor, Footscray Technical School, which coincided with the 25th anniversary of the establishment of Victoria University. Although we are a young university we have a long, rich history encompassing a 100-year commitment to providing high quality, accessible education and enriching the community.

The idea for a technical school based in the western suburbs of Melbourne was first proposed in 1910. At the time, people believed in the power of technical education to positively transform lives and social conditions. Charles Archibald Hoadley was the school's principal from its founding until his death in 1947. His vision was to equip students not only with sound technical knowledge, but also with an appreciation of the arts, sport and 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 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 and its predecessor institutions have now been providing education, research and training for close to 100 years, and have consistently maintained strong business and local community engagement, helping to ensure that the University continues to provide meaningful and relevant education programs.

The distinctiveness of VU and its transformational role in improving the lives of people and communities, particularly in the western metropolitan region of Melbourne, is recognised in the *Victoria University Act 2010*. In the past decade, the University has become firmly established as a leader in transnational education, particularly in Asia, with partners in China, Malaysia, India, and other countries.

OUR CENTENARY YEAR

Throughout 2016, we have delivered a colourful Centenary program of activity, designed to reconnect the VU family and to celebrate the remarkable history and qualities that make us special to thousands of diverse students, educators, researchers and partners.

The program of Centenary activities proved to be successful and engaging for our students, staff, alumni and friends, enabling us to shine a spotlight on our strengths as the University of Opportunity and Success. A broad range of activities has seen our students, staff, alumni and the community enthusiastically support and embrace our celebrations. From New Year's Eve fireworks in Footscray Park, a special student-focused Heritage Day celebration, the opening of the student accommodation UniLodge @ VU, the 2016 Integrity in Sport Forum, which featured a panel of thought leaders in sport, and the premier screening of our documentary 'The Graduates', we have engaged our communities and highlighted the incredible stories of our students, alumni and partners. We've also honoured and acknowledged long-standing staff in the Centenary staff recognition event, and witnessed the excitement of the Centenary-sponsored AFL matches at Etihad Stadium in both April and August.

Locally, we have sought engagement with our many key partners including Western Health, Western

Bulldogs, Western Jets, Footscray Community Arts Centre, Malthouse Theatre, Maribyrnong City Council, Sport Australia Hall of Fame, The University of Texas El Paso and the Rotary Club of Footscray, through our Colleges and students as part of the #vu100 student grants scheme.

A key part of our local engagement across the municipality has been engaging with Footscray University Town and Maribyrnong City Council through BluScray. This project, which extended over many months, provided an excellent platform for showcasing our arts and cultural capabilities and provided numerous opportunities for engagement with local and international artists and collectives.

Nationally, we have engaged with alumni in New South Wales and Western Australia, as well as engaging VU Sydney students in the #vu100 student grants.

Internationally, we have delivered high profile and successful events in Malaysia, China and Hong Kong, and events in Vietnam, Hong Kong, the UK and Indonesia were organised in-country by alumni, or VU staff.

We have also used the Centenary as a catalyst to significantly increase our philanthropic fundraising to help make us financially sustainable well into the future. Already the University has attracted significant donations and established a good foundation for a public announcement of a major campaign in 2017.

All of these activities are assisting the University raise its profile and attract the philanthropic and government support we need to fulfil our vision for the next 100 years. The Centenary Campaign will deliver inspiring and ambitious projects to benefit our communities and reflect our commitment to students.

This milestone occasion has been used to great effect to celebrate our history in a manner which reinforces the overarching distinctiveness that drives us forward as the University of Opportunity and Success.

1.4 OUR VISION & MISSION

VISION

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

MISSION

We will achieve this vision through:

- **Education**

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

- **Research and engagement**

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

1.5 STRATEGIC PLAN 2016–2020

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

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

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

- 1 To be dedicated to student opportunity and success, employment and entrepreneurship.
- 2 Offer quality, contemporary learning experiences with a unique VU blend.
- 3 Connect deeply with industry.
- 4 Produce research with impact that is renowned for excellence in flagship areas.
- 5 Champion our heartland and uplift communities in the west of Melbourne and beyond.
- 6 To be engaged internationally, especially in Asia.
- 7 To be a future-focused workforce in a dynamic and sustainable organisation.

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

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

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

- lead our sector in integrating teaching and learning, research and engagement with industry and community to deliver learning opportunities that support student success in the emerging world of employment and entrepreneurship
- offer a highly attractive suite of VE through HE product and service offerings with contemporary content that is delivered through best use of current and emerging technology
- provide learning experiences and research collaborations that contribute significantly to uplifting communities in the west of Melbourne and beyond, embedding engagement activities that are achieving measurable, evidence-based outcomes
- be renowned for research, teaching and engagement in our flagship areas of Sport, Health 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, that is able to provide quality learning experiences and support to our students and excellent and relevant research for our industry and community stakeholders
- be financially sustainable.

We will deliver this through three key elements:

- being open and excellent
- achieving transformation
- becoming financially sustainable.

Victoria University needs to maintain and build on previous strategic investments to create a sharper and focused organisation, one that inspires and enables our students and staff to achieve great things in an environment that's constantly changing. The new Strategic Plan provides the flexibility to do that – to recalibrate and adapt as change occurs and to seize the opportunities that foster success.

The full version of the Strategic Plan can be accessed at:

vu.edu.au/about-vu/vision-mission-strategy

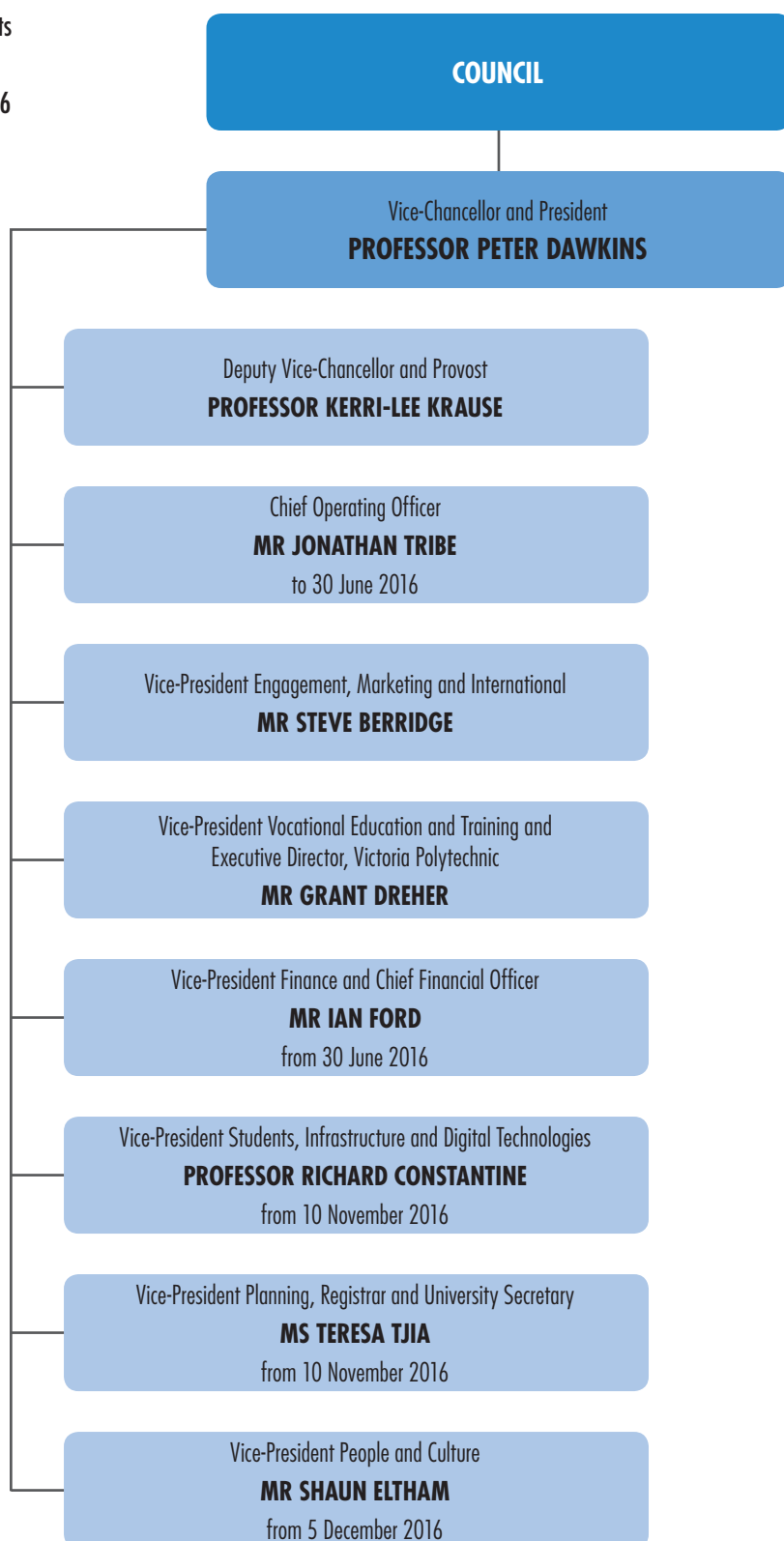
1.6 OPERATIONAL AND BUDGETARY OBJECTIVES

OPERATIONAL AND BUDGETARY OBJECTIVES 2016

BUDGETARY OBJECTIVE TO SUPPORT THE STRATEGIC PLAN	OUTCOME
<p>Dynamic and prosperous organisation – this requires the University to implement strategies to ensure it is able to generate over time, an operating margin for reinvestment (OMR) exceeding 10%. Due to the challenging financial situation, the Council agreed that for 2016 a reported surplus would not be expected.</p> <p>The budgeted reported deficit was \$20.8M, and the budgeted OMR was \$38.3M.</p>	<p>The University generated a reported operating deficit of \$11.4M (includes capital grants, gross proceeds from sale of assets, and redundancy and restructuring costs). On an OMR basis the result was \$48.9M.</p>
<p>Opportunities to grow sustainable revenue – that adequate financial support is provided to ensure VU is able to invest for the future and build its teaching and learning capabilities. The budget included \$27.3M of Strategic expenditure.</p>	<p>Strategic Initiative funding of \$27.9M was spent in 2016. Major projects included Blended Learning to improve the student experience and funding for major IT leases.</p> <p>Further funding was allocated to assist with student retention and to fund a Voluntary Early Retirement Scheme.</p>
<p>Research support – that adequate financial support be provided to support momentum gained in building VU research capacity to improve VU's current performance and ranking in the Australian sector.</p>	<p>Research block grant income was similar to 2015. The University allocated \$8.3M as base funding to support Research Centres and Institutes in our main research themes.</p>
<p>Capital infrastructure – the budget will provide support to ensure VU is able to invest in capital upgrades and maintenance, and ICT development projects.</p>	<p>Expenditure on major building, IT infrastructure and equipment equalled \$26.7M. This expenditure included the move of VU College in City Flinders and the completion of the IPE Clinic in Werribee. Significant IT spending was on wireless network upgrades and version updates to the student management system.</p>

1.7 SENIOR EXECUTIVE GROUP

This organisational chart depicts
Victoria University's
Senior Executive Group in 2016



1.8 HIGHER EDUCATION COLLEGES AND VICTORIA POLYTECHNIC

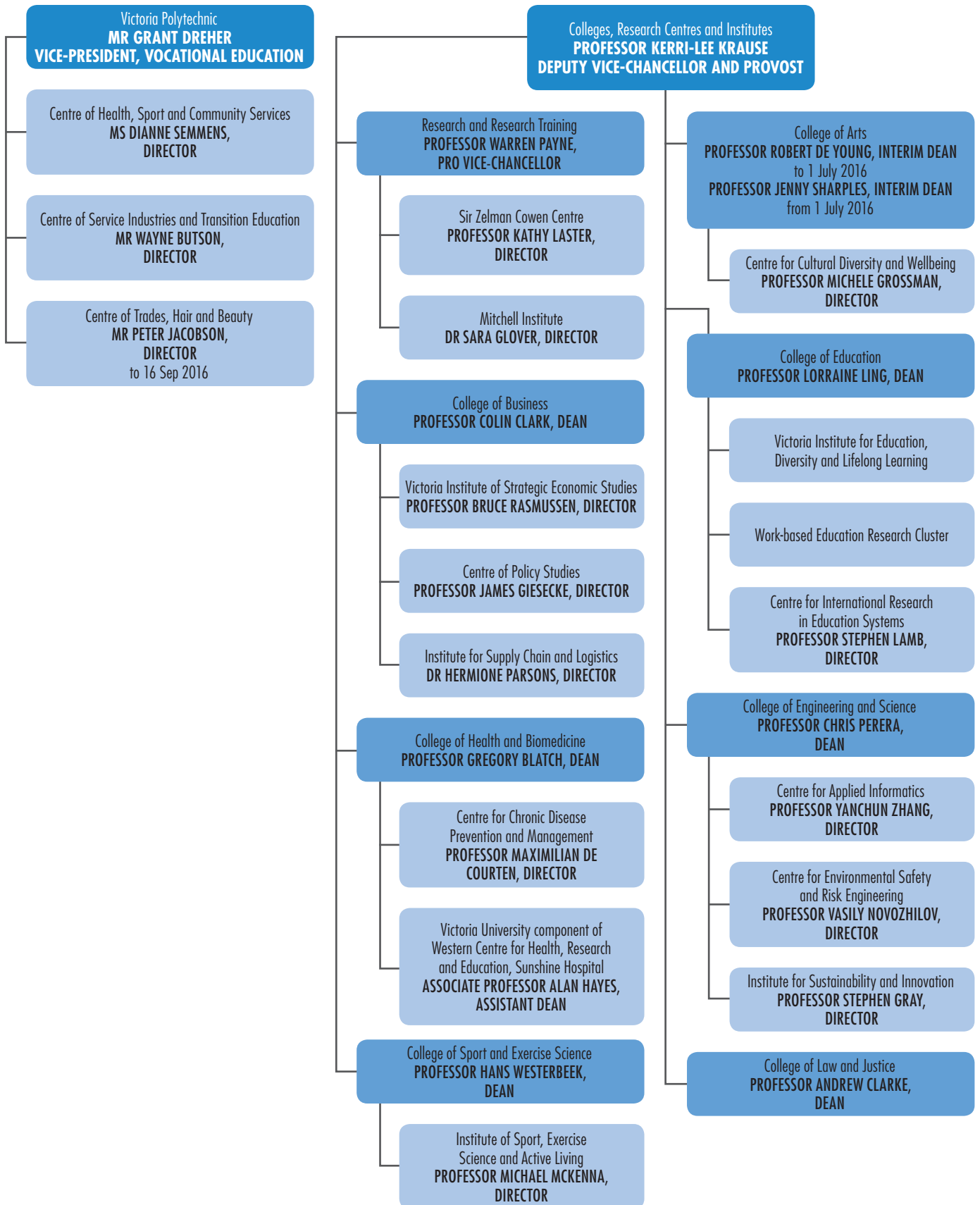
In 2016, Victoria University's college structure comprised seven higher education colleges, college-based research centres and institutes, and the newly formed Victoria Polytechnic, which became the TAFE division within the Victoria University system. Victoria Polytechnic offers a broad range of vocational education and training (VET) courses.

The higher education colleges are structured around the University's distinctive specialisations and areas of expertise. In conjunction with Victoria Polytechnic, Victoria University offers study pathways from vocational education and training to undergraduate and postgraduate studies. VU's pathways provide the ability to exit with qualifications when immediate study goals are achieved and provide options for students to re-enter and pursue further study. The chart on the following page highlights the higher education colleges' distinctive specialisations, research centres and institutes, and Victoria Polytechnic represented by its three centres.

Victoria Polytechnic offers certificate, diploma and postgraduate-level courses and qualifications. The Polytechnic is committed to providing job-ready graduates and pathway options to higher education courses. It offers training across industry sectors, for example; community services, health, sport, trades, business and creative arts.

The organisational chart on the following page depicts the educational structure of Victoria University as at 31 December 2016 and includes:

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



2 REPORT OF OPERATIONS

2.1 UNIVERSITY OF OPPORTUNITY AND SUCCESS

Victoria University's strategy has the following three key elements:

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

VU aims to be a great university of the 21st century by being inclusive rather than exclusive. We will provide exceptional value to our diverse community of students by guiding them to achieve their career aspirations through personalised, flexible, well-supported and industry relevant learning opportunities. Achievement will be demonstrated by our students' and graduates' employability and entrepreneurship.

Staff will be dedicated to guiding the career success of our students, innovative and effective in their practice, leaders in their disciplines and areas of practice, engaged with industry and community and committed to continuous improvement in a rapidly changing world. We will support our academic and professional staff to develop our students' careers, connect with industry and community, and engage in research with impact. Exceptional performance of this kind will be rewarded.

The applied and translational research conducted by our staff and students will enhance social and economic outcomes in our heartland communities of the west of Melbourne and beyond. Our graduates as employees and citizens will shape the industries in which they work and communities where they live. Healthier, smarter and more sustainable communities will result.

In accordance with the requirements of the Financial Management Act 1994 (Standing Directions of the Minister for Finance 5.2.1 (a), sections 2.2 to 2.7 of this report detail the University's key operational activities, highlights and performance in 2016, across these core service areas.

2.2 LEARNING AND TEACHING

LEARNING, INNOVATION AND QUALITY

The Learning, Innovation and Quality portfolio strategic initiatives included Blended Learning, Academic Quality, and Access to Higher Education.

A Blended Learning Strategy was published in April and work began on incorporating blended learning approaches into 120, mainly first year units, representing over 50% of the undergraduate student load. Feedback has highlighted the benefits of collaboration between academics, sessional staff, technology enhanced learning designers, educational developers, college librarians and Blended Learning coordinators in progressing the strategy.

A response to an internal audit has seen progression towards a new office for Academic Quality and Standards to oversee a robust approach to course planning and conception and has involved setting up systems and processes around: concept submission, initial scoping and validation, feasibility testing, definition and planning – to feed directly into course financial modelling, business case development, course proposal, and ongoing review and evaluation processes.

Access to higher education involved a review of the current enabling and foundation course provision at VU, followed by the design of a coherent suite of foundations courses through sector benchmarking and broad consultation. The resulting Foundations at VU provides a 13-week foundation course to students and includes study as appropriate in maths, science, English, humanities and business.

DIGITAL TECHNOLOGIES

Our significant investment in digital technology will place us in a strong leadership position as we move towards being a true digital campus. This transformational technology includes a very high speed wireless network with the deployment of nearly 3000 latest generation wireless access points across the University. With this greatly enhanced technology, we will be able to boast the highest network speeds of any university in Australia. This will provide an immediate and much needed improvement for our students, staff and researchers.

We are also building foundational infrastructure to support the live streaming of lectures, thereby providing students with a similar learning experience whether they be on campus or at any internet connected location world-wide. Academic staff will also be able to invite subject matter experts to join lectures from anywhere in the world.

The digital campus technology will also greatly improve the ability of our staff to collaborate more effectively with video enabled phones and video conferencing through enhanced mobile technology. This is particularly relevant to Victoria University given our large physical footprint across several campuses.

Finally, as we face increased cyber-security threats, we will have the latest available technology deployed across our network providing greatly improved security protection.

COLLEGE HIGHLIGHTS

COLLEGE OF ARTS

Social work placement agencies report that our students are already making valuable contributions even before they graduate. For example the Asylum Seeker Resource Centre and CoHealth assisted with the delivery of the Community Development unit of study for Bachelor of Social Work students in 2016. Bachelor of Social Work with Honours students carry out research projects that have been initiated by organisations such as Forensicare, Western Health, VACRO, Werribee Support and Housing, Hope Street Youth and Family Services, and Responsible Gambling Victoria. The students are embedded in the organisations while carrying out their research, and the organisations have a commitment to using their findings to improve services for vulnerable members of the community.

Led by Dr Julie van den Eynde, psychology staff and students engaged with community partner Entertainment Assist examining the mental health of members of the entertainment industry. Their negative findings have garnered significant media attention – with newspaper, radio, online, documentary, and even on-stage exposure.

STUDENT ACHIEVEMENTS

Olivia Slater, an honours graduate of VU's Indigenous studies degree, Bachelor of Arts (Kynindoo), was one of only three Australians to be awarded the 2016 Charlie Perkins Trust Scholarship, named for Australia's first Indigenous university graduate.

STUDENT LEADERSHIP AWARDS

Individual Award Winners:

Jemma McLeod, Seval Ulus,
Jillian Horman, Tanya Monga

Centre for Sustainable Leadership Award:

Rebecca Dyson

Student as Staff Award:

Jessica Polanski

Raj Kannan Leadership Scholarship:

Raine Phoenix

STAFF ACHIEVEMENTS

At the 2016 Melbourne Writers' Festival, several college and university academics featured in panel discussions on topics as varied as:

Muslim feminism — Dr Lutfiye Ali

Wickedly funny and The edge of adulthood — Dr Natalie KonYu

Writing the self — Dr Jenny Lee

In addition to staff from the College of Arts, colleagues from the Mitchell Institute and Moondani Balluk also featured in the packed MWF program.

KINDRED STUDIOS — TEACHING SPACE FOR MUSIC

In an article by *Lonely Planet*, VU's Kindred Studios was listed as one of the top 10 shared workspaces in the world. Writer Savery Raz stated that he chose Kindred Studios, based in Yarraville, because it's 'not just a workspace but also has studios, a bar and yoga classes'.

COLLEGE OF BUSINESS

The college of Business had a successful year in 2016.

VU's MBA continued to be highly regarded and was ranked number 2 by London-based CEO magazine.

In Teaching and Learning, two new master courses were developed for 2017 — the Master of Tourism and Destination Management and the Master of Change, Innovation and Leadership. Graduate certificates were also developed to increase our offer to the market.

Following on from the Blended Learning program in 2015, the College participated in the Blended Learning Project (VU Blend) in 2016 which saw 16 units undergo a blended learning transformation for implementation in 2017.

The Victoria Business Confucius Institute hosted the Young Leadership Group to China which included students from several Australian universities who travelled to China with Dr Catherine Lou, a College staff member.

ENTREPRENEURSHIP

Dr Selvi Kannan accompanied 20 students on an Entrepreneurship Study Tour to the prestigious European Innovation Academy in France where they took their start-up ideas from concept to potential business in 15 days.

STAFF SUCCESS

- Dr Ancy Ramasamy won the Outstanding Student Alumni Award
- Dr Selvi Kannan received a Vice-Chancellor's citation for Excellence in Innovation and Entrepreneurship
- Professor Philip Adams from the Centre of Policy Studies was elected as a Fellow of the Academy of the Social Sciences in Australia, in recognition of his outstanding contributions to economic modelling and Australian economic policy

STUDENT AND ALUMNI SUCCESS

- Final year undergraduate business students were finalists in the 'Big Idea' national competition
- VU MBA alumnus Kashif Bouns was awarded International Alumnus of the Year at the 2016 Victorian International Education Awards
- Victoria University's International Students' Association (ISA), led by President Sebastian Au (Master of Business — Marketing student) was recognised as Australia's most active international student association at the 2016 Council of International Students Australia (CISA).

COLLEGE OF EDUCATION

Highlights for the College of Education in 2016 include students performing a dramatic piece they developed about their experiences of education, at La Mama Theatre. This piece reflected 'opportunity', and 'being given a chance to fulfil a dream'; and the performance was living proof of opportunity in action.

Other highlights include examples of our ongoing partnerships with schools. For example, the National Exceptional Teaching in Disadvantaged Schools program (NETDS) of which VU is a part; AVID — Advancement via Individual Determination, featuring key school-university partnerships that enhance school student learning and preparation for learning and life; and the Teaching Academies for Professional Practice Department of Education and training initiative that supports school-university partnerships to enhance preservice teacher education.

Research highlights include the Journal of Public Pedagogies being launched through the College of Education and hosted by the library at VU. Another similar initiative is 'Breaking Out': A journal of Schools, Community and Social Justice, a collaboration between College of Education and the Popular Education Network Australia. In conjunction with the VU Centenary celebrations the 'Academic Postcards: then and now' exhibition was mounted at MetroWest and was designed to capture various representations of the work of VU's academic staff across the 100 years of VU's institutional life.

In the area of youth work, international work placements took place with a youth work partner in India. A funded study tour for youth work students is also occurring with partners in Vanuatu and the Solomon Islands. A conference focusing on youth work and non-formal education evidencing outcomes for young people was a huge success, with people attending from all over Australia, India, the UK and New Zealand.

The College of Education also engaged in study tours in Thailand, Myanmar, Italy, India, China, Vietnam, Indonesia, Malaysia and Timor-Leste. Groups also visited Mahidol University in Thailand; Beijing Union University and in Reggio Emilia in Italy.

COLLEGE OF ENGINEERING AND SCIENCE

In 2016 the College offered two new courses: Bachelor of Building Surveying and Bachelor of Pharmaceutical and Health Science. IT expanded delivery of the Bachelor of Information Technology course through three transnational education programs: at Henan University, China; Lethan Academy Singapore; and National School of Business Management, Sri Lanka.

Research, staff and student achievements included:

- continued success in ARC funding, Bushfire & Natural Hazards CRC funding and other research grants
- PhD graduate Eddy Ostarcevic won the Vice-Chancellor's Award for Research and Research Training (Research Degree Graduate) and Ms Le Sun won a citation in the same category
- Skunk Control (Foundation Studies) and the First Year Champions Partnership Model team (including three First Year Champions from the College) won the Vice-Chancellor's Citations for Excellence in Innovation and Entrepreneurship, and Excellence in Learning and Teaching (Programs That Enhance Learning) categories respectively
- Prof Mikel Duke commenced his term on the ARC Engineering panel College of Experts
- Prof Stephen Gray became the Vice President of the Aseanean Membrane Society, the first time an Australian has held this position

- Peter Wong (PhD student) and Prof Akhtar Kalam were honoured with the Engineers Australia John Madsen Medal 2015 (awarded in 2016)
- QS World University Rankings by Subject 2016 ranked our Computer Science and Information Systems at 301-350.

OUTREACH ACTIVITIES AND STEM

The College continued to focus on outreach activities and science, technology, engineering and mathematics (STEM) through events such as STEM Week, VCE practicals and revisions, Be a Chemist/Engineer for a Day and Science Road Show. Our Women in Science and Engineering (WISE) group collaborated with Quantum Victoria and Engineers Australia to host several events for female secondary school students to increase awareness in STEM disciplines. Dr Matthew Lamb continued with Victoria University Motorsports (VUM) on the Formula SAE project and associated motor activities and in 2016 hosted 21 students from the University of Technology Malaysia. Foundation Studies (under Skunk Control) produced highly publicised art/science/engineering installations locally and internationally.

COLLEGE OF LAW AND JUSTICE

The College of Law and Justice continues to offer a suite of law degrees including a number of double degrees with the Colleges of Arts and Business. New course offerings for 2016 included degrees in Law/Psychology and Law/Psychological Studies which met predicted College targets.

STUDENT OPPORTUNITY

The College continues to differentiate itself in the marketplace by ensuring that substantial investment is made into the College's clinical legal education programs. These programs are designed to ensure that students graduate with a legal education which also includes diverse practical experience. Our strong connections with the legal profession include: WEstjustice, Victoria Legal Aid, Victoria Police, State

Trustees, Young Workers Victoria, Magistrates Court of Victoria, County Court of Victoria and Supreme Court of Victoria. These partnerships have allowed the College to develop a number of innovative clinical legal education programs which run throughout the year. Students have unique exposure to real clients and real legal issues, immersed in the life of the law at the coalface of the justice system. Guided by expert lawyers, students focus on supporting the legal needs of vulnerable community members, especially in the west of Melbourne.

The College also hosts a number of guest lecturers from the legal profession throughout the teaching periods which provides for Judges and senior practitioners to bring practical and real life experiences into the classroom.

The College continues to successfully host the annual Kirby Moot, now in its sixth year. This very competitive moot competition in 2016 saw 36 teams from 22 universities from across Australia competing for the prestigious 2016 Kirby Moot title. This event goes from strength to strength and is currently the largest moot court competition in Australia. In addition, the Kirby Moot demonstrates VU's strong connections with the legal community. It has strong support from the County Court of Victoria, senior members of the Victorian Bar, various law firms and practical legal training institutions.

COLLEGE OF SPORT AND EXERCISE SCIENCE

2016 was a year of systemising, new course delivery, the implementation of the blended learning project and strong student engagement for the College of Sport and Exercise Science (CSES). The quality improvement cycle within learning and teaching in the College worked very well, with regular planning and staff development sessions, course committees seeking to improve course offerings through vertical and horizontal integration of curriculum and assessment, a focus on improving student engagement, and solutions-

based approaches to operational and student issues. Below are some of 2016's highlights.

- The first year of a three-year, VU-wide Blended Learning project has been successfully implemented in CSES, with all projected units meeting 'blend' targets ready for student uptake in 2017.
- Two new masters degrees (Master of Sport Science [Football Performance] and Master of Sport Business and Integrity) completed a full cycle of course offering and performed strongly in student satisfaction and student enrolments.
- The first year student engagement strategy featured further curriculum embedding of transition pedagogy in all undergraduate programs to enable greater student support and success, as well as a comprehensive orientation program and the tracking and support of students at risk. Retention improvements were noticeable.
- The College performed very well in the Vice-Chancellor's Awards of 2016, with CSES featuring in two categories: Associate Professor Clare Hanlon was awarded for Excellence in Learning and Teaching (Programs that Enhance Learning) and the VU First Year Champions team including Dr Andrew Dawson, Dr Fiona McLachlan and Mr Roger Funk received a VC's citation for Excellence in Learning and Teaching (Programs that Enhance Learning).
- The Deputy Dean of the College (and leader of learning and teaching) Associate Professor Caroline Symons was the recipient of a prestigious international Legacy Award from the Federation of Gay Games (International LGBT sport's governing body) for Social Justice — recognising her leadership, research, advocacy and policy impact in the area of LGBT inclusion in sport in Australia.

VICTORIA POLYTECHNIC

Victoria Polytechnic provides industry-informed qualifications and skills development for current and future workforce needs. Victoria Polytechnic is structured around three delivery centres; Health, Sport and Community services; Trades, Hair and Beauty; and Service Industries and Transition Education. It is supported by specialist business growth, quality and compliance, learning development, governance and administrative functions.

Victoria Polytechnic plays an important role in growing the economic prosperity and social mobility of communities in Melbourne's western metropolitan region. In 2016, Victoria Polytechnic continued to work with a range of industry partners to provide customised training for its staff, such as, Specsavers, Linfox and Western Health. Victoria Polytechnic's students are also given opportunities to develop their knowledge and skills, while gaining valuable industry experience, through industry placements and exposure.

Victoria Polytechnic offers certificate, diplomas and postgraduate level courses and qualifications. The Polytechnic is committed to providing job-ready graduates and pathway options to higher education courses. It offers training across industry sectors, for example; community services, health, sport, trade, business and creative arts.

Trades delivery reflects the University's strong and continuing commitment to the trades sector with programs tailored to industry needs. Victoria Polytechnic's centre for Trades, Hair and Beauty has seen a number of high achieving students in 2016. For example, engineering TAFE student Darren Barnes won a bronze medal in welding at the national WorldSkills competition and a number of hair and beauty students won awards at the Hairdressing and Beauty Industry Association (HBIA) awards, including the top beauty therapy student award.

The Health, Sport and Community Services centre continues to offer in-demand courses through a blended learning model, which allows students the flexibility of when, where and how they wish to study. Enrolments in workforce skill shortage areas such as aged care, personal support, community services and early childhood care continued to grow in 2016. Nursing and paramedics programs remain areas of strong demand. Students undertaking the Diploma of Sport Development were able to pursue coaching and other specialised skills through affiliations with the Western Bulldogs Football Club, Gaze Basketball Academy and Netball Australia.

Victoria Polytechnic has a focus on educational pathways for young people and early school leavers, offering courses including; English as an additional language, literacy and numeracy courses, and learning support through the Service Industries and Transition Education centre. It is also helping long-term unemployed young people complete a Certificate II in Information Technology as part of the Back to Work YouthSpark IT program. Enrolments in the Adult Migrant English Program (AMEP) continued to grow in 2016 at our Sunshine and Werribee Campuses.

The Learning Development team completed the second year of a three-year major renewal of TAFE qualifications through our Blended Learning Project that aims to move all TAFE qualifications to an interactive, blended learning model. Forty-five qualifications have been redesigned thus far, equating to 675 units of competency. The current success of this project was recognised at the Vice-Chancellor's Citations and Awards for 2016.

LEARNING AND TEACHING DATA

HIGHER EDUCATION

STUDENT ENROLMENTS AND LOAD	2014	2015	2016
NUMBER OF STUDENTS – TOTAL	28,160	27,497	27,201
NUMBER OF STUDENTS – CSP, UNDERGRADUATE, DOMESTIC	14,299	14,063	14,224
TOTAL LOAD (EFTSL ¹)	20,067	19,667	19,463
TOTAL LOAD (EFTSL) – CSP, UNDERGRADUATE, DOMESTIC	10,920	10,812	10,938
MAJOR FUNDING GROUP (EFTSL)	2014	2015	2016
AUSTRALIAN FEE PAYING	582	642	655
DOMESTIC TUITION FEE EXEMPT	23	32	32
EXCHANGE	100	103	102
GOVERNMENT FUNDED	12,061	11,917	11,932
INTERNATIONAL OFFSHORE	3,792	3,401	3,156
INTERNATIONAL ONSHORE	2,728	2,614	2,466
INTERNATIONAL VU SYDNEY	437	632	789
NO FUND GROUP	23	27	40
RESEARCH TRAINING PROGRAM	320	300	291
COURSE CATEGORY (EFTSL)	2014	2015	2016
UNDERGRADUATE	15,075	14,911	15,127
POSTGRADUATE COURSEWORK	2,325	2,416	2,267
SUBBACHELOR	1,877	1,520	1,268
RESEARCH	558	521	501
NON AWARD	232	297	301
HOME RESIDENCE — WESTERN MELBOURNE REGION ² (EFTSL)	2014	2015	2016
WESTERN REGIONS	6,401	6,447	6,602
OTHER REGIONS	6,697	6,972	7,297
OVERSEAS	6,729	5,976	5,075
NOT AVAILABLE	240	271	491
CAMPUS LOCATION (EFTSL)	2014	2015	2016
CITY	3,161	3,316	3,228
FOOTSCRAY	9,266	9,048	8,990
ST ALBANS	3,385	3,145	3,102
WERRIBEE	94	85	74
VU SYDNEY	437	632	789
OFFSHORE	3,580	3,228	3,106
OTHER ³	145	212	176
GENDER (EFTSL)	2014	2015	2016
FEMALE	11,037	10,670	10,549
MALE	9,031	8,997	8,914
OTHER	0	0	1

¹ EFTSL = Equivalent Full-time Student Load (eg 8 units over 2 semesters equals 1.0 EFTSL for UG)

² Home postcode information ³ Includes distance venues and online delivery

VOCATIONAL EDUCATION

STUDENT ENROLMENTS AND LOAD	2014	2015	2016
NUMBER OF STUDENTS – TOTAL	18,503	15,854	15,007
TOTAL STUDENT CONTACT HOURS (SCH)	6,941,637	5,861,080	5,477,711
TOTAL LOAD (EFTSL) ¹	9,641	8,140	7,608
MAJOR FUNDING GROUP (EFTSL)	2014	2015	2016
GOVERNMENT FUNDED	5,931	5,269	5,319
FULL FEE-PAYING (DOMESTIC INC VETIS)	457	539	226
INTERNATIONAL (ONSHORE)	688	456	393
INTERNATIONAL (OFFSHORE)	786	662	745
FEE FOR SERVICE	1,779	1,214	925
COURSE CATEGORY (EFTSL)	2014	2015	2016
POSTGRADUATE COURSEWORK	30	37	17
ADVANCED DIPLOMA/DIPLOMA	2,620	2,557	2,324
CERTIFICATE IV	1,276	1,211	1,105
CERTIFICATE III	2,375	1,987	1,841
CERTIFICATE II & I	1,961	1,390	1,347
OTHER ²	1,379	958	974
HOME RESIDENCE — WESTERN MELBOURNE REGION ³	2014	2015	2016
WESTERN REGION	6,630	5,374	5,026
OTHER REGIONS	2,304	2,209	1,903
OVERSEAS	682	526	669
NOT AVAILABLE	25	31	10
CAMPUS LOCATION (EFTSL)	2014	2015	2016
CITY	1,335	1,015	759
FOOTSCRAY	2,255	2,097	1,864
SUNSHINE	2,491	2,139	2,120
ST ALBANS	688	631	730
WERRIBEE	715	763	851
OTHER ⁴	1,495	973	657
OFFSHORE	662	523	627
GENDER (EFTSL)	2014	2015	2016
FEMALE	4,747	4,028	3,954
MALE	4,894	4,112	3,654
OTHER	0	0	1

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

² Includes ELICOS, VCE/VCAL and non-certificate enrolments

³ Home postcode information

⁴ Includes workplace, distance venues and online delivery

2.3 STUDENTS

STUDENT WELCOME

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; ranging from academic advice and enrolment support sessions through to student transition mentors, VU Ready sessions and Orientation events. A dedicated program of international orientation events is segmented by level of study, and supports commencing international students.

ORIENTATION

The Semester 1 2016 Orientation program involved 20 campus events across the eight Victorian VU campuses, taking place over a three-week period. Over 6000 commencing students attended with additional participation by family members at a dedicated Family Information Day, which doubled in numbers this year and welcomed over 600 students and their families. Semester 2 Orientation involved 14 campus events with 1000 students attending. These campus events were complemented by college welcomes, course information sessions, VU Ready workshops and enrolment support.

COMMUNICATIONS

An identified area for improvement from previous years was to produce a suite of clear and consistent communications for commencing students. Key improvements included:

- improved Welcome to VU website resulting in 35,427 hits (28,180 unique)
- 6000 flyers and text messages promoting Step Up Day, Family Information Day and Orientation
- eDM to commencing students for Family Day resulting in 637 registered attendees

- 'Steps to Success' and individual calls to action on Student Service Centre screens and through 30,000 diaries
- on-campus promotion, TV screens and social media
- ongoing social media via Instagram, Facebook and Twitter.

PATHWAYS AND PARTNERSHIPS

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

THE EARLY UNI PATHWAYS PROJECT

In 2016, 43 Year 11 students undertook the ten-week Early Uni Pathways Uni-Link program across two VU campuses, and 36 Year 12 students enrolled in the Uni-Study program, undertaking two first year university units accredited by both VCAA and the University. All 79 students were co-enrolled in school and university programs.

For the first time there was a pilot Year 9 Learning Experience day (EUP Taster) for 18 students from one of the EUP partner schools: Footscray City Secondary College. Students created their own media content involving hands-on use of film cameras and recording equipment in small groups.

Outcomes of the project include:

- successful engagement of the 97 students in university life and university learning
- increased collaboration between school and the tertiary sector, better enabling shared and coherent approaches to student support, through educational transition into the future involving ten LSES secondary schools in successful partnerships with the University
- involvement of the Colleges of Business, Arts, Health and Biomedicine, and Engineering and Science in offering a total of 18 university units to the VCAA for selection by VCE students to count for both VCE and university credit.

INDUSTRY MENTORING PROGRAMS

Industry mentoring programs continue to grow in strength with 113 students taking part in 2016, including 75 undergraduates and 38 postgraduates from a wide range of discipline areas. Out of these, 25% were the first in their family to attend university, 70% reported English as an additional language and 5% reported to receiving financial assistance. The success of the program relies on the great support received from our corporate partners NAB and IBM, whose mentors provide these students with an open and accessible connection to the workplace, giving them invaluable insights into industry and the work environment.

ACADEMIC SUPPORT AND DEVELOPMENT

Academic Support and Development (ASD) comprises Students Supporting Student Learning, college-facing teams for both maths and writing support, which embrace the First Year Champions (discipline academics within each college) and dedicated postgraduate support.

The College-facing teams offer academic support and development through face-to-face and online curriculum initiatives, co-teaching, assessment-focused workshops, pop-up 'one-stop' shops, resource creation and personalised learning approaches, across all undergraduate levels. Key achievements in 2016 include:

- an Australia-Germany grant was received to build a linguistic-focused teaching and research partnership.
- an HEPPP grant was received to investigate post first year academic support
- for postgraduates, Theory Circles have been initiated to build oracy and to precede our very successful Writing Circles
- ASD staff presented and published nationally and internationally on ways of working collaboratively and meaningfully with discipline lecturers and students.

Students Supporting Student Learning provides student mentoring programs that address the diverse academic and social needs of students from all colleges. These are delivered in college spaces as well as from the Learning Commons. Student mentoring at VU has been established as contributing to student academic success and the overall student experience. The role of student mentor is impacting on graduate employability. One pilot program for 2016 has been the use of an online platform to connect offshore Chinese students with VU's Melbourne-based student mentors specifically for exam preparation within the College of Business.

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 470 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 the main focus of Victoria University Foundation's annual fundraising. In 2016 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. Each year philanthropic individuals contribute at least \$5000 to the Chancellor's Centenary Circle to support our Achievement Scholars as well as other scholarship programs.

POSTGRADUATE RESEARCH

In 2016, the University continued its steady growth in the number of new research scholarships offered to graduate research students. Research scholarships are funded through a number of sources: Commonwealth and State Government funding, Victoria University funding, and industry and other external funding. In 2016, the University offered the following new research scholarships:

- Victoria University-funded: 32
- Government (APA/IPRS, Victoria-India): 26
- external: 3

Total value of new research scholarships in 2016: \$1.3665 million*

Total value of new Victoria University-funded research scholarships in 2016: \$633,025*

*Calculated on an annual basis irrespective of start date. One new annual Indigenous Postgraduate Scholarship (the Lisa Belleair Postgraduate Research Scholarship) was awarded for the first time through the University Scholarship Program.

ALUMNI RELATIONS

In the 2016 Centenary Year, there was a strong focus on re-connecting with alumni. The VU Homecoming and Reunion Day on 3 December saw over 500 people including alumni, former staff and their family and friends, gather at Footscray Park Campus for a day of fun, reminiscing and inspiring lighting talks from distinguished VU alumni.

Alumni Relations activities saw our database of alumni grow to over 220,000 people, with an increase of over 8% of those alumni contactable by email. We managed/supported over 50 alumni events across Australia and overseas, with major Centenary celebrations in Melbourne, Sydney, China, Malaysia and Vietnam. Social media alumni networks and discussion channels continued to grow to over 8,000 people in alumni communities alone, with over 60,000 more people joining via VU corporate channels.

The 2016 Alumni Award showcased outstanding achievements of VU alumni across the globe. Recipients this year were:

- Distinguished Alumni Award
— Tan Sri Dr Jeffrey Cheah AO
- Outstanding Leadership Alumni Award
— Mr Paul Booth
- Outstanding Service Alumni Award
— Mr Nasir Sobhani
- Young Achiever Alumni Award
— Mr Christian Williams
- Outstanding Student Alumni Award
— Dr Ancy Ramasamy, Mr James Sorensen.

VALEDICTORIANS

The following table shows graduate valedictorians during 2016, selected for their outstanding achievements and commitment to their studies.

COLLEGE	STUDENT NAME	COURSE
Arts	Shelly Hewson	Bachelor of Social Work
	Jane Bateson	Master of International Community Development
Business	Tanya Monga	Bachelor of Business
	Blake Dutta	Bachelor of Business
	Jessica Town	Master of Business Administration
	Annie Stevens	Bachelor of Business
	Zhang Tianyu	Bachelor of Business
	Lee Yan Ong	Bachelor of Business (Accounting, Banking and Finance)
Education	Julie Anne Aquilina	Bachelor of Education
	Naomi Dempsey	Master of Education
Engineering and Science	Katrina Thomas	Bachelor of Science
	Lee Prosser	Bachelor of Engineering (Electrical and Electronic Engineering)
Health and Biomedicine	Hodha Issa	Bachelor of Science (Biomedical Science)
	Ramona Fisher	Bachelor of Midwifery
Law and Justice	Lia Barberio	Bachelor of Laws
	Ante Sentic	Bachelor of Laws
Sport and Exercise Science	Clarissa Valkovic	Bachelor of Applied Science (Physical Education, Secondary)
	Anique Muttiah	Bachelor of Exercise Science and Human Movement and Bachelor of Psychological Studies
Victoria Polytechnic	Charlene Pereira	Graduate Certificate in Management

MEDALLISTS

The following table shows the outstanding student medallists in various categories for 2016.

COLLEGE	MEDALIST	CATEGORY	COURSE
Arts	Wayne Stellini	Medal of Excellence in Honours	Bachelor of Creative Arts (Honours)
	Caitlin Whyte	Medal of Excellence in Postgraduate Studies	Master of International Community Development
	Laura Rovetto	Medal of Excellence in Honours	Bachelor of Arts Honours
Business	Nella Sri Hendriyetty	Medal of Excellence in Research	Doctor of Philosophy
Education	Fotini Musumeci	Medal of Excellence in Undergraduate Studies	Bachelor of Education
	Nafisa Nisha Sanim	Medal of Excellence in Undergraduate Studies	Bachelor of Education
	Kristen Roberts	Medal of Excellence in Postgraduate Studies	Graduate Diploma in Early Childhood Teaching
Engineering and Science	Julian Butschek	Medal of Excellence in Undergraduate Studies	Bachelor of Science
	Lee Prosser	Medal of Excellence in Undergraduate Studies	Bachelor of Engineering with first class honours
Health and Biomedicine	Alejandro Jose	Medal of Excellence in Undergraduate Studies	Bachelor of Health Science (Paramedic)
	Andrew Charalambous	Medal of Excellence in Postgraduate Studies	Master of Health Science (Osteopathy)
	Jack Feehan	Medal of Excellence in Undergraduate Studies	Bachelor of Clinical Science
Law and Justice	Kirsty Wilson	Medal of Excellence in Honours	Bachelor of Laws (Graduate Entry)
	Danielle Helebrant	Medal of Excellence in Undergraduate Studies	Bachelor of Laws (with Honours) and the Bachelor of Arts
Sport and Exercise Science	Clarissa Valkovic	Medal of Excellence in Undergraduate Studies	Bachelor of Applied Science (Physical Education, Secondary)
	Anique Muttiah	Medal of Excellence in Undergraduate Studies	Bachelor of Exercise Science and Human Movement and the Bachelor of Psychological Studies
Victoria Polytechnic	Stacey Goodes	Medal of Excellence in Vocational Education	Diploma of Nursing
	Savitri Devi	Medal of Excellence in Vocational Education	Diploma of Early Childhood Education and Care

2.4 INDUSTRY AND COMMUNITY

LEARNING LINKS

VU is continuing its agenda to provide tertiary opportunities for people living in communities in the north and west of Melbourne through its Learning Link sites. These technology-mediated classrooms are generally operated in conjunction with local governments, frequently using council-run centres such as libraries and learning centres. The University is offering courses through Learning Link sites in Broadmeadows, Sunbury and Melton, as a method of ensuring pathways into vocational and higher education for students who might otherwise find it challenging to participate in tertiary study.

SKILLS AND JOBS CENTRES

Victoria Polytechnic has opened three Skills in Jobs Centres in 2016 funded by the State Government.

Centres are located at Melton, Sunshine and MetroWest. Our Sunshine Skills and Jobs Centre was nominated as a centre to support the staff affected with closure of automotive manufacturing. We are currently working with Toyota, Ford and Holden to assist workers to retrain or reskill and find employment.

FOOTSCRAY UNIVERSITY TOWN

The end of 2016 marks three years since Victoria University and Maribyrnong City Council signed their 10 year partnership agreement to foster the development of Footscray as a university town. Footscray University Town (FUT) initiative is working to build on the strengths of both the city and the University to generate benefits for VU staff and students and a vibrant future for communities in our home region of Footscray. Education, jobs, creativity and opportunity are an important underpinning to a vibrant, revitalised Footscray.

VU at MetroWest, as the flagship for the FUT initiative has been operating for two years. In 2016, VU at MetroWest strengthened its role in providing a creative, dynamic, community and university resource, and a welcoming front door to Victoria University. The venue in central Footscray provides spaces for meetings, exhibitions and events, the Victoria Polytechnic Skills and Jobs Centre, hot desks and a community kitchen, pop-up retail for emerging artists and start-ups, a psychology practice clinic, a graphic design studio and the Hanger business start-up generator. Since December 2014, more than 55,000 people have visited VU at MetroWest and over 800 meetings and events have been held.

FUT activities in 2016 included the below highlights.

- BluScray — a program of arts and cultural projects in central Footscray to celebrate VU's Centenary with the community. BluScray projects included the Picturing BluScray photography exhibition, the States of Blue projection festival, the Threads of Footscray community textile creation, the Corps in Situ in Footscray paste ups in unexpected places, street art on power company boxes, message in a cup and adding a touch of blue lighting and decoration to local streets. Almost 1500 artists, businesses, community participants and event attendees directly participated in BluScray and it was estimated that more than 2000 visited Footscray to engage with art in unexpected places. The Picturing BluScray photography exhibition was a particular success, attracting 218 entries from community members and VU students with top entries being exhibited at Highpoint shopping centre

- Nine Game Changer Conversations, held in partnership with Maribyrnong City Council, attracted approximately 950 people to VU at MetroWest with highlights including chief scientist Alan Finkel in conversation with renowned finance journalist Alan Kohler. Kate Dundas from 3RRR invited guest panellists to pitch ideas for their climate future and Adrian Basso, General manager of 3PBS chaired an industry panel on how to be heard in the local music scene. Five women captured their visions for a more gender equal society in a photograph and local artist Heather Horrocks chatted to Victoria's Commissioner for Senior Victorians, Gerard Mansour, about the attributes of an age friendly city
- FUT strengthened partnerships with major event and cultural producers including the Melbourne Jazz Festival, Multicultural Arts Victoria (Emerge in the West Festival) and the School of Life (Think West Festival). VU at MetroWest hosted 16 events over two weeks as part of the inaugural ThinkWest Festival including the Warren Kirk's Westography photographic exhibition launched by actor and writer William McInnes
- Awareness of Footscray University Town initiative across the City of Maribyrnong increased on the year from 2014 to 2015 from fewer than 14% to just over 24% in the Maribyrnong City Council 2015 annual community survey. Those who were aware of the initiative saw the benefits as being local employment and education opportunities, followed by contributing to a more creative and vibrant community
- The Creating a Welcome craft markets held at VU at MetroWest attracted visitors from across Melbourne and raised over \$9000 for the Asylum Seeker Resource Centre
- A Footscray Pop-Up School held in Madderly Square in Footscray in conjunction with the Public Pedagogies Institute

- Maribyrnong City Council's investments in revitalising central Footscray included construction of a new stairway leading from Mills Close at Victoria University into Footscray Park and improvements to parking and the landscape in Maribyrnong Boulevard along the Maribyrnong river edge; free public WiFi installed in Nicholson Street and the opening of the Saigon Welcome Arch in Leeds Street as a tribute to the contribution of the Vietnamese community to Footscray. Work is underway on a new plaza, shops and car park in the little Saigon retail precinct and Nicholson Street Mall is being refurbished
- Maribyrnong City Council worked with VU Sports to ensure a great experience for student athletes from across Australia, participating in the Southern University Games hosted by VU
- The inaugural Footscray Art Prize in partnership with VU Centenary, Maribyrnong City Council, Footscray Community Arts Centre and the Rotary Club of Footscray. The Prize opened in December 2016 and is expected to attract entries from across Australia and locally, building Footscray's reputation as a vibrant, creative hub.

The FUT team continues to work with Maribyrnong City Council to align efforts and investment in the revitalisation of Footscray as a university town. Over 90% of the projects identified in the first phase of the initiative have been completed or are in progress. The partners have recently developed a new forward program for the next phase of FUT, 2017 to 2020. The priorities for the next three years include initiatives to improve sustainability and opportunities for cycling and walking between the two VU campuses in central Footscray; building greater awareness and engagement with employers to create more opportunities for work integrated learning and graduate jobs for students, ways of collaborating and sharing the knowledge and resources of the University to find solutions to local problems and programs to promote an active and healthy community.

V4U Day is an annual, one-day volunteer event held by the Victoria University Student Life department. Approximately 350 students, staff and alumni volunteered across 30 community organisations with Footscray and surrounding suburbs. Since its first event in 2010, over 6900 hours have been contributed by volunteers to community organisations, including Foodbank Victoria, Sunshine Primary School, Melbourne Museum of Printing, Western Hospital and annecto David House. This equates to \$234K in volunteer time contributed.

WYNDHAM TECH SCHOOL

Wyndham Tech School is one of ten high tech centres being developed around the state under a key Victorian Government education policy initiative. Situated at the Werribee Campus of VU, Wyndham Tech School will work with 18 partner schools across Wyndham to inspire some 12,000 secondary school students to be successful social participants by growing their capabilities for the changing world of opportunities.

The Tech School will expose students to state-of-the-art technology, stimulate student engagement in STEM and build a mindset of creativity and innovation required for a future world of work. The school will inspire a community of transformative practice, driving a collaborative culture whereby students, educators, industry and community work together to prepare students for the changing world of opportunities, with links and clear pathways to growing industries.

Victoria University has engaged Gray Puksand to commence the planning of the new Tech School building, which is in its schematic design phase, due to open mid-2018.

ENGAGEMENT AND ENTREPRENEURSHIP EDUCATION

Victoria University's Industry, Community and Sport Engagement (ICSE) transitioned to Engagement and Entrepreneurship Education in 2016 under the leadership of Professor Michelle Towstoles (Pro Vice-Chancellor, Engagement and Entrepreneurship Education). The portfolio is home to the University's Engagement Database (or CRM) which contains over 2000 contacts. With the knowledge developed by staff over many years along with the knowledge contained in the database, the area is well equipped to assist staff and students as well as industry, community and government with creating and delivering engagement opportunities for mutual benefit. In addition to this, the portfolio has had responsibility for the University's relationship with Timor-Leste as well as the Interprofessional Education Program and the Southern University Games in partnership with Maribyrnong City Council in 2016.

TIMOR-LESTE GOVERNMENT INTERNSHIP PROGRAM

In November, VU partnered with the Victorian Government's Department of Premier and Cabinet in a DFAT-funded fellowship program that hosted four Timor-Leste Government fellows from the Secretariat of State for Vocational Training Policy and Employment and the National Labour Force Development Institute. They were keen to advance their understanding of Victoria's Vocational and Education Training system, focusing on gender and disability inclusion in training and youth pathways to employment. The fellows met representatives from our own Victoria Polytechnic, as well as various government departments and agencies including the Victorian Registration and Qualifications Authority (VRQA).

INTERPROFESSIONAL EDUCATION PROGRAM

Victoria University was awarded funding under the Structural Adjustment Fund (SAF) for a program of work entitled: 'Interprofessional Education in Health: Class, Clinic and Career'. Over a five year period the University has worked with key stakeholders and the community to bring to fruition a world-class, purpose-built clinical facility with associated curriculum. In its development regional workshops were held to explore issues and generate a shared understanding of the opportunities and challenges associated with interprofessional education and practice. In planning for clinic operations, frameworks were established for clinical governance and consumer partnership as well as guidelines for quality and safety. These were intended to reinforce systems and processes to ensure the safety of the consumer and carer while providing a culture and environment of continuous improvement.

The service model developed three separate but interrelated streams, involving both individual and group health and wellbeing services. To support the service model a centralised client management system was implemented across VU clinics to: improve privacy and security of client data; provide accurate, up-to-date, and complete information about clients at the point of care; and assure error minimisation and the provision of safer care.

The design of the Werribee clinic took inspiration from the local environment and in particular the Werribee Gorge. In its conception it focused on: client quality of care and experience; immersion in the interprofessional environment; and adherence to professional accreditation standards of the participating health disciplines. Many of the spaces within the clinic took on unique design elements that were critical to the central philosophy underpinning their intended use. Clinic infrastructure at existing sites was upgraded at the Footscray Park, St Albans, MetroWest and City Flinders Street (incorporating the Victoria University Clinical Exercise Rehabilitation clinic) campuses to accommodate a more contemporary clinical experience for students, staff and clients.

A research framework was developed to build capacity for the evaluation of interprofessional practice and develop a common language and standardised metrics to enable measurement of effectiveness.

SOUTHERN UNIVERSITY GAMES

In 2016 Victoria University hosted the Southern University Games (SUG) in partnership with Maribyrnong City Council. More than 2000 student athletes and support staff from 13 universities across Victoria, South Australia and Tasmania gathered at VU and venues throughout the Footscray region. In a fantastic week of competition and excitement on campus, VU — represented by 220 student competitors and officials — was awarded with the Spirit of the Games trophy (one of three peak awards), finished third in the Per Capita Championship and fourth overall.

The camaraderie and sportsmanship displayed within the VU family, with Australian University Sport staff and volunteers, and in competition, clearly made VU worthy recipients of the Spirit of the Games Award — graciously accepted by VU Team Captain Linley Bertacchini and Sports Officer Wade Spencer. This is the third time VU has taken out the SUG Spirit of the Games Award (2008, 2013, 2016) since its inception in 2007.

2.5 RESEARCH

Victoria University focuses on applied and translational research in the two flagship areas of *Advancing Sport, Health and Active Living* and *Enabling Sustainable, Liveable, Creative and Smart 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.

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 2016, 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.

RESEARCH CENTRES AND INSTITUTES

The University has six institutes and six research centres. They are a key vehicle used by the University to coordinate research activities, instil a robust research culture, and leverage and build areas of research strength.

The six institutes are:

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

The research centres are:

- Centre for Applied Informatics
- Centre for Chronic Disease Prevention and Management
- Centre for Cultural Diversity and Wellbeing (CCDW)
- Centre for Environmental Safety and Risk Engineering
- Centre for International Research on Education Systems (CIREs)
- Centre of Policy Studies.

RESEARCH INCOME

The latest Higher Education Research Data Collection (HERDC) shows that University research income (excluding Higher Degree by Research fees) grew by 16.9% in 2015 to reach \$15.5 million with VU maintaining its ranking at 28 by research income among all universities in Australia (on both 'total' and 'minus HDR fee' measures of research income). The improved performance is most significantly due to a 57% increase in Category 3 (Industry and Other Research) income as well as improved performance in Category 4 (Cooperative Research Centre) income as funding continues to derive from projects supported through the \$130 million Bushfire and Natural Hazards Co-operative Research Centre.

In 2016, a number of key research funding achievements were made, including:

- Professor Michele Grossman, Director of CCDW, was awarded a highly prestigious UK Economic and Social Research Council – Centre for Research and Evidence on Security Threats grant (\$215,000) to replicate and expand her original 2015 Australian study on violent extremism in the British context. The project *Community reporting thresholds: sharing information with authorities concerning violent extremist activity and involvement in foreign conflict:*

a UK replication study is being conducted in partnership with the University of Huddersfield.

- Professor Grossman and Dr Mario Peucker also secured \$303,000 from the Commonwealth Attorney-General's Department to map national service provider capacity and willingness to offer intervention and support for youth at risk of radicalising to violence, partnering with the Australian Multicultural Foundation to build on earlier work conducted by CCDW within Victoria.
- Professor Stephen Lamb, Director of CIREs, secured two large research contracts from the Victorian Department of Education and Training in connection with the Registered Training Organisation Performance Indicator Program (\$1.3 million). CIREs also secured a \$247,000 grant from the Vincent Fairfax Family Foundation to evaluate the Fair Education Program which aims to develop school leadership and increase family and community engagement in disadvantaged schools across New South Wales.
- ISEAL researchers, led by Associate Professor Rob Aughey, won a major bid with FIFA (the Federation Internationale de Football Association) to develop standards for player tracking technologies in football, which will be applied to the testing of a number of existing systems.
- Professor Mikel Duke obtained an ARC Discovery Grant worth \$239,000 for the project 'Overcoming performance limiting chemistries in membrane distillation'; which will be undertaken in collaboration with Nanyang Technological University, Singapore.
- Professor Gary Foley from the Moondani Balluk Aboriginal and Torres Strait Islander Academic Unit received an ARC Linkage, Infrastructure, Equipment and Facilities (LIEF) grant to the value of \$475,000 to support The Aboriginal History Archive project.

- The Dennis Family Corporation contributed an additional \$226,149 to Dr Randall Robinson and Dr Deborah Reynolds' project on the conservation, propagation and reestablishment of the Endangered Spiny Rice Flower, a vital species to the ecology of Victoria's grasslands.
- VISES secured \$480,000 over three years from the Bushfire and National Hazards Cooperative Research Centre (BNHCRC) for the 'Building Strength and Capability through Diversity' project aimed at improving the cultural diversity performance of the Country Fire Authority.

RESEARCH PUBLICATIONS

The quality of the University's research publications output continues to rise as a result of a concerted policy to effect this outcome. Most recent SCImago data indicates the number of journal publications in the high quality Q1 band make up 63.7% of all journal outputs. This represents an 8% increase on the previous year which is more than double the proportion published in the Q1 band only five years ago.

The quality of the University's research outputs was also evidenced by a literary scholarship award to VU researcher Dr Tony Birch (Bruce McGuinness Indigenous Postdoctoral Research Fellow), who was awarded the Victorian Premier's Literary Award for Indigenous Writing 2016 for his novel *Ghost River*, and; a 2016 Society of Professors of Education Outstanding Book Award to Dr Jeanne Iorio for *Rethinking Readiness in Early Childhood Education* (co-edited with Will Parnell).

GRADUATE RESEARCH

VU continued to perform strongly in graduate research. In 2016, VU had its largest number of completions ever recorded. The 126 completions included 100 students completing a Doctor of Philosophy degree, 18 Professional Doctorate degree completions, and eight Masters by Research students.

Further major achievements in graduate research and research training include the launch of a new doctoral course initiative and alternative pathway PhD program. The PhD (Integrated program) targets experienced professionals with limited formal research training. This program attracted 31 (enrolled) students in its first year. In addition, continued improvements in the quality of student theses were achieved, an outcome of carefully designed strategies to support both recruitment of quality students and incentivise quality output; the development and launch of an online Graduate Researcher Toolkit providing information on VU graduate research degrees and processes, a researcher development planning space, and a point of connection to other students and events. These initiatives were funded by the University Strategic fund. Finally, the celebration of 25 years of doctoral research at VU as part of the University's program of Centenary events was a great success.

RESEARCH SUPPORT AND CAPABILITY DEVELOPMENT

In 2016, the University streamlined its programs in support of research capability and development to optimise impact on researcher productivity in terms of either external funding or publications. Programs include:

- VU Industry Postdoctoral Fellowship Scheme — provides appointments of three to four years and aims to encourage the development of strong, active research collaboration between VU and industry partners. One postdoctoral fellow was appointed in 2016
- VU Research Infrastructure Grant — provides funding for research infrastructure with a strong preference for creating facilities that will provide cross-college benefits. In 2016, six bids were supported for a total of \$838,885

- VU Out of Cycle Collaborative Grant — provides matching (50:50) seed funding up to \$20,000 for a 12-month project that establishes collaboration with new partners and aims to develop an ARC-Linkage application following completion of the pilot project. In 2016, five projects were supported
- VU Postdoctoral Fellowships Scheme — provides opportunities for outstanding early career researchers seeking to commence their academic career. Two fellowships were awarded in 2016
- VU Parental Leave Research Grant Fund — provides funding to academics that have had a career interruption related to parental responsibilities to assist them to restart their academic career and build track record. In 2016, one application was supported.

RECOGNITION AND ACHIEVEMENTS

The University received a number of accolades and recognition for its research in 2016. Some of the more prominent are listed below.

- The University entered the *Times Higher Education* World University Rankings for the first time in 2016, ranking in the Top 400 universities worldwide, placing VU in the top 2% of universities in the world. Research contributed to approximately 70% of the ranking scores.
- Professor Stephen Gray (Director, ISI) became the Vice President of the Asean Membrane Society (AMS), the first time an Australian has held this position, and was also appointed as an advisor to Ngee Ann Polytechnic, Singapore's membrane research and translation program.
- ISI executed licences with Activated Water Technologies and Pinches Industries to commercially advance and exploit novel membrane distillation research and technology, such as enabling the early detection of cyanobacteria blooms, the deammonification of sewage, and treatment of high salt streams.

2.5 RESEARCH

- ISI has also licensed magnetic particle technology to Phillip Island Nature Park to help with fast response cleaning of oiled wildlife.
- ISEAL executed a licence with Global Bridge in Japan to exploit ISEAL's innovative insole technology in Japan and other countries. Global Bridge is now negotiating large scale manufacturing and distributing channels in Asia.
- Mitchell Institute's Director, Dr Sara Glover, and the Victoria Institute's Professor Peter Noonan were appointed to Ministerial Expert Panels to provide advice on improving education systems.
- Dr Vivian Gerrand, Research Fellow in the CCDW, was awarded a highly prestigious Max Weber Postdoctoral Research Fellowship at the European University Institute in Florence, Italy to conduct an innovative project on image making and representation in countering violent extremism.
- Professor Michele Grossman, Director of CCDW, was selected as the leading Australian expert on building community resilience to violent extremism for three multi-lateral Australian government initiatives in 2016:
 - At the six-nation Asia-Pacific Counter-Narrative Database Workshop (March, Indonesia)
 - At a two-week expert speaking tour to Nigeria, Kenya and South Africa involving a series of university, government and civil society meetings and lectures
 - Delivered an expert presentations at the KAS-ASPI second Australia-Europe Counter-Terrorism Dialogue (November).

2.6 INTERNATIONAL

In 2016 Victoria University once again carried out a broad range of activities as part of its ongoing strategic commitment to international engagement. This university-wide responsibility was given direction through the International Engagement Strategy (2012-16), and centrally coordinated through Victoria University International and VU College. In 2016, the Vice-President, International continued to provide overall institutional leadership

Our Centenary year provided an excellent platform from which to celebrate current successes and build new opportunities. Most notably in May we were joined in Melbourne by our international partner university presidents and senior diplomats for our Centenary gala dinner and a VU International Engagement conference.

Our overall international success was externally recognised this year with the announcement of our top 400 positioning in the globally-recognised *Times Higher Education World University* — placing us in the top 2% of universities in the world.

INTERNATIONAL STUDENTS

In 2016, over 5000 international students studied in Melbourne and Sydney in more than 150 courses. These ranged from English language courses through to certificates, diplomas, bachelor degrees, master degrees and PhDs. Our onshore international students once again made a major contribution to the institution's academic output, financial health and cultural diversity. As with previous years, students from India and China represent the most significant student groups, within a total mix of over 80 nationalities.

Growth in 2016 of new onshore international students remained weak, for the second year running, primarily due to tightened student visa settings in key source countries/regions. We invested in a number of priority growth initiatives this year to diversify and grow international student commencements over the coming years. Highlights include the appointment of a new International Director, in-country staff,

greater digital marketing capability and an enhanced agent management approach.

Offshore, we continued to deliver courses to more than 6500 international students through long-established partnerships with institutions in China, Malaysia, Singapore and Vietnam. This continued to deliver reputational and financial benefits, especially from the flow of students from offshore to onshore programs. More than 500 Business students graduated at VU ceremonies in Malaysia and in Beijing in July, and both events were accompanied by VU Centenary celebration dinners attended by hundreds of VU alumni.

At an individual student level, our international students and alumni continued to shine in 2016, gaining recognition in a range of contexts. These included Kashif Bouns, a recent VU MBA graduate who won the Victorian Government's prestigious International Alumnus of the Year Award.

INTERNATIONAL PARTNERSHIPS

At the heart of our international engagement strategy is an ongoing commitment to developing and maintaining high value partnerships.

In Beijing, we opened a new Joint Research Centre in partnership with the Central University of Finance and Economics, while our newly launched Confucius Institute got off to a flying start through its ground-breaking China Study Tour for Australian University Student Leaders.

We extended our long-established successful transnational education partnership with Henan University into Bachelor degree level, and established an exciting new relationship and program in Sri Lanka with the National School of Business Management.

We worked with governments and institutions around the world on a range of initiatives. Highlights include advising India State Governments on Sporting Systems development, hosting the Australian Federal Trade Minister's delegation at Liaoning University as part of *Australia*

Week in China and developing a number of overseas government Scholarship arrangements, including in Indonesia, Vietnam and China.

Showcasing VU and our capability to the right international audiences is an ongoing priority. We welcomed senior delegations of foreign government ministers and bureaucrats, university presidents and their staff from all over the world, and especially Asia. In April, we brought over 30 student mobility partners to VU as part of the high profile Asia-Pacific International Education Conference in Melbourne, and later in the year hosted a large group of recruitment agents on an intensive training week.

VICTORIA UNIVERSITY SYDNEY

VU has delivered higher education courses to international students in Sydney since 2008 through a partnership arrangement with the Education Centre of Australia. 2016 saw VU Sydney continue to grow above its budget target, and in 2016 we have focused on equipping the operation to grow further in the context of a 2016-2020 growth plan. The VU Sydney Campus Principal and Director departed in October 2016 and we expect to have a successor in place in early 2017.

STUDENT MOBILITY PROGRAMS

In 2016, VU again won a significant amount of competitive government grants to support its own students spending time overseas through an exchange program, short program, study tour or internship. Programs were highly varied in focus and format but, increasingly, the University's students participated in mobility programs located in Asia, a key strategic focus for the University.

2.7 PEOPLE

In 2016 Victoria University launched the Towards Success program, which focuses on improving student attraction, retention and experience; productivity; rebalancing the ratio of academic to professional staff; simplifying processes used across the University, and achieving the financial outcomes required for future success.

To support the goals of the Strategic Plan 2016-2020, five capabilities have been developed to replace our previous values. These are:

- 1 deliver excellence
- 2 engage
- 3 collaborate and partner
- 4 innovate
- 5 lead.

KEY PROJECTS AND INITIATIVES

'YOUR VOICE' WORKING GROUPS

Two cross-functional working groups were established during 2016 to address issues highlighted in the 2015 Your Voice staff survey. One group focused on addressing cooperation and communication. The second group focused on innovation and change. Both groups produced an action plan endorsed by the relevant Senior Executive Group sponsor.

EMPLOYEE ENGAGEMENT AND EMPLOYEE RELATIONS

A comprehensive review of VU's approach to employee engagement and employee relations was undertaken and one component identified the need for a revised People and Culture structure which has now been implemented.

LEADERSHIP DEVELOPMENT

A new leadership development framework has been developed and the first of a series of development activities has been launched. The focus has been on developing the leadership skills of Executives and Senior Leaders, and Managers Supervisors and staff in performance and development conversations.

VU DEVELOP HUB

Development opportunities from across VU have been consolidated into one system called the VU Develop Hub. This allows Managers and staff to identify the appropriate development activities required, particularly those that can be done on the job.

GENDER EQUITY

A Gender Equity Committee has been formed to oversee progress for VU to achieve the Workplace Gender Equality Agency (WGEA) citation as an Employer of Choice.

RESPECT AND RESPONSIBILITY

A cross-functional Respect and Responsibility working group was formed to address the issue of sexual assault that became prominent as a result of the screening of documentary film The Hunting Ground. The focus is on addressing the issue of Domestic Violence for students and staff and culminated in a launch of the 10-point plan in August by the Vice-Chancellor.

DIVERSITY AND INCLUSION

Victoria University is committed to supporting and developing a diverse staff and student population. A number of initiatives continued during 2016, with the aim of creating an inclusive work and study environment free from discrimination and harassment. These included:

- celebrating International Women's Day in March
- acknowledging the International Day for the Elimination of Violence Against Women on 25 November. The Vice-Chancellor stated publicly that he had taken the 'White Ribbon Oath'. A keynote address was provided by Luke Cornelius to the University community.

OCCUPATIONAL HEALTH AND SAFETY

The University continues to focus on improving occupational health, safety and wellbeing.

Pleasingly, our workers' compensation performance has continued to improve, with fewer claims and lower costs. Key activities completed, continued or commenced in 2016 were:

- improved incident reporting and investigation
- safety leadership training for leaders
- completion/development of online modules to address issues such as:
 - gas cylinder safety
 - OHS awareness
 - emergency training for building occupants
 - chemical safety
 - risk management
 - office safety
 - occupational violence
- mental health and wellbeing initiatives.

OHS PERFORMANCE INDICATORS

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

WorkCover premium for 2016/17 resulted in a reduction of over 11% on the previous year. The reduction in premium is based on good claims performance in the 2015 year.

Claims lodged frequency has risen slightly from last year from 19 – 24. Some variation year to year is to be expected.

WORKFORCE DATA

TABLE 1: WORKFORCE DATA AS AT 31 DECEMBER 2016

	HEADCOUNT			EQUIVALENT FULL TIME (EFT)		
	FEMALE	MALE	TOTALS	FEMALE	MALE	TOTALS
ACADEMIC STAFF						
ONGOING/CONTINUING	211	272	483	193.78	258.35	452.13
CONTRACT/FIXED TERM	97	101	198	75.71	77.69	153.40
SUBTOTALS	308	373	681	269.49	336.04	605.53
PROFESSIONAL STAFF						
ONGOING/CONTINUING	563	277	840	523.04	272.47	795.51
CONTRACT/FIXED TERM	135	50	185	115.77	46.66	162.43
SUBTOTALS	698	327	1025	638.81	319.13	957.94
VET TEACHING STAFF						
ONGOING/CONTINUING	124	89	213	101.20	84.12	185.32
CONTRACT/FIXED TERM	36	22	58	27.85	19.30	47.15
SUBTOTALS	160	111	271	129.05	103.42	232.47
SENIOR MANAGEMENT						
ONGOING/CONTINUING	0	0	0	0.00	0.00	0.00
CONTRACT/FIXED TERM	3	10	13	3.00	10.00	13.00
SUBTOTALS	3	10	13	3.00	10.00	13.00
ALL STAFF						
ONGOING/CONTINUING	898	638	1536	818.01	614.94	1432.95
CONTRACT/FIXED TERM	271	183	454	222.34	153.65	375.99
GRAND TOTALS	1169	821	1990	1040.35	768.59	1808.94

Note:

Data extracted 3 January 2017.

Staff occupying multiple jobs at 31 December have been counted for each individual job within the headcount figures. There were 67 staff who held multiple jobs as at 31 December 2016.

TABLE 2: WORKFORCE TRENDS 2014-2016 BY EMPLOYMENT CATEGORY - HEADCOUNT AND EFT

HEADCOUNT AND EFT		2014	2015	2016
ACADEMIC STAFF	HEADCOUNT	689	723	681
	EFT	626.27	652.18	605.53
PROFESSIONAL STAFF	HEADCOUNT	1,139	987	1,025
	EFT	1,054.22	914.08	957.94
VET TEACHING STAFF	HEADCOUNT	318	296	271
	EFT	268.73	254.80	232.47
SENIOR MANAGEMENT	HEADCOUNT	17	13	13
	EFT	17.00	13.00	13.00
TOTALS	HEADCOUNT	2,163	2,019	1,990
	EFT	1,966.22	1,834.06	1,808.94

Note:

Data was extracted on 3 January 2017

Staff occupying multiple jobs at 31 December have been counted for each individual job within the head count figures. There were 67 staff who held multiple jobs as at 31 December 2016

TABLE 3: WORKFORCE TRENDS 2014-2016 BY EMPLOYMENT CATEGORY AND EMPLOYMENT TYPE - HEADCOUNT

HEADCOUNT ONLY		2014	2015	2016
ACADEMIC STAFF	ONGOING/CONTINUING	463	502	483
	CONTRACT/FIXED TERM	226	221	198
PROFESSIONAL STAFF	ONGOING/CONTINUING	949	821	840
	CONTRACT/FIXED TERM	190	166	185
VET TEACHING STAFF	ONGOING/CONTINUING	264	242	213
	CONTRACT/FIXED TERM	54	54	58
SENIOR MANAGEMENT	ONGOING/CONTINUING	2	1	0
	CONTRACT/FIXED TERM	15	12	13
TOTALS	ONGOING/CONTINUING	1,678	1,566	1,536
	CONTRACT/FIXED TERM	485	453	454
ALL STAFF		2,163	2,019	1,990

Note:

Data was extracted on 3 January 2017

Staff occupying multiple jobs at 31 December have been counted for each individual job within the head count figures. There were 67 staff who held multiple jobs as at 31 December 2016. In comparing the difference in workforce data from 2015 to 2016 Annual report submissions, there was reduction in headcount of 29 staff. More specifically, 41% of this reduction occurred through natural attrition and 30% occurred through the cessation of fixed term appointments. The remainder (17%) of this reduction occurred through redundancies.

TABLE 4: WORKFORCE BY EMPLOYMENT CLASSIFICATION AND GENDER AS AT 31 DECEMBER 2016 (EXCLUDING CASUAL STAFF)

EMPLOYEE CLASSIFICATION	NO. OF WOMEN	NO. OF MEN
ACADEMIC STAFF		
LEVEL A	53	43
LEVEL B	128	120
LEVEL C	79	87
LEVEL D	20	51
LEVEL E	28	72
TOTAL	308	373

PROFESSIONAL STAFF		
HEW 1-5	206	70
HEW 6	154	62
HEW 7	152	64
HEW 8	94	48
HEW 9	55	43
HEW 10	13	15
HEW 10+	24	25
TOTAL	698	327

VET TEACHING STAFF		
TEACHER	132	101
SENIOR EDUCATOR 1	7	3
SENIOR EDUCATOR 2	7	2
SENIOR EDUCATOR 3	11	5
HEAD OF SCHOOL / OTHER	3	0
TOTAL	160	111

SENIOR MANAGEMENT		
EXECUTIVES	3	10
GRAND TOTALS	1,169	821

Note:

Data was extracted on 3 January 2017

Staff occupying multiple jobs at 31 December have been counted for each individual job within the head count figures. There were 67 staff who held multiple jobs as at 31 December 2016

3 UNIVERSITY GOVERNANCE

3.1 OBJECTIVES

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

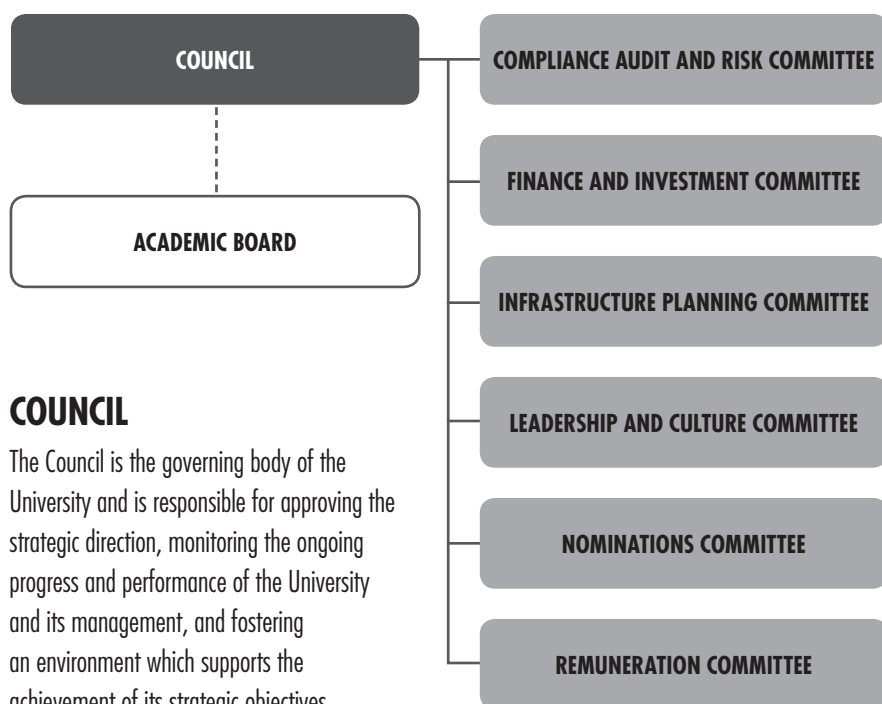
The objectives of the University as provided by Section 5 of the Act are:

- 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 by the University
- to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the 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
 - II safeguarding the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- to provide programs and services in a way that reflects principles of equity and social justice
- to confer degrees and grant diplomas, certificates, licences and other awards
- to utilise or exploit its expertise and resources, whether commercially or otherwise
- to develop and provide educational, cultural, professional, technical and vocational services, and, in particular, to foster participation in post-secondary education for people living or working in the western metropolitan region of Melbourne.

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

3.2 GOVERNANCE OVERVIEW

STRUCTURE



COUNCIL

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

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

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

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

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

The table below details the number of times that Council and its standing committees met during 2016:

TABLE 1: COUNCIL AND STANDING COMMITTEE MEETINGS

	MEETINGS	EXTRA-ORDINARY MEETINGS	RETREATS	RESOLUTIONS WITHOUT MEETINGS OF COUNCIL
COUNCIL	8	-	1	1
COMPLIANCE, AUDIT AND RISK COMMITTEE	5	-	-	1
FINANCE AND INVESTMENT COMMITTEE (supersedes resources committee)	8	1	-	-
INFRASTRUCTURE	2	-	-	-
LEADERSHIP AND CULTURE	0	-	-	-
NOMINATIONS COMMITTEE	4	-	-	-
REMUNERATION COMMITTEE	4	1	-	-

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

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

ACADEMIC BOARD

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

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

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

The Academic Board met ten times in 2016.

STATUTE AND REGULATIONS

There were no University Statutes approved in 2016. The following regulations were made during 2016:

UNIVERSITY REGULATION	DATE MADE BY COUNCIL
<i>Academic Progress Regulations 2016</i>	9 June 2016
<i>Awards Regulations 2016</i>	14 September 2016
<i>Common Seal Regulations 2016</i>	16 February 2016
<i>Elections Regulations 2016</i>	10 May 2016

3.3 COUNCIL MEMBERS

	NAME	CATEGORY OF MEMBERSHIP	PROFESSION / MEMBER OF OTHER BOARDS	FIRST APPOINTED TO COUNCIL	MOST RECENT APPOINTMENT
1	Mr George Pappas	Official Member <i>Chancellor</i>	Chairman – Marmad Pty Ltd Chairman – Zanthryn Pty Ltd Chairman – Pappas Superannuation	01.01.2010	01.01.2015
2	Professor Peter Dawkins	Official Member <i>Vice-Chancellor</i>	Non-executive Director – UniSuper	01.01.2011	01.01.2011
3	Ms Deborah Tyler	Official Member <i>Chair, Academic Board</i>	Nil	04.11.2015	04.11.2015
4	Ms Elizabeth Beattie	Appointed by Government	Nil	01.01.2016	01.01.2016
5	Mr Geoff Dale	Appointed by Government	Dale Superannuation Fund	01.01.2010	01.01.2016
6	Ms Gaye Hamilton	Appointed by Government	Director – Western Bulldogs Community Foundation Director – Western Chances	01.07.2012	01.1.2016
7	Ms Virginia Simmons	Appointed by Government	Director – Board of TAFE South Australia Chair and Trustee – Caroline Chisholm Institute	01.01.2016	01.01.2016
8	Mr Mark Toohy	Appointed by Government	Director – State Trustees Ltd Director – Oakleigh Centre for Intellectually Disabled Citizens Director – MJT Family Trust	21.10.2014	21.10.2014
9	Associate Professor Rufus Black	Appointed by Council	Director – Corrs Chambers Westgarth Chair of Board – Teach for Australia Director – Walter and Eliza Hall Institute President – Museums Victoria	01.01.2012	01.01.2015
10	Ms Lyn Hannah	Appointed by Council	Nil	01.07.2012	01.01.2015
11	Ms Rhonda Hawkins	Appointed by Council	Director – Evolve Housing Director – Wentworth Institute	01.01.2016	01.01.2016
12	Mr Wayne Kayler-Thomson	Appointed by Council	Director – Wayne Kayler-Thomson Pty Ltd Trustee – Kayler-Thomson Family Superannuation Fund Trustee Director – VicSuper Pty Ltd Director and Company Secretary – Victoria Tourism Ltd	01.01.2010	01.01.2016
13	Mr Kee Wong	Appointed by Council	Director – e-Centric Innovations Pty Ltd Director – Synthesis System Pty Ltd Managing Director – e-Centric Innovations Pty Ltd Managing Director – e-Imagine Pty Ltd Managing Director – Centric128 Pty Ltd Director – W advisory International Pty Ltd Director – KW & WT Investment Pty Ltd Director – KW HL Investment Pty Ltd Director – KW Trading Pty Ltd Chairman of AIIA Deputy Chairman of Asia Link Director of MSO Director AICD Director of LaunchVic	01.01.2015	01.01.2015
14	Ms Ghofran Al-Nasiri	Student elected member	Nil	01.08.16	31.07.2016
15	Dr Maree Keating	Staff elected member	Nil	01.08.16	31.07.2016

3.4 COUNCIL AND COMMITTEES ATTENDANCE

COUNCIL

MEMBER	TOTAL MEETINGS ATTENDED	NO ELIGIBLE TO ATTEND
Mr George Pappas (Chair and Chancellor)	8	8
Ms Ghofran Al-Nasiri	4	4
Ms Elizabeth Beattie	8	8
Associate Professor Rufus Black	6	8
Mr Geoff Dale	6	8
Professor Peter Dawkins	8	8
Ms Gaye Hamilton	7	8
Ms Lyn Hannah	8	8
Mr Wayne Kayler-Thomson	9	9
Dr Maree Keating	4	4
Ms Rhonda Hawkins	8	8
Ms Virginia Simmons	8	8
Mr Mark Toohey	8	8
Ms Deborah Tyler	8	8
Mr Kee Wong	5	8

REMUNERATION COMMITTEE

MEMBER	TOTAL MEETINGS ATTENDED	NO ELIGIBLE TO ATTEND
Mr George Pappas	5	5
Associate Professor Rufus Black	5	5
Mr Geoff Dale	5	5
Mr Mark Toohey	5	5

NOMINATIONS COMMITTEE

MEMBER	TOTAL MEETINGS ATTENDED	NO ELIGIBLE TO ATTEND
Professor Peter Dawkins	4	4
Mrs Gaye Hamilton	4	4
Mr Wayne Kayler-Thomson	2	2
Mr George Pappas	4	4
Ms Virginia Simmons	2	2
Mr Kee Wong	2	2

FINANCE AND INVESTMENT COMMITTEE (SUPERSEDES RESOURCES COMMITTEE)

MEMBER	TOTAL MEETINGS ATTENDED	NO ELIGIBLE TO ATTEND
Associate Professor Rufus Black	8	9
Mr Geoff Dale	8	9
Professor Peter Dawkins	8	9
Mr Peter George	2	5
Ms Jenny Gray	8	9
Mrs Rhonda Hawkins	9	9
Mr Wayne Kayler-Thomson	8	9
Mr Mark Toohey	9	9

COMPLIANCE, AUDIT AND RISK COMMITTEE

MEMBER	TOTAL MEETINGS ATTENDED	NO ELIGIBLE TO ATTEND
Ms Elizabeth Beattie	4	5
Mr Tim Boyle	3	5
Mr Geoff Dale	2	5
Mr Alan Fotheringham	5	5
Mr Peter George	5	5
Ms Gaye Hamilton	4	5

INFRASTRUCTURE COMMITTEE

MEMBER	TOTAL MEETINGS ATTENDED	NO ELIGIBLE TO ATTEND
Associate Professor Rufus Black	2	2
Mr Gary Carter	1	2
Professor Richard Constantine	2	2
Professor Peter Dawkins	2	2
Ms Rhonda Hawkins	2	2
Mr Ian Ford	2	2
Professor Kerri-Lee Krause	2	2
Mr John O'Rourke	2	2
Mr Kee Wong	2	2

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.

2016 ACTIVITY

In 2016, the University received 10 requests for access to documents under the *Act*. Most requests were from current or former students or staff, who were seeking information relating to themselves, or information about matters in which they were involved. The following table details activities during the reporting period:

Requests	10
Requests refused	0
Decisions to release	
– In part	6
– In full	4
Decisions denying access in full	0
Decisions where no documents identified	0
Requests not proceeded with by the applicant	0
Requests not finalised by the end of 2016	0
FOI Commissioner reviews	0
Victoria Civil and Administrative Tribunal appeals	0
Requests receiving timely responses	10

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

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

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

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

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

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

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

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

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

STATEMENT ON NATIONAL COMPETITION POLICY & VICTORIAN INDUSTRY PARTICIPATION POLICY

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

During the 2016 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, and a number of the University's research centres and institutes conduct environmental sustainability research, such as the Institute of Sustainability and Innovation.

3.5 DISCLOSURE STATEMENTS

The University's resource usage in 2016 is summarised as follows:

RESOURCE USAGE	2014	2015	2016
Water consumption (KL)	131,302	135,630	153,322
Water consumption per FTE (KL per FTE)	66.8	74.0	84.1
Energy Usage* (gigajoule)	208,830	192,893	184,339
Energy Usage per FTE (gigajoule per FTE)	106.2	105.2	101.1
Energy Usage per floor area (gigajoule per GFA, m ²)	0.69	0.55	0.57
Greenhouse Gas emissions (tonnes CO ₂ e)	41,381	38,998	36,653
Greenhouse Gas emissions per floor area (tonnes CO ₂ e per GFA, m ²)	0.1377	0.1121	0.1129

PAPER USAGE	2014	2015	2016
No reams used	35,903	35,535	33,139
Usage per FTE	18.26	19.38	18.32

Note: 93% of the total paper used in 2016 was from 80%–99% recycled content and 7% was from 1%–79% recycled content.

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

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

The University's Environmental Policy covers energy, water, waste and procurement objectives to minimise our environmental impact in line with operational best practice and consistent with the requirements of the National Action Plan for Education for Sustainability guidelines. Environmental responsibility by all members of the University community is facilitated by fostering and targeting positive and specific behaviours across all areas of operations. The University is committed to protecting and enhancing biodiversity on all campuses.

In 2016 a staff sustainability survey was undertaken to get a better understanding

of attitudes toward sustainability, and what factors are both helping and hindering staff to achieve sustainability outcomes. The survey will also be used to inform senior management of current practices and facilitate benchmarking against other universities.

COMPULSORY NON-ACADEMIC FEES AND CHARGES

Victoria University applied the following compulsory Student Services and Amenities Fees in 2016 for eligible domestic students:

HIGHER EDUCATION STUDENTS:

STUDENT CATEGORY	SEMESTER FEE	ANNUAL MAXIMUM FEE
Full-time (studying 0.75 EFTSL or higher)	\$145	\$290
Part-time domestic (studying less than 0.75 EFTSL)	\$72.50	\$145

TAFE STUDENTS:

STUDENT CATEGORY	ANNUAL MAXIMUM FEE
Full-time (studying 541 hours or more per year)	\$204
Part-time (studying between 50 and 540 hours per year)	\$102
Eligible concession card holders	\$84

The fees are used to provide improved 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 2016, a revised SSAF Consultative Committee was established by Student Services with membership comprising of both staff and students. The Committee meets regularly to review SSAF spend, 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: vu.edu.au/student-life/your-course/fees

RELEVANT MINISTER

The relevant ministers for Victoria University's 2016 annual reporting period were The Hon Steve Herbert, MP Minister for Training and Skills (until 9 November 2016) / The Hon Gayle Tierney, MP Minister for Training and Skills (from 9 November 2016).

ADDITIONAL INFORMATION

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

- Declarations of pecuniary interests
- Shares held by senior officers
- Publications
- Changes in prices, fees, charges, rates and levies
- Major external reviews
- Major research and development activities
- Overseas visits
- Major promotional, public relations and marketing activities
- Occupational health and safety assessments and measures
- Industrial relations
- Major committees sponsored
- Consultancies and contractors.

Enquiries regarding the above areas should be directed to:

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

3.6 RISK MANAGEMENT

OVERVIEW

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

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

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

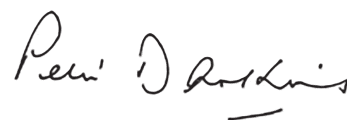
- Risk Management Policy and procedures that clearly articulate and assign roles and responsibilities across the organisation;
- Leadership by the Vice-Chancellor and the Senior Executive Group, and oversight by the Compliance, Audit and Risk Committee, to ensure that robust risk management practices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

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

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

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

I, Peter Dawkins (Vice-Chancellor and President) certify that Victoria University has risk management processes in place consistent with the Risk Management Standard (AS/NZS ISO 31000:2009), and 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

14 March 2017

3.7 CONSULTANCIES

In 2016, there were 73 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2016 in relation to these consultancies is \$7,055,000 (excluding GST). Details of individual consultancies can be viewed at <http://www.vu.edu.au/about-us/facts-figures/annual-reports>.

In 2016, there were 84 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2016 in relation to these consultancies is \$382,000 (excluding GST).

3.8 COMMERCIAL ACTIVITIES

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

INCOME STATEMENT

NAME	PRINCIPAL ACTIVITIES	DOMICILE	OWNERSHIP INTEREST	TOTAL REVENUE 2016	TOTAL REVENUE 2015	TOTAL EXPENDITURE 2016	TOTAL EXPENDITURE 2015	TAX/ EXTRA ORD ITEMS 2016	TAX/ EXTRA ORD ITEMS 2015	OPERATING RESULT*** 2016	OPERATING RESULT*** 2015	CONTRI'N TO UNI OPERATING RESULTS*** 2016	CONTRI'N TO UNI OPERATING RESULTS*** 2015
			%	\$'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%	1,697	1,272	1,133	942	-	-	564	330	564	330
Victoria University Enterprises Pty Ltd	Administers IP from research related spin-off companies	Australia	100%	-	-	-	-	-	-	-	-	-	-
Victoria University of Technology (Singapore) Pte Ltd	Hub for Singapore activities	Singapore	100%	-	84	23	100	-	(1)	(23)	(15)	(23)	(15)
Victoria University International Pty Ltd	Dormant	Australia	100%	-	-	-	-	-	-	-	-	-	-
Total - University Commercial Activities				1,697	1,356	1,156	1,042	-	(1)	541	315	541	315

BALANCE SHEET

NAME	WORKING CAPITAL 2016	WORKING CAPITAL 2015	PHYSICAL ASSETS 2016	PHYSICAL ASSETS 2015	TOTAL ASSETS 2016	TOTAL ASSETS 2015	INTERNAL BORROWINGS 2016	INTERNAL BORROWINGS 2015	EXTERNAL BORROWINGS 2016	EXTERNAL BORROWINGS 2015	TOTAL LIABILITIES 2016	TOTAL LIABILITIES 2015	EQUITY 2016	EQUITY 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Victoria University Foundation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria University Foundation Trust**	5,389	4,823	23	29	5,439	4,920	-	-	-	-	27	68	5,412	4,852
Victoria University Enterprises Pty Ltd ****	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria University of Technology (Singapore) Pte Ltd	806	840	-	-	806	851	-	-	-	-	-	11	806	840
Victoria University International Pty Ltd**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - University Commercial Activities	6,195	5,663	23	29	6,245	5,771	-	-	-	-	27	79	6,218	5,692

* 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 2016

(1) INTRODUCTION

Victoria University (VU) and its controlled entities (the Group) posted a total net operating deficit of \$10.9m for the year ending 31 December 2016; this represents a \$0.9m improvement (7.9%) over the 2015 deficit of \$11.8m. The Group achieved a negative operating margin of 2.5%, (2015: 2.8%) on gross revenue.

It is important to note that the University's deficit of \$10.9m was mainly impacted by separation costs and strategic initiative costs (eg. Blended Learning) to build its teaching and learning capabilities. These expenses are part of a strategy to achieve long-term financial sustainability and the University is working on the Towards Success Program to achieve surpluses from 2018 onwards.

Table one, (Key Financial Data - Group), shows that Group revenue increased by 2.4% from the 2015 level of \$420.3m. Group expenses had increased by 2.2% during the financial year.

During 2016, the Group experienced an increase of \$17.1m in the value of its net asset base, representing a 2.1% increase (2015: 4.1%). The Group's net assets at 31 December 2016 were \$838.0m, an increase of \$17.1m, primarily due to the revaluation of land holdings. The Group's liquidity ratio is 0.7 (2015:1.3).

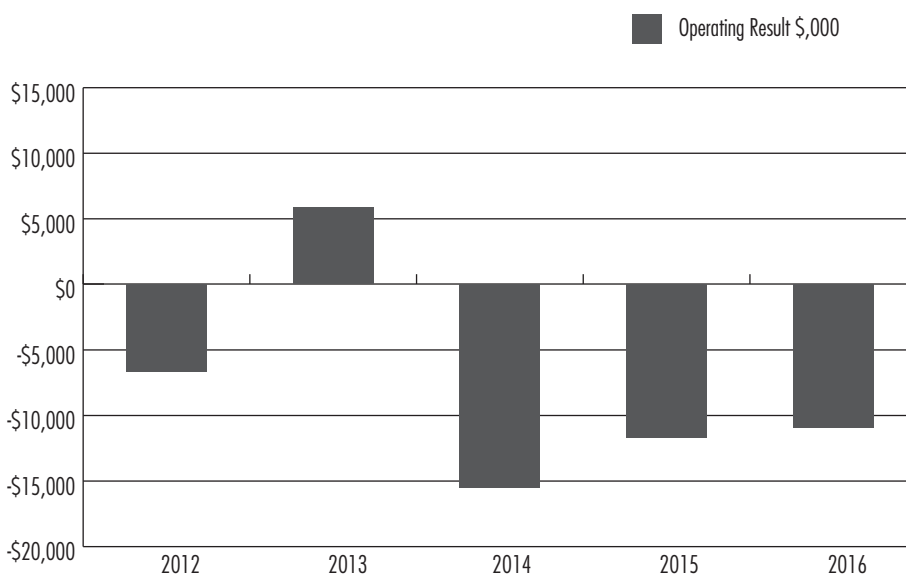
The decrease in liquidity was the result of a decision to move \$61.4m from short-term investments to long-term managed investments to improve its investment strategy.

TABLE ONE: KEY FINANCIAL DATA - GROUP

	2012	2013	2014	2015	2016
	\$M	\$M	\$M	\$M	\$M
Revenue	474.0	442.3	428.5	420.3	430.5
Expenses	480.7	436.4	444.1	432.1	441.4
Operating Surplus/Deficit after tax	(6.7)	5.9	(15.6)	(11.8)	(10.9)
Operating Margin %*	(1.4)%	1.3%	(3.6)%	(2.8)%	(2.5)%
Net Assets	813.7	802.0	788.4	820.9	838.0
Liquidity Ratio	0.83	1.36	1.27	1.26	0.68

*Operating margin calculations exclude deferred government superannuation contributions

GROUP OPERATING RESULTS FOR PERIOD 2012–2016



	2012	2013	2014	2015	2016
Operating Result \$,000	(6,727)	5,881	(15,606)	(11,812)	(10,874)

(2) REVENUE

The increase in Group revenue amounted to \$10.2m or 2.4% (2015: -1.9% decline), total revenue generated for the year amounted to \$430.5m.

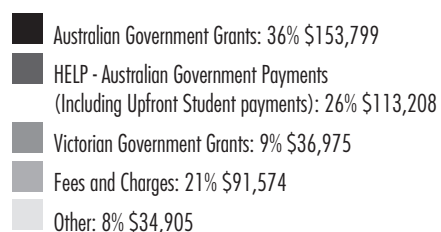
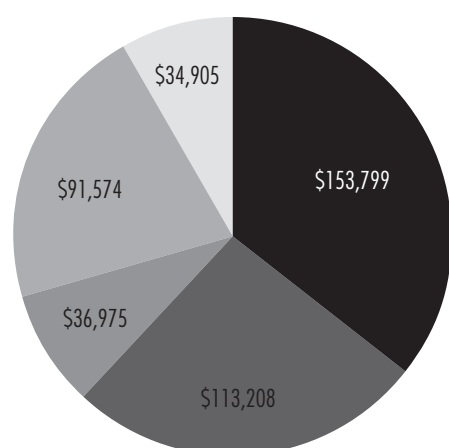
The increase in revenue is largely attributed to:

- Increase in Australian Government grants of \$5.8m and HELP (deferred and upfront) of \$2.1m.

- Increase in State government funding of \$6.4m as a result of \$4.3m from TAFE specific funding, \$1.1m due to increase in state government funded capital projects and \$0.9m from VET delivery.
- The above increase in revenues was offset by a decline in income from offshore student fees, student accommodation and other fees and charges of \$5.5m.

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

SOURCE OF INCOME \$'000



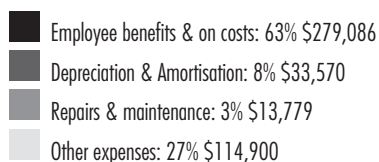
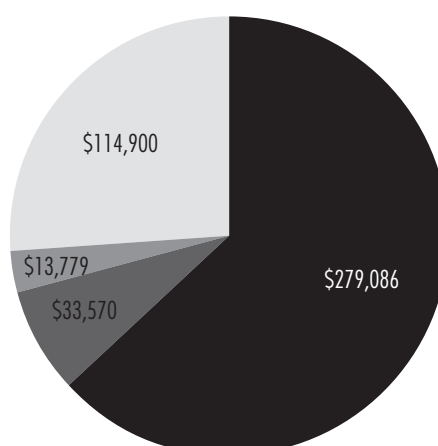
Note that 'Other Income' is comprised of investment, consultancies and contract research (Non-Government related funding), sale of goods, property leases, childcare fees, fees and other miscellaneous income.

(3) EXPENSES

The Group expenses increased by \$9.3m during 2016 (2.2% increase on 2015). Non-salary expenditure increased by \$13.9m which was partly offset by a decrease in employee benefits of \$4.7m, the decrease equates to 1.6% of the total employee benefits and on-costs. Separation costs of \$7.8m included in employee benefits for 2016 is anticipated to have a positive flow on effect on 2017 employee costs. Non-salary costs primarily increased in depreciation and amortisation by \$2.7m, and consulting, legal and professional fees by \$8.6m primarily due to strategic and IT projects across the University.

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

EXPENDITURES \$'000



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

(4) MAJOR BALANCE SHEET MOVEMENTS

Victoria University Group has continued to maintain a strong and healthy net asset position; as at 31 December 2016 the Group held net assets of \$838.0m (2015: \$820.9m). This increase was largely due to the revaluation of land.

(5) REPORT ON KEY PERFORMANCE INDICATORS

The University's Strategic Plan 2012-2016 establishes Key Performance Indicators (KPIs) against which outcomes are monitored and reported as indicators of progress towards the achievement of strategic objectives.

The non-government income ratio (with HELP schemes included as Government Income) measures the proportion of University revenue generated from non-government income sources as a proportion of total income. There has been little change in this ratio in recent years. Measured against our benchmark competitors, Australian Universities, the contribution of non-government to government income remains below the benchmark ratio of 41:59; VU's group ratio for 2016 was 31:69 (2015 was 33:67).

The current ratio KPI is a liquidity ratio measuring the University's ability to meet its short-term financial obligations. At 31 December 2016, the Group's current ratio was 0.7 (2015: 1.3) compared to the Australian Universities benchmark of 1.3. The reduction in the ratio from the previous year is due to improvement of the investment strategy, resulting in cash reserves now being held under funds management and classified as non-current.

The Groups' operating margin of negative 2.5% is significantly below the Australian Universities benchmark ratio of 5.8% (national).

4.2 FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED
31 DECEMBER 2016

	2016 000'S \$	2015 000'S \$	2014 000'S \$	2013 000'S \$	2012 000'S \$
CONSOLIDATED INCOME STATEMENT					
Income from Continuing Operations					
Government Sources					
Australian Government grants	153,799	147,955	149,156	157,476	184,078
HELP- Australian Government Payments	107,454	105,128	102,253	98,456	85,142
State and Local Government financial assistance	36,975	30,562	38,469	57,668	76,128
Non-Government Sources					
Fees and charges	91,574	97,025	96,344	88,764	87,721
Other income	40,659	39,582	42,255	39,934	40,926
Total revenue	430,461	420,252	428,477	442,298	473,995
Total operating expenses	441,067	431,718	443,620	435,206	480,713
Income tax expense	268	346	463	1,211	9
Operating result for the year	(10,874)	(11,812)	(15,606)	5,881	(6,727)
Accumulated funds at beginning of year	411,918	424,060	439,892	434,153	440,445
	401,044	412,248	424,286	440,034	433,718
Transfer to/(from) reserves	(564)	(330)	(226)	(142)	435
Accumulated funds at end of year	400,480	411,918	424,060	439,892	434,153
Consolidated Balance Sheet					
Current assets	72,912	135,955	124,249	132,141	89,511
Non-current assets	1,070,495	994,209	921,016	919,880	1,038,966
Current liabilities	(107,922)	(107,647)	(97,916)	(97,343)	(108,078)
Non-current liabilities	(197,491)	(201,596)	(158,943)	(152,663)	(206,701)
Net Assets	837,994	820,921	788,406	802,015	813,698
Reserves	437,514	409,003	364,346	362,123	379,545
Accumulated funds	400,480	411,918	424,060	439,892	434,153
Total Equity	837,994	820,921	788,406	802,015	813,698

Note: From 2014, deferred government superannuation contributions (previously recognised in revenue) and the corresponding deferred employee benefits for superannuation (previously recognised in operating expenses) have been recognised in the 'Statement of Comprehensive Income'. As a result, the prior year comparatives 2012-2013 revenue and expenses have been restated. There is no impact to the operating result.

4.3 REPORT BY THE MEMBERS OF COUNCIL

Victoria University

ABN: 83776954731

Report By The Members Of The Council

31 December 2016

The members of the Council present their report on the consolidated entity consisting of Victoria University and the entities it controlled at the end of, or during, the year ended 31 December 2016.

1. General Information

Members

A list of Victoria University Council members during 2016 is shown in note 29 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 2016, and the number of meetings attended by each member are as disclosed in the annual report.

Principal Activities

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

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

2. Operating Results and Review of Operations for the Year

Review of Operations

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

3. Other items

Significant Changes in state of Affairs

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

Matter Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation

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

Victoria University

ABN: 83776954731

Report By The Members Of The Council

31 December 2016

Insurance of Officers

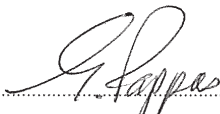
As provided under the Constitution, the University indemnifies members of the Council against all actions and claims (whether arising during or after the term of the office of that member) in respect of any act or thing done or omitted to be done in good faith in their capacity as members. During the 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

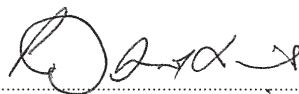
No person has applied for leave of court to bring proceedings on behalf of the University or intervene in any proceedings to which the University is a party for the purpose of taking responsibility on behalf of the University for all or any part of those proceedings.

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 the14th..... day ofMARCH..... 2017

4.4 2016 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

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

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 2016, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
15 March 2017



Simone Bohan

as delegate for the Auditor-General of Victoria

Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000

Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Council of Victoria University

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

- consolidated entity and university statements of financial position as at 31 December 2016
- 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 comprising a summary of significant accounting policies
- statement by the Chancellor, Vice-Chancellor and President and Principal Accounting Officer.

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

- presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2016 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)**Council's responsibilities for the financial report**

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

- 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
15 March 2017



Simone Bohan
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 a true and fair view of the financial transactions of the University and the consolidated entity during the financial year ended 31 December 2016 and the financial position of its operations 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 the *Australian Accounting Standards*, the financial reporting requirements of the *Financial Management Act 1994*, 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 2016 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 and Chief Financial Officer
Principal Accounting Officer

Dated at Melbourne on the 14th day of MARCH 2017

INCOME STATEMENT

FOR THE YEAR ENDED
31 DECEMBER 2016

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
INCOME FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	3	153,799	147,955	153,799	147,955
HELP - Australian Government payments	3	107,454	105,128	107,454	105,128
State and local government financial assistance	4	36,975	30,562	36,975	30,562
HECS-HELP - Student payments		5,754	5,995	5,754	5,995
Fees and charges	5	91,574	97,025	91,574	97,004
Royalties, trademarks and licences		30	38	30	38
Investment revenue	6	3,339	3,080	3,194	2,946
Consultancy and contracts	7	12,378	11,827	12,523	11,920
Other revenue and income	8	19,158	18,642	17,627	17,574
Total income from continuing operations		430,461	420,252	428,930	419,122
EXPENSES FROM CONTINUING OPERATIONS					
Employee related expenses	9	279,086	283,742	279,080	283,737
Depreciation and amortisation	10	33,570	30,871	33,570	30,871
Repairs, maintenance, cleaning and security	11	13,779	13,783	13,779	13,783
Borrowing costs	12	466	445	466	445
Impairment/reversal of impairment	13	461	(993)	459	(993)
Other expenses	14	113,705	103,870	112,723	103,059
Total expenses from continuing operations		441,067	431,718	440,077	430,902
Net result before income tax		(10,606)	(11,466)	(11,147)	(11,780)
Income tax expense	15	268	346	268	346
Net result after income tax for the period		(10,874)	(11,812)	(11,415)	(12,126)

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 DECEMBER 2016

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
Net result after income tax for the period		(10,874)	(11,812)	(11,415)	(12,126)
Items that will not be reclassified subsequently to profit or loss					
Gain / (loss) on revaluation of land, buildings and artwork	28(b)	26,677	35,134	26,677	35,134
(Impairment) / reversal of impairment	28(b)	(3,815)	3	(3,811)	3
(Decrease) / increase in Deferred government contribution for superannuation	39	(2,014)	2,595	(2,014)	2,595
Decrease / (increase) in Deferred employee benefits for superannuation	39	2,014	(2,595)	2,014	(2,595)
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	28(b)	(11)	3	-	-
Gain / (loss) on available for sale financial assets	28(b)	5,095	9,188	5,095	9,188
Other comprehensive income for the year, net of tax		27,946	44,328	27,961	44,325
Total comprehensive income for the period		17,072	32,516	16,546	32,199

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 2016

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	16	22,570	64,736	18,880	63,620
Trade and other receivables	17	26,676	29,405	26,676	29,430
Other financial assets	18	14,955	33,798	12,455	29,198
Other non-financial assets	19	8,711	8,016	8,711	8,016
TOTAL CURRENT ASSETS		72,912	135,955	66,722	130,264
NON-CURRENT ASSETS					
Trade and other receivables	17	141,532	143,455	141,532	143,455
Other financial assets	18	63,128	1,707	63,278	1,857
Property, plant and equipment	20	803,427	784,396	803,404	784,367
Intangible assets	21	55,167	56,555	55,167	56,555
Other non-financial assets	19	7,241	8,096	7,241	8,096
TOTAL NON-CURRENT ASSETS		1,070,495	994,209	1,070,622	994,330
TOTAL ASSETS		1,143,407	1,130,164	1,137,344	1,124,594
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	24	36,995	37,457	37,001	37,429
Borrowings	25	177	-	177	-
Current tax liabilities	22	-	70	-	70
Provisions	26	58,136	58,516	58,136	58,516
Other liabilities	27	12,614	11,604	12,614	11,604
TOTAL CURRENT LIABILITIES		107,922	107,647	107,928	107,619
NON-CURRENT LIABILITIES					
Trade and other payables	24	100	100	100	100
Borrowings	25	421	-	421	-
Provisions	26	146,928	149,835	146,928	149,835
Deferred tax liabilities	23	142	335	142	335
Other liabilities	27	49,900	51,326	49,900	51,326
TOTAL NON-CURRENT LIABILITIES		197,491	201,596	197,491	201,596
TOTAL LIABILITIES		305,413	309,243	305,419	309,215
NET ASSETS		837,994	820,921	831,925	815,379
EQUITY					
Reserves	28	437,514	409,003	432,013	404,051
Retained earnings	28	400,480	411,918	399,912	411,328
TOTAL EQUITY		837,994	820,921	831,925	815,379

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 2016

	RESERVES 000'S \$	RETAINED EARNINGS 000'S \$	TOTAL 000'S \$
2015 - Consolidated			
Balance at 1 January 2015	364,346	424,060	788,406
Opening result after income tax	-	(11,812)	(11,812)
Revaluation increment/ (decrement)	35,134	-	35,134
Adjustments from translation of foreign controlled entities	3	-	3
Transfers from retained earnings to general reserve	330	(330)	-
Impairment/reversal of impairment	3	-	3
Gain/ (loss) on revaluation of available for sale financial assets	9,188	-	9,188
Balance at 31 December 2015	409,003	411,918	820,921
2016 - Consolidated			
Balance at 1 January 2016	409,003	411,918	820,921
Opening result after income tax	-	(10,874)	(10,874)
Revaluation increment/decrement	26,677	-	26,677
Adjustment from translation of foreign controlled entities	(11)	-	(11)
Transfer from retained earnings to general reserve	564	(564)	-
Impairment/reversal of impairment	(3,815)	-	(3,815)
Gain/(loss) on revaluation of available for sale financial assets	5,095	-	5,095
Balance at 31 December 2016	437,514	400,480	837,994
2015 - University			
Balance at 1 January 2015	359,726	423,454	783,180
Operating result after income tax	-	(12,126)	(12,126)
Revaluation increment / (decrement)	35,134	-	35,134
Impairment	3	-	3
Gain/ (loss) on revaluation of available for sale financial assets	9,188	-	9,188
Balance at 31 December 2015	404,051	411,328	815,379
2016 - University			
Balance at 1 January 2016	404,051	411,328	815,379
Operating result after income tax	-	(11,415)	(11,415)
Revaluation increment / (decrement)	26,677	-	26,677
Impairment/reversal of impairment	(3,811)	-	(3,811)
Gain/(loss) on revaluation of available for sale financial assets	5,095	-	5,095
Balance at 31 December 2016	432,013	399,912	831,925

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 2016

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Australian Government Grants received	3(g)	253,570	249,669	253,570	249,669
OS-HELP (net)	3(g)	450	(172)	450	(172)
Superannuation Supplementation	3(g)	7,775	9,060	7,775	9,060
State Government Grants received		34,921	30,409	34,921	30,409
Local Government Grants received		2,056	148	2,056	148
HECS-HELP - Student payments		5,754	5,995	5,754	5,995
Interest received		3,340	3,080	3,195	2,946
Interest paid		(469)	(445)	(469)	(445)
Royalties received		30	38	30	38
Receipts from student fees and other customers (inc. of GST)		130,940	130,813	129,549	129,395
Income taxes paid		(531)	(585)	(531)	(577)
Payments to suppliers and employees (inc. of GST)		(422,547)	(407,476)	(421,526)	(406,559)
GST recovered/paid		6,852	5,290	6,882	5,314
Net cash provided by / (used in) operating activities	36	22,141	25,824	21,656	25,221
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment		82	202	82	202
Payments for property, plant and equipment		(20,426)	(17,302)	(20,426)	(17,300)
Payments for financial assets		(59,584)	-	(59,584)	-
Payment for intangible asset		(7,066)	(9,251)	(7,066)	(9,251)
Proceeds from sale of financial assets		22,100	9,470	20,000	10,000
Net cash provided by / (used in) investing activities		(64,894)	(16,881)	(66,994)	(16,349)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings		598	-	598	-
Net cash provided by / (used in) financing activities		598	-	598	-
Net increase/(decrease) in cash and cash equivalents		(42,155)	8,943	(44,740)	8,872
Cash and cash equivalents at beginning of year		64,736	55,790	63,620	54,748
Effects of exchange rate changes on cash and cash equivalents	28(b)	(11)	3	-	-
Cash and cash equivalents at end of financial year	16	22,570	64,736	18,880	63,620

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report for the year ended 31 December 2016 are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial report includes separate financial statements for the University as the parent entity and the consolidated entity, consisting of the University and its subsidiaries. The University and its subsidiaries are referred to in this financial report as the Group or the consolidated entity.

The principal address of the University is:

Ballarat Road
Footscray VIC 3011
Australia

(A) BASIS OF PREPARATION

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

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

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

AASB 2015-7- Amendments to Australian Accounting Standards- Fair Value Disclosures for Not-For-Profit Public Sector Entities (AASB 13) has been adopted early. This Standard reduces the disclosure requirements for not-profit public sector entities relating to quantitative information about the significant unobservable inputs used in the fair value measurement 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.

DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the members of Victoria University on 14 March 2017.

HISTORICAL COST CONVENTION

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

KEY ESTIMATES

(I) IMPAIRMENT

The Group assesses impairment at each reporting date by evaluating conditions specific to the University and to its controlled entities that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. A number of key estimates are incorporated in the value-in-use, or fair value less costs to sell, calculations performed in assessing recoverable amounts.

(II) STATE SUPERANNUATION FUND

AASB 119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 31 December 2016.

There is no net impact on the statement of financial position or income statement from those superannuation obligations (due to recognition of a corresponding receivable).

KEY JUDGEMENT

(I) ALLOWANCE FOR DOUBTFUL DEBTS

Included in Receivables at 31 December 2016 are amounts which have been outstanding beyond the normal trading terms. The likelihood of the recovery of these amounts has been assessed and estimated allowance made for non recovery of particular amounts outstanding. This analysis is conducted for trade and student fee receivables.

(II) REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

An independent valuation of land, buildings and artwork belonging to the Group was carried out as at 31 December 2012. The judgements used by the independent valuers and approved by Management are outlined in Note 38. See Note 1 (h) for revaluations during 2016.

(B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Victoria University ("parent entity") as at 31 December 2016 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. Refer to Note 34 for details on all consolidated entities.

(C) COMPARATIVE AMOUNTS

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

(D) ACQUISITION OF ASSETS

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given plus costs directly attributable to the acquisition.

The Group's policy is to capitalise non-current physical assets costing \$5,000 or more, and intangible assets costing more than \$100,000. There is no capitalisation threshold for land, buildings and works of art.

(E) IMPAIRMENT OF ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(F) CASH AND CASH EQUIVALENTS

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.

(G) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and carried at nominal value less provision for impairment. Trade receivables are due for settlement no more than 30 days (2015: 30 days) from the date of recognition of debtors. Student fees are generally due before the start of the teaching period, or 10 days from the issue of the invoice.

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

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of financial position and in the income statement within expenses. Subsequent recoveries of amounts previously written off are credited against expenses in the income statement.

(H) PROPERTY, PLANT AND EQUIPMENT

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. The assessment of fair values is undertaken annually.

Land and buildings and artworks are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The fair value of library collections are normally measured by reference to its depreciated replacement cost. All other plant and equipment are shown at their fair value.

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss.

Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land and artwork are not depreciated. Leasehold improvements are depreciated over the terms of the lease. Other assets are depreciated from the date of acquisition or, in respect of buildings under construction, from the time they are made ready for use. Depreciation on these assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate annually. 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. The Group's policy is to formally revalue assets every five years provided there are no material movements in between years. Revaluation increments or decrements arise from differences between an

asset's depreciated cost or deemed cost and fair value. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The fair value of land and buildings belonging to the University was assessed as at 31 December 2016 based on the land indices and building cost indexation factors that were published by the Department of Treasury and Finance, Victoria. The net movements for buildings since the last formal valuation conducted in 2012 were less than 10%, no revaluations were conducted in 2016. However a managerial revaluation was required for land due to a material movement (greater than 10%) since last managerial revaluation in 2015. The fair value of land was revalued by applying the relevant, compounded indexation factor, and as a result, the land value increased by \$27m to \$222m.

The fair value assessment of artworks was conducted as at 31 December 2016 by Byjoe Pty Ltd, no revaluation of artworks was required for 2016 due to net movement being less than 10% since the last formal revaluation in 2012.

(I) INTANGIBLE ASSETS

(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 overheads. Other development

	2016	2015
Building		
- Structural	40 years	40 years
- Components	4-35 years	4-35 years
Plant and equipment		
- Furniture and fittings	10 years	10 years
- Computer equipment	4-7 years	4-7 years
- Motor vehicles	5 years	5 years
- Other		
- Other equipment	8-25 years	8-25 years
- Infrastructure	3-5 years	3-5 years
Library Collections		
- Books	10 years	10 years
- Serials	5 years	5 years
- Audio Visual and software	4 years	4 years
Leasehold improvements	2-11 years	2-11 years

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 (2015: between 3-10 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 (see Note 1(d)). Software is recognised at cost and assessed for amortisation over the useful life of 4 years (2015: 4 years). Useful life of this software is assessed annually and adjusted where appropriate.

The student management system, Callista, is amortised over 10 years (2015: 10 years).

(J) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following three categories:

- financial assets at fair value through profit or loss;
- loans and receivables; and
- available for sale financial assets.

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

(I) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(II) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

Impairment losses are recognised in the income statement.

(III) AVAILABLE FOR SALE FINANCIAL ASSETS

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

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Investments in equity instruments for which there is no quoted price in a market and for which fair value is not reliably measurable have been initially recognised at cost as permitted by AASB 139 Financial Instruments: Recognition and Measurement.

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

Subsequent measurement

Available for sale financial assets are subsequently carried at fair value with movements going through equity unless disposed or impaired. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Investments in equity instruments for which there is no quoted price in an active market and for which fair value is not reliably measured are subsequently measured at cost less any impairment.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, or it is an unlisted security, the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(K) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 45 days (2015: 45 days) of recognition.

(L) BORROWING COSTS

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

Borrowings are classified as current liabilities unless the Group has 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.

(M) PROVISIONS

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(N) INCOME TAX

Victoria University and some of its subsidiaries are exempt from income tax pursuant to Division 50 of the *Income Tax Assessment Act 1997*.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised outside profit or loss are also recognised outside profit or loss.

(O) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 32). 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.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

The group is neither a lessor or lessee of a finance lease as at 31 December 2016.

(P) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

Commitments are presented on a gross basis.

(Q) REVENUE RECOGNITION

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

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

Revenue is recognised for the major business activities as follows:

(I) GOVERNMENT GRANTS

Commonwealth and State Government operating grants are recognised at their fair value as income in the period in which they are received or when the Group obtains control of the right to receive the grants, it is probable that economic benefits will flow to the Group and it can be reliably measured.

(II) HELP PAYMENTS

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

(III) STUDENT FEES AND CHARGES

Student 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 is treated as income in advance. In respect of courses or programs to be delivered in future years, any non-refundable portion of the fees is treated as revenue in the year of student withdrawal.

(IV) LEASE INCOME

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(V) OTHER REVENUE

Revenue from the provision of goods or services is recognised when goods are delivered or services have been rendered. Where 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.

Investment income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Any gain or loss on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

Dividends are recognised in the period in which they are received.

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

(R) DERIVATIVE FINANCIAL INSTRUMENTS

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when the fair value is negative. The Group's derivative instruments do not qualify for hedge accounting and changes in the fair value are recognised in the income statement and are included in other income or other expenses.

(S) FOREIGN CURRENCY TRANSACTIONS

(I) FUNCTIONAL AND PRESENTATION CURRENCY

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

(II) TRANSACTIONS AND BALANCES

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

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

(III) GROUP ENTITIES

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates; 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.

(T) ROUNDING OF AMOUNTS

The Group is of a kind referred to in Class order 98/0100 as amended by Class order 04/667, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

(U) UNFUNDED SUPERANNUATION

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education and Training, the effects of the unfunded superannuation liabilities of Victoria University and its controlled entities were recorded in the income statement and the statement of financial position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under Provisions have been determined by the actuaries and relate to State Superannuation Fund based on the 31 December 2016 valuation date.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the statement of financial position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University and its controlled entities.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

Any unfunded liabilities in respect of TAFE employees who are members of the State Superannuation Scheme controlled by the Victorian Superannuation Board will be recognised by the State Government in its statement of financial position.

(V) FAIR VALUE MEASUREMENT

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group has classified the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (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 balance sheet date (Level 1). The quoted market price used for assets held by the Group is the current bid price.

The fair value of assets or liabilities that are not traded in active markets is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for unlisted instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase of, the asset to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The Group has adopted the relief provided by AASB 2015-7 to not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 Property, Plant and Equipment which are primarily held for their current service potential rather than to generate future net cash inflows.

(W) EMPLOYEE BENEFITS

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

(I) SHORT-TERM OBLIGATIONS

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(II) OTHER LONG-TERM OBLIGATIONS

The liability for other long-term benefits are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

(III) RETIREMENT BENEFIT OBLIGATIONS

The majority of the employees of the University are entitled to benefits on retirement, disability or death from the University's superannuation plan. The University has a defined benefit and a defined benefit contribution scheme within one of its plans. The defined benefit scheme provides defined lump sum benefits based on years of service and final average salary. The defined contribution scheme receives fixed contributions from the University and the University's legal or constructive obligation is limited to these contributions.

A liability or asset in respect of one of the defined benefit superannuation plans, State Superannuation Fund is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the statement of financial position.

Past service costs are recognised in profit or loss immediately.

Contributions to the defined contributions scheme of Victoria University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

(IV) TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within twelve months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before twelve months after the end of the reporting period are discounted to present value.

(X) CHANGES IN ACCOUNTING POLICY & ESTIMATES

As a result of the review of the Footscray Student Accommodation contractual arrangement, the public private partnership (PPP) transaction has been assessed as an operating lease with Victoria University as a lessor rather than a finance lease. The Footscray Student Accommodation was under construction in 2015 and became operational in February 2016 and hence the change has no impact to the assets and liabilities recognised in the balance sheet for 2015 and 2016.

(Y) 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 2016. 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:

A number of other new or revised standards, amendments to standards and interpretations applicable to future reporting periods have been issued, none of which are expected to have a material impact on the Group's future financial reports.

STANDARD OR INTERPRETATION	APPLICATION DATE	IMPLICATIONS
AASB 9 Financial Instruments	1 January 2018	The available for sale assets will be reported through other comprehensive income (OCI) and will no longer be subject to impairment testing. While initial assessment did not indicate any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Sector Entities	1 January 2016 (early adoption permitted)	The amending standard will result in extended disclosures on the Group's key management personnel (KMP) remuneration and related party transactions however this will have no impact on the reported financial position or performance of the Group.
AASB 15 Revenue from contracts with customers	1 January 2019	The change in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 is still being assessed.
AASB 16 Leases	1 January 2019	Whilst the impact of AASB 16 has not yet been quantified, its impact on the consolidated financial statements of the Group will be monitored and assessed.
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	This standard supersedes the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The impact of AASB 1058 is being assessed.

2 DISAGGREGATED INFORMATION

(A) GEOGRAPHICAL - CONSOLIDATED ENTITY

	REVENUE*		RESULTS		ASSETS	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Australia	419,993	408,233	(16,573)	(18,572)	1,140,802	1,133,787
Asia	10,952	12,203	5,699	6,760	2,605	850
	430,945	420,436	(10,874)	(11,812)	1,143,407	1,134,637
Total Geographical	430,945	420,436	(10,874)	(11,812)	1,143,407	1,134,637

* The above revenue is the total revenue including the gross proceeds on sale of non-current assets, whereas the income statement revenue includes the net (loss) or gain on disposal of non-current assets, i.e. proceeds less written down value of assets sold. Refer to note 20 (a) for the written down value included in the income statement in arriving at the net gain or loss on disposal of property, plant and equipment.

(B) INDUSTRY - PARENT ENTITY

INCOME STATEMENT						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2016 000'S \$	2016 000'S \$	2016 000'S \$	2015 000'S \$	2015 000'S \$	2015 000'S \$
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	153,772	27	153,799	147,955	-	147,955
HELP - Australian Government payments	98,906	8,548	107,454	95,113	10,015	105,128
State and local government financial assistance	1,113	35,862	36,975	225	30,337	30,562
HECS-HELP - Student payments	5,754	-	5,754	5,995	-	5,995
Fees and charges	71,182	20,392	91,574	74,351	22,653	97,004
Royalties, trademarks and licenses	30	-	30	38	-	38
Investment income	2,715	479	3,194	2,504	442	2,946
Consultancy and contracts	12,523	-	12,523	11,920	-	11,920
Other revenue and income	15,688	1,939	17,627	15,116	2,458	17,574
Total income from continuing operations	361,683	67,247	428,930	353,217	65,905	419,122
Expenses from continuing operations						
Employee related expenses	225,398	53,682	279,080	229,547	54,190	283,737
Depreciation and amortisation	24,507	9,063	33,570	20,847	10,024	30,871
Repairs, maintenance, cleaning and security	11,738	2,042	13,779	11,722	2,061	13,783
Borrowing costs	396	70	466	378	67	445
Impairment/reversal of impairment	45	414	459	(382)	(611)	(993)
Other expenses	94,445	18,278	112,723	86,402	16,657	103,059
Total expenses from continuing operations	356,529	83,549	440,077	348,514	82,388	430,902
Net result before income tax	5,154	(16,302)	(11,147)	4,703	(16,483)	(11,780)
Income tax expense	175	93	268	210	136	346
Net result after income tax for the period	4,979	(16,395)	(11,415)	4,493	(16,619)	(12,126)

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF COMPREHENSIVE INCOME						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2016 000'S \$	2016 000'S \$	2016 000'S \$	2015 000'S \$	2015 000'S \$	2015 000'S \$
Net result after income tax for the period	4,979	(16,395)	(11,415)	4,493	(16,619)	(12,126)
Items that will not be reclassified subsequently to profit or loss						
Gain / (loss) on value of available for sale financial assets	4,583	512	5,095	6,615	2,573	9,188
(Decrease) / increase in Deferred government contributions for superannuation	(2,014)	-	(2,014)	2,595	-	2,595
Decrease / (increase) in Deferred employee benefits for superannuation	2,014	-	2,014	(2,595)	-	(2,595)
Gain / (loss) on revaluation of land, buildings and artwork	21,639	5,038	26,677	26,038	9,096	35,134
(Impairment) / reversal of impairment	(3,779)	(32)	(3,811)	3	-	3
Other comprehensive income for the year, net of tax	22,443	5,518	27,961	32,656	11,669	44,325
Total comprehensive income for the period	27,422	(10,877)	16,546	37,149	(4,950)	32,199

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF FINANCIAL POSITION						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2016 000'S \$	2016 000'S \$	2016 000'S \$	2015 000'S \$	2015 000'S \$	2015 000'S \$
ASSETS						
Current Assets						
Cash and cash equivalents	58,877	(39,997)	18,880	89,588	(25,968)	63,620
Trade and other receivables	21,398	5,278	26,676	22,884	6,546	29,430
Other financial assets	9,367	3,088	12,455	26,623	2,575	29,198
Other non-financial assets	7,396	1,315	8,711	6,729	1,287	8,016
Total Current Assets	97,038	(30,316)	66,722	145,824	(15,560)	130,264
Non-Current Assets						
Trade and other receivables	141,528	4	141,532	143,451	4	143,455
Other financial assets	62,758	520	63,278	1,337	520	1,857
Property, plant and equipment	544,413	258,991	803,404	527,643	256,724	784,367
Intangible assets	43,957	11,210	55,167	45,808	10,747	56,555
Other non-financial assets	6,557	684	7,241	7,488	608	8,096
Total Non-Current Assets	799,213	271,409	1,070,622	725,727	268,603	994,330
TOTAL ASSETS	896,251	241,093	1,137,344	871,551	253,043	1,124,594
LIABILITIES						
Current Liabilities						
Trade and other payables	15,453	21,548	37,001	17,151	20,278	37,429
Borrowings	150	27	177	-	-	-
Current tax liabilities	-	-	-	54	16	70
Provisions	46,534	11,602	58,136	46,414	12,102	58,516
Other liabilities	9,604	3,010	12,614	7,124	4,480	11,604
Total Current Liabilities	71,741	36,187	107,928	70,743	36,876	107,619
Non-Current Liabilities						
Trade and other payables	85	15	100	85	15	100
Borrowings	358	63	421	-	-	-
Provisions	145,522	1,406	146,928	148,067	1,768	149,835
Deferred tax liabilities	114	28	142	244	91	335
Other liabilities	49,446	454	49,900	50,850	476	51,326
Total Non-Current Liabilities	195,525	1,966	197,491	199,246	2,350	201,596
TOTAL LIABILITIES	267,266	38,153	305,419	269,989	39,226	309,215
NET ASSETS	628,985	202,940	831,925	601,562	213,817	815,379
EQUITY						
Reserves	324,139	107,874	432,013	301,695	102,356	404,051
Retained surplus	304,846	95,066	399,912	299,867	111,461	411,328
TOTAL EQUITY	628,985	202,940	831,925	601,562	213,817	815,379

(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
	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$
Balance as 1 January 2015	269,039	90,687	359,726	295,372	128,081	423,453	564,412	218,768	783,180
Net result	-	-	-	4,493	(16,619)	(12,126)	4,493	(16,619)	(12,126)
Revaluation increment / (decrement)	26,038	9,096	35,134	-	-	-	26,038	9,096	35,134
Impairment	3	-	3	-	-	-	3	-	3
Gain/ (loss) on available for sale financial assets	6,615	2,573	9,188	-	-	-	6,615	2,573	9,188
Balance at 31 December 2015	301,695	102,356	404,051	299,867	111,461	411,328	601,562	213,817	815,379
Balance at 1 January 2016	301,695	102,356	404,051	299,867	111,461	411,328	601,562	213,817	815,379
Operating result after income tax	-	-	-	4,979	(16,395)	(11,415)	4,979	(16,395)	(11,415)
Revaluation increment/ (decrement)	21,639	5,038	26,677	-	-	-	21,639	5,038	26,677
Impairment/ reversal of impairment	(3,779)	(32)	(3,811)	-	-	-	(3,779)	(32)	(3,811)
Gain/(loss) on available for sale financial assets	4,583	512	5,095	-	-	-	4,583	512	5,095
Balance at 31 December 2016	324,139	107,874	432,013	304,896	95,066	399,912	628,985	202,940	831,925

(B) INDUSTRY - PARENT ENTITY (CONTINUED)

STATEMENT OF CASH FLOWS						
	HIGHER EDUCATION	VET	TOTAL UNIVERSITY	HIGHER EDUCATION	VET	TOTAL UNIVERSITY
	2016 000'S \$	2016 000'S \$	2016 000'S \$	2015 000'S \$	2015 000'S \$	2015 000'S \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Australian Government Grants	244,996	8,574	253,570	240,532	9,137	249,669
OS-HELP (net)	450	-	450	(172)	-	(172)
Superannuation Supplementation	7,775	-	7,775	9,060	-	9,060
State Government Grants	959	33,962	34,921	87	30,322	30,409
Local Government Grants received	155	1,901	2,056	138	10	148
HECS-HELP - Student Payments	5,754	-	5,754	5,995	-	5,995
Receipts from student fees and other customers	106,680	22,869	129,549	101,160	28,235	129,395
Royalties received	30	-	30	38	-	38
Interest received	2,716	479	3,195	2,505	441	2,946
Payments to suppliers and employees (inclusive of GST)	(345,507)	(76,019)	(421,526)	(334,570)	(71,989)	(406,559)
Interest paid	(399)	(70)	(469)	(378)	(67)	(445)
GST recovered/paid	5,698	1,184	6,882	4,388	926	5,314
Income taxes paid	(359)	(172)	(531)	(440)	(137)	(577)
Net cash provided by / (used in) operating activities	28,948	(7,292)	21,656	28,343	(3,122)	25,221
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment	12	70	82	108	94	202
Payments for property, plant and equipment	(16,476)	(3,950)	(20,426)	(12,232)	(5,068)	(17,300)
Payments for financial assets	(59,584)	-	(59,584)	-	-	-
Proceeds from sale of financial assets	20,000	-	20,000	10,000	-	10,000
Payments for intangibles	(4,119)	(2,947)	(7,066)	(6,476)	(2,775)	(9,251)
Net cash provided by / (used in) investing activities	(60,167)	(6,827)	(66,994)	(8,600)	(7,749)	(16,349)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings	508	90	598	-	-	-
Net cash provided by / (used in) financing activities	508	90	598	-	-	-
Net increase / (decrease) in cash and cash equivalents	(30,711)	(14,029)	(44,740)	19,743	(10,871)	8,872
Cash and cash equivalents at the beginning of the financial year	89,588	(25,968)	63,620	69,845	(15,097)	54,748
Cash and cash equivalents at the end of the financial year	58,877	(39,997)	18,880	89,588	(25,968)	63,620

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

(A) COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
Commonwealth Grants Scheme #1		127,759	119,294	127,759	119,294
Indigenous Support Program		210	220	210	220
Higher Education Participation Program #2		4,693	4,591	4,693	4,591
Disability Support Program		121	56	121	56
Promotion of Excellence in Learning and Teaching		23	125	23	125
Superannuation Supplementation		7,486	8,720	7,486	8,720
Total Commonwealth Grants Scheme and Other Grants	40(a)	140,292	133,006	140,292	133,006

(B) HIGHER EDUCATION LOAN PROGRAMS

HECS - HELP		85,923	83,418	85,923	83,418
FEE - HELP #3		9,920	8,775	9,920	8,775
VET FEE - HELP		8,548	10,015	8,548	10,015
SA - HELP		3,063	2,920	3,063	2,920
Total Higher Education Loan Programs	40(b)	107,454	105,128	107,454	105,128

(C) SCHOLARSHIPS

Australian Postgraduate Awards		2,190	2,213	2,190	2,213
International Postgraduate Research Scholarships		167	183	167	183
Commonwealth Education Cost Scholarships #4		49	16	49	16
Commonwealth Accommodation Scholarships #4		26	6	26	6
Indigenous Access Scholarships		10	-	10	-
Total Scholarships	40(c)	2,442	2,418	2,442	2,418

(D) EDUCATION RESEARCH

Joint Research Engagement Program		2,920	2,792	2,920	2,792
JRE Engineering Cadetships		48	42	48	42
Research Training Scheme		4,758	4,798	4,758	4,798
Research Infrastructure Block Grants		474	468	474	468
Sustainable Research Excellence in Universities		857	801	857	801
Total Education Research	40(d)	9,057	8,901	9,057	8,901

(E) AUSTRALIAN RESEARCH COUNCIL

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
(i) Discovery					
Discovery - Projects #5	40(f)(i)	770	1,171	770	1,171
(ii) Linkages					
Linkages - Projects	40(f)(ii)	272	223	272	223
Total ARC		1,042	1,394	1,042	1,394

#1 includes the basic CGS grant amount, and CGS-Enabling Loading. #2 includes Equity Support Program, Access and Participation Fund and National Priorities Pool.

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

#4 includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively. #5 includes Early Career Researcher Award.

(F) OTHER AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

Non-Capital					
Other		698	1,046	698	1,046
National Health & Medical Research Council		268	125	268	125
Collaborative Research Networks Grant		-	786	-	786
Health Workforce Australia		-	279	-	279
Total		966	2,236	966	2,236
Total Other Australian Government Financial Assistance		966	2,236	966	2,236
Total Australian Government Financial Assistance		261,253	253,083	261,253	253,083

Reconciliation					
Australian Government grants (A+C+D+E+F)		153,799	147,955	153,799	147,955
HECS - HELP payments		85,923	83,418	85,923	83,418
FEE - HELP payments		9,920	8,775	9,920	8,775
VET FEE - HELP payments		8,548	10,015	8,548	10,015
SA - HELP		3,063	2,920	3,063	2,920
Total Australian Government financial assistance		261,253	253,083	261,253	253,083

(G) AUSTRALIAN GOVERNMENT GRANTS RECEIVED - CASH BASIS

CGS and Other Education Grants		132,803	124,286	132,803	124,286
Higher Education Loan Programs		107,355	110,531	107,355	110,531
Scholarships		2,443	2,498	2,443	2,498
Education Research		9,057	8,901	9,057	8,901
ARC grants - Discovery		752	1,139	752	1,139
ARC grants - Linkages		194	204	194	204
Other Australian Government Grants		966	1,324	966	1,324
Collaborative Research Networks		-	786	-	786
Total Australian Government Grants received - cash basis		253,570	249,669	253,570	249,669
OS-Help (Net)	40(g)	450	(172)	450	(172)
Superannuation Supplementation	40(h)	7,775	9,060	7,775	9,060
Total Australian Government funding received - cash basis		261,795	258,557	261,795	258,557

4 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Non-capital				
TAFE - Recurrent funding	3,212	2,902	3,212	2,902
TAFE - Specific funded programs	2,443	20	2,443	20
TAFE - Other	1,900	15	1,900	15
Higher Education - Other	333	225	333	225
TAFE Contestable Income	27,510	26,932	27,510	26,932
Total Non-capital	35,398	30,094	35,398	30,094
Capital				
Higher Education - Capital	780	-	780	-
TAFE - Capital	797	468	797	468
Total capital	1,577	468	1,577	468
Total State and Local Government financial assistance	36,975	30,562	36,975	30,562

5 FEES AND CHARGES

Course Fees and Charges				
Fee-paying onshore overseas students	59,211	58,772	59,211	58,772
Fee-paying offshore overseas students	11,039	12,037	11,039	12,016
Fee-paying domestic postgraduate students	2,668	3,142	2,668	3,142
Fee-paying domestic undergraduate students	215	246	215	246
Fee-paying domestic non-award students	389	502	389	502
Other domestic course fees and charges:				
TAFE tuition fees	4,527	4,836	4,527	4,836
TAFE Full Fee Australian Award	392	115	392	115
Fee for service	8,072	10,070	8,072	10,070
Total Course Fees and Charges	86,513	89,720	86,513	89,699
Other Non-Course Fees and Charges				
Student Services and Amenities Fees from students	1,474	1,522	1,474	1,522
Enrolment fees	1	13	1	13
Student accommodation	523	3,004	523	3,004
Other	786	591	786	591
Graduation fees	602	558	602	558
Student material fees	1,675	1,617	1,675	1,617
Total Other Fees and Charges	5,061	7,305	5,061	7,305
Total Fees and Charges	91,574	97,025	91,574	97,004

6 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Interest Income:					
Interest revenue		818	2,817	673	2,683
Dividends received		2,469	263	2,469	263
Gain/ loss on available for sale investments		52	-	52	-
Total investment revenue		3,339	3,080	3,194	2,946
Total investment income		3,339	3,080	3,194	2,946

7 CONSULTANCY AND CONTRACTS

Consultancy		313	469	313	469
Contract research		-	22	-	22
Other contract revenue		12,065	11,336	12,210	11,429
Total consultancy and contracts		12,378	11,827	12,523	11,920

8 OTHER REVENUE AND INCOME

Other revenue and income					
Sale of goods		3,710	3,351	3,710	3,351
Commissions, subscriptions and sale of publications		1,332	1,186	1,332	1,186
Facilities and equipment hire		1,188	1,128	1,188	1,128
Seminar/conference income		607	594	607	594
Parking meter and fines		1,903	2,060	1,903	2,060
Childcare		2,635	2,141	2,635	2,141
Disbursements oncharged/reimbursements		1,652	1,307	1,652	1,307
Library fees and fines		16	13	16	13
Health unit fees		330	216	330	216
Non-government grants		92	39	92	39
Property leases		2,239	1,095	2,239	1,095
Donations and bequests		1,529	2,069	888	1,924
Scholarships and prizes		1,311	1,506	418	583
Net gain/ (loss) on disposal of property, plant and equipment	20(a)	(403)	19	(403)	19
Foreign exchange gains		377	1,210	377	1,210
Miscellaneous		640	708	643	708
Total other revenue and income		19,158	18,642	17,627	17,574

9 EMPLOYEE RELATED EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Academic				
Salaries	109,444	107,482	109,444	107,482
Contributions to superannuation and pension schemes				
Contributions to funded schemes	15,394	15,142	15,394	15,142
Contributions to unfunded schemes	6,438	6,790	6,438	6,789
Payroll tax	6,573	6,403	6,573	6,403
Worker's compensation	684	1,095	684	1,095
Long service leave expense	2,445	2,793	2,445	2,793
Annual leave	8,055	8,724	8,055	8,724
Other	71	89	71	89
Separation costs	5,600	2,434	5,600	2,434
Total academic	154,704	150,952	154,704	150,951
Non-academic				
Salaries	91,449	88,107	91,444	88,103
Contributions to superannuation and pension schemes				
Contributions to funded schemes	14,272	13,905	14,272	13,905
Contribution to unfunded schemes	1,618	1,714	1,618	1,714
Payroll tax	5,509	5,601	5,509	5,601
Worker's compensation	574	902	574	902
Long service leave expense	1,512	2,003	1,512	2,003
Annual leave	7,108	7,485	7,108	7,485
Other	107	133	107	133
Separation costs	2,232	12,940	2,232	12,940
Total non-academic	124,382	132,790	124,376	132,786
Total employee related expenses	279,086	283,742	279,080	283,737

10 DEPRECIATION AND AMORTISATION

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Depreciation				
Buildings	14,860	14,691	14,860	14,691
Leasehold Improvements	1,223	1,037	1,223	1,037
Library collections	1,888	1,889	1,888	1,889
Leased building	1,089	-	1,089	-
Plant and equipment	6,001	5,658	6,001	5,658
Total depreciation	25,061	23,275	25,061	23,275
Amortisation				
Computer software, other	8,509	7,596	8,509	7,596
Total depreciation and amortisation	33,570	30,871	33,570	30,871

11 REPAIRS, MAINTENANCE, CLEANING AND SECURITY

Repairs and maintenance	6,736	6,694	6,736	6,694
Cleaning	3,243	3,441	3,243	3,441
Security	3,682	3,532	3,682	3,532
Others	118	116	118	116
Total repairs, maintenance, cleaning and security	13,779	13,783	13,779	13,783

12 BORROWING COSTS

Other borrowing costs	466	445	466	445
Less: Amount capitalised	-	-	-	-
Total borrowing costs expensed	466	445	466	445

Other borrowing costs include a loan facility fee.

13 IMPAIRMENT/REVERSAL OF IMPAIRMENT

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Student fees and charges	434	(992)	434	(992)
Trade receivables	(7)	(1)	(7)	(1)
Impairment of assets	34	-	32	-
Total impairment of assets/reversal of impairment	461	(993)	459	(993)

14 OTHER EXPENSES

Purchases	406	291	406	291
Advertising, marketing and promotional expenses	7,913	7,111	7,913	7,111
Consulting, legal and professional fees	22,891	14,341	22,867	14,301
Class materials and consumables	4,166	4,082	4,166	4,082
Donations	8	25	8	85
Fees and subscriptions	14,881	12,370	14,874	12,370
Non-capitalised equipment*	2,622	2,448	2,618	2,448
Operating lease rental expenses	12,321	12,095	12,321	12,095
Printing and stationeries	6,229	6,074	6,229	6,074
Refund of income received in prior year	193	173	193	173
Postage and freight	782	982	782	982
Scholarships, grants and prizes	10,175	10,334	9,232	9,512
Student placement and practicum expenses	3,889	4,225	3,889	4,225
Telecommunications	9,759	9,531	9,759	9,531
Travel, staff development and entertainment	7,366	7,621	7,366	7,621
Energy costs	6,083	6,184	6,083	6,184
Other operating expenses	4,021	5,983	4,017	5,974
Total other expenses	113,705	103,870	112,723	103,059

* The capitalisation thresholds are as follows: \$5,000 for plant, property or equipment assets, \$100,000 for intangible assets, and \$0 for artworks and library collections.

15 INCOME TAX EXPENSE

(A) INCOME TAX EXPENSE

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Current tax	531	432	531	432
Deferred tax	(193)	59	(193)	59
Adjustments for current tax of prior periods	(70)	(145)	(70)	(145)
Total income tax expense	268	346	268	346
Income tax expense is attributable:				
Net result from continuing operations	268	346	268	346
Aggregate income tax expense	268	346	268	346
Deferred income tax (income) / expense included in income tax expense comprises				
(Decrease) / increase in deferred tax liabilities	193	5	193	5
Total	193	5	193	5

(B) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

Net result before income tax:				
Net result from continuing operations before income tax expense	2,044	3,022	2,068	3,022
Tax at the Australian tax rate of 30% (2015: 30%)	613	907	620	907
Difference in overseas tax rates	(275)	(416)	(282)	(416)
Adjustment for current tax of prior periods	(70)	(145)	(70)	(145)
Total Income tax expense:	268	346	268	346

16 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Cash at bank and on hand	19,970	8,231	18,880	7,115
Deposits at call	-	11,505	-	11,505
Deposits - Other	2,600	45,000	-	45,000
Total cash and cash equivalents	22,570	64,736	18,880	63,620

(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	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Balances as above	22,570	64,736	18,880	63,620
Balance as per Statement of Cash Flows	22,570	64,736	18,880	63,620

(B) CASH AT BANK AND ON HAND

Cash in operating accounts earns floating interest rates between 0.01% and 1.80% (2015:0.10% and 1.30%).

(C) DEPOSITS AT CALL

There are no deposits at call as at 31 December 2016 (2015: 1.30% and 1.90%).

(D) DEPOSITS – OTHER

At 31 December 2016, the funds earned a rate of 2.70%; (2015: 2.35% and 2.91%), These term deposits have an average maturity of 90 days (2015: 77 days).

17 TRADE AND OTHER RECEIVABLES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Current					
Trade receivables		16,393	19,131	16,393	19,156
Less: Provision for impaired receivables		(19)	(52)	(19)	(52)
Student Loans		1	1	1	1
Less: Provision for impaired receivables		(1)	-	(1)	-
Student fees		5,804	5,280	5,804	5,280
Less: Provision for impaired receivables		(3,617)	(3,162)	(3,617)	(3,162)
Deferred government benefit for superannuation	39	8,115	8,207	8,115	8,207
Total current receivables		26,676	29,405	26,676	29,430
Non-current					
Sundry receivables		27	27	27	27
Deferred government benefit for superannuation	39	141,506	143,428	141,506	143,428
Total non-current receivables		141,532	143,455	141,532	143,455
Total receivables		168,208	172,860	168,208	172,885

(A) IMPAIRED RECEIVABLES

As at 31 December 2016 current receivables of the Group with a nominal value of \$3.6 million (2015: \$3.2 million) were impaired. The amount of the provision was \$3.6 million (2015: \$3.2 million). The impaired receivables mainly relate to student fees and charges, and the remainder relates to trade and sundry debtors, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables are expected to be recovered.

The ageing of these receivables is as follows:

	CONSOLIDATED	
	2016 000'S \$	2015 000'S \$
Current Receivables		
0 to 3 months	444	-
3 to 6 months	677	678
Over 6 months	2,516	2,536
Total current impaired receivables	3,637	3,214

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

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

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

As at 31 December 2016 trade receivables was \$3.97 million (2015: \$9.63 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables are as follows:

(A) IMPAIRED RECEIVABLES (CONTINUED)

	CONSOLIDATED	
	2016	2015
	000'S	000'S
	\$	\$
Trade Receivables		
Between 1 to 3 months	3,067	2,916
Between 3 to 6 months	173	2,684
Over 6 months	731	4,034
	<u>3,971</u>	<u>9,634</u>

	CONSOLIDATED	
	2016	2015
	000'S	000'S
	\$	\$
Movements in the provision for impaired receivables are as follows:		
At 1 January	3,214	4,979
Provision for impairment/reversal of impairment recognised during the year	546	(888)
Receivables written off/written back during the year as uncollectible	(123)	(877)
	<u>3,637</u>	<u>3,214</u>

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

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

18 OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Current				
Financial asset at fair value through profit and loss	44	-	44	-
Available for sale:				
*Available for sale financial assets at fair value	3,884	24,600	1,384	20,000
Other financial assets - listed shares	11,027	9,198	11,027	9,198
Total current other financial assets	14,955	33,798	12,455	29,198
Non-Current				
Shares in controlled entities at cost	-	-	150	150
Other shares at cost **	2,027	2,027	2,027	2,027
Less: Accumulated impairment losses	(320)	(320)	(320)	(320)
*Available for sale financial assets	61,421	-	61,421	-
Total non-current other financial assets	63,128	1,707	63,278	1,857
Total other financial assets	78,083	35,505	75,733	31,055

* All available for sale investments are managed funds, and term deposits denominated in Australian dollars. Term deposits are held for 4 - 6 months, therefore there is no exposure to foreign currency or price risk.

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

19 OTHER NON-FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Current				
Prepayments*	8,711	8,016	8,711	8,016
Non-current				
Prepayments*	7,241	8,096	7,241	8,096
Total other non-financial assets	15,952	16,112	15,952	16,112

*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.

20 PROPERTY, PLANT AND EQUIPMENT

	LAND 000'S \$	BUILDINGS 000'S \$	WORK IN PROGRESS* 000'S \$	LEASEHOLD IMPROVEMENTS 000'S \$	PLANT AND EQUIPMENT 000'S \$	WORKS OF ART 000'S \$	LIBRARY 000'S \$	TOTAL 000'S \$
University								
At 1 January 2015								
- Cost	-	-	17,389	-	-	-	19,808	37,197
- Valuation	159,716	500,151	-	1,872	23,781	495	-	686,015
Accumulated depreciation	-	-	-	-	-	-	(10,667)	(10,667)
Net book amount	159,716	500,151	17,389	1,872	23,781	495	9,141	712,545
Year ended 31 December 2015								
Opening net book amount	159,716	500,151	17,389	1,872	23,781	495	9,141	712,545
Additions	555	2,502	48,949	(5)	5,569	55	2,466	60,091
Disposals/ transfers (written down value)	(12)	-	-	-	(116)	(3)	-	(131)
Transfers between asset classes/adjustments	-	5,394	(8,261)	1,912	955	-	-	-
Revaluation increments/ (decrements)**	35,134	-	-	-	-	-	-	35,134
Impairment reversal	-	3	-	-	-	-	-	3
Depreciation expense	-	(14,691)	-	(1,037)	(5,658)	-	(1,889)	(23,275)
Closing net book amount	195,393	493,359	58,077	2,742	24,531	547	9,718	784,367
At 31 December 2015								
- Cost	-	-	58,077	-	-	-	17,713	75,790
- Valuation	195,393	493,359	-	2,742	24,531	547	-	716,572
Accumulated depreciation	-	-	-	-	-	-	(7,995)	(7,995)
Net book amount	195,393	493,359	58,077	2,742	24,531	547	9,718	784,367
Year ended 31 December 2016								
Opening net book amount	195,393	493,359	58,077	2,742	24,531	547	9,718	784,367
Additions	61	2,178	9,288	1,646	5,758	10	2,539	21,480
Disposals	-	(19)	-	(10)	(139)	-	(11)	(179)
Impairment	-	(3,810)	-	-	(32)	-	-	(3,842)
Impairment reversal	-	19	-	-	-	-	-	19
Transfer between asset classes/ adjustments	-	54,315	(56,841)	273	2,196	-	-	(57)
Revaluation increments/ (decrements)**	26,677	-	-	-	-	-	-	26,677
Depreciation expense	-	(15,949)	-	(1,223)	(6,001)	-	(1,888)	(25,061)
Closing net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404
At 31 December 2016								
- Cost	-	-	10,524	-	-	-	18,587	29,111
- Valuation	222,131	530,093	-	3,428	26,313	557	-	782,522
Accumulated depreciation	-	-	-	-	-	-	(8,229)	(8,229)
Net book amount	222,131	530,093	10,524	3,428	26,313	557	10,358	803,404

*Work in progress for 2016 consists of construction in progress of \$8.9m (2015: \$7.61m) and data and telephone network installations of \$1.62m (2015: \$2.31m).

**For details on revaluations, refer to Note 1(h) and 28(b).

(A) PROPERTY, PLANT AND EQUIPMENT (RECONCILIATION OF CARRYING AMOUNTS) (CONTINUED)

	LAND 000'S \$	BUILDINGS 000'S \$	WORK IN PROGRESS* 000'S \$	LEASEHOLD IMPROVEMENTS 000'S \$	PLANT AND EQUIPMENT 000'S \$	WORKS OF ART 000'S \$	LIBRARY 000'S \$	TOTAL 000'S \$
Consolidated								
At 1 January 2015								
- Cost	-	-	17,389	-	-	-	19,808	37,197
- Valuation	159,716	500,151	-	1,872	23,781	524	-	686,044
Accumulated depreciation	-	-	-	-	-	-	(10,667)	(10,667)
Net book amount	159,716	500,151	17,389	1,872	23,781	524	9,141	712,574
Year ended 31 December 2015								
Opening net book amount	159,716	500,151	17,389	1,872	23,781	524	9,141	712,574
Additions	555	2,502	48,949	(5)	5,569	55	2,466	60,091
Disposals/ transfers (written down value)	(12)	-	-	-	(116)	(3)	-	(131)
Transfer between asset classes/adjustments	-	5,394	(8,261)	1,912	955	-	-	-
Revaluation increments/ decrements**	35,134	-	-	-	-	-	-	35,134
Impairment reversal	-	3	-	-	-	-	-	3
Depreciation expense	-	(14,691)	-	(1,037)	(5,658)	-	(1,889)	(23,275)
Closing net book amount	195,393	493,359	58,077	2,742	24,531	576	9,718	784,396
At 31 December 2015								
- Cost	-	-	58,077	-	-	-	17,713	75,790
- Valuation	195,393	493,359	-	2,742	24,531	576	-	716,601
Accumulated depreciation	-	-	-	-	-	-	(7,995)	(7,995)
Net book amount	195,393	493,359	58,077	2,742	24,531	576	9,718	784,396
Year ended 31 December 2016								
Opening net book amount	195,393	493,359	58,077	2,742	24,531	576	9,718	784,396
Additions	61	2,178	9,288	1,646	5,758	10	2,539	21,480
Disposals	-	(19)	-	(10)	(139)	-	(11)	(179)
Transfer between asset classes/ adjustments	-	54,315	(56,841)	273	2,196	-	-	(57)
Revaluation increments/ (decrements)**	26,677	-	-	-	-	(4)	-	26,673
Impairment	-	(3,810)	-	-	(32)	(2)	-	(3,844)
Impairment reversal	-	19	-	-	-	-	-	19
Depreciation expense	-	(15,949)	-	(1,223)	(6,001)	-	(1,888)	(25,061)
Closing net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427
At 31 December 2016								
- Cost	-	-	10,524	-	-	-	18,587	29,111
- Valuation	222,131	530,093	-	3,428	26,313	580	-	782,545
Accumulated depreciation	-	-	-	-	-	-	(8,229)	(8,229)
Net book amount	222,131	530,093	10,524	3,428	26,313	580	10,358	803,427

*Work in progress for 2016 consists of construction in progress of \$8.90m (2015: \$7.61m) and data and telephone network installations of \$1.62m (2015: \$2.31m).

**For details on revaluations refer to Note 1(h) and 28(b).

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

	CONSOLIDATED		UNIVERSITY	
	2016	2015	2016	2015
	000'S \$	000'S \$	000'S \$	000'S \$
Proceeds from sale of property, plant and equipment	81	202	81	202
Written down value of assets sold and disposed of	(160)	(131)	(160)	(131)
Incidental cost of sale	(324)	(52)	(324)	(52)
Written down value of assets sold	(484)	(183)	(484)	(183)
Net gain / (loss) on disposal of property, plant and equipment	(403)	19	(403)	19

21 INTANGIBLE ASSETS

	CONSOLIDATED		UNIVERSITY	
	2016	2015	2016	2015
	000'S \$	000'S \$	000'S \$	000'S \$
At 31 December				
Cost	92,129	85,086	92,129	85,086
Accumulated amortisation and impairment	(36,962)	(28,531)	(36,962)	(28,531)
Net book amount	55,167	56,555	55,167	56,555

	CONSOLIDATED		UNIVERSITY	
	COMPUTER SOFTWARE	TOTAL	COMPUTER SOFTWARE	TOTAL
	000'S \$	000'S \$	000'S \$	000'S \$
Year ended 31 December 2015				
Opening balance	55,332	55,332	55,332	55,332
Additions (work in progress \$3,927)	9,251	9,251	9,251	9,251
Amortisation	(7,596)	(7,596)	(7,596)	(7,596)
Impairment	(432)	(432)	(432)	(432)
Closing value at 31 December 2015	56,555	56,555	56,555	56,555

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

22 CURRENT TAX LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Income tax	-	70	-	70
Total current tax liabilities	-	70	-	70

Victoria University's foreign operations are subject to income tax in the following jurisdictions: China, Singapore, and Vietnam.

23 DEFERRED TAX LIABILITIES

Deferred tax liability				
Amounts recognised in net result				
Current	142	335	142	335
Deferred tax liabilities	142	335	142	335

24 TRADE AND OTHER PAYABLES

Current				
OS-HELP Liability to Australian Government	1,923	1,473	1,923	1,473
Trade creditors	12,251	10,749	12,251	10,749
Sundry creditors and other accruals	20,975	21,654	20,981	21,626
Separation costs accrual	1,846	3,581	1,846	3,581
Total current trade and other payables	36,995	37,457	37,001	37,429
Non-current				
Sundry creditors and other accruals	100	100	100	100
Total non-current trade and other payables	100	100	100	100
Total trade and other payables	37,095	37,557	37,101	37,529

(A) FOREIGN CURRENCY RISK

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

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Singapore Dollars	-	11	-	-
Australian Dollars	37,095	37,546	37,101	37,529
	37,095	37,557	37,101	37,529

Trade creditors and other accruals are unsecured and are usually paid within 45 days (2015: 45 days) of recognition. For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 37.

25 BORROWINGS

(A) FINANCING ARRANGEMENTS

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Bank loan facility				
Total facilities	50,000	50,000	50,000	50,000
Unused at balance date	50,000	50,000	50,000	50,000
Current borrowings				
Borrowings	177	-	177	-
Total	177	-	177	-
Non-current borrowings				
Borrowings	421	-	421	-
Total	421	-	421	-

(B) DETAILS OF BORROWINGS

Bank loan facility

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

On 30th October 2012, Victoria University signed an agreement with National Australia Bank for the provision of a \$50m loan facility expiring in May 2014, which was extended to June 2022. As at 31 December 2016, no amounts had been drawn down under this facility.

Borrowings

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

26 PROVISIONS

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Defined benefit obligation	8,115	8,207	8,115	8,207
Short-term provisions				
Legal proceedings	-	60	-	60
	8,115	8,267	8,115	8,267
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual leave	19,800	20,621	19,800	20,621
Long service leave	30,221	29,628	30,221	29,628
	50,021	50,249	50,021	50,249
Total current provisions	58,136	58,516	58,136	58,516
Non-current provisions				
Employee benefits				
Defined benefit obligation	141,506	143,428	141,506	143,428
Long Service Leave	5,368	6,338	5,368	6,338
Long-term provisions				
Leasehold Make Good Provisions	54	69	54	69
Total non-current provisions	146,928	149,835	146,928	149,835
Total provisions	205,064	208,351	205,064	208,351

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

	LEASEHOLD MAKE GOOD PROVISION 000'S \$	TOTAL 000'S \$
Consolidated 2016		
Carrying amount at start of year 1 January	69	69
Additional provisions recognised	3	3
Utilised during the period	(18)	(18)
Carrying amount at end of year 31 December	54	54

27 OTHER LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Current				
Rental income in advance	1,604	208	1,604	208
Student fees - in advance	11,010	11,396	11,010	11,396
Total current other liabilities	12,614	11,604	12,614	11,604
Non-current				
Rental income in advance	49,900	3,175	49,900	3,175
Footscray Student Accommodation Project	-	48,151	-	48,151
Total non-current other liabilities	49,900	51,326	49,900	51,326
Total other liabilities	62,514	62,930	62,514	62,930

28 RESERVES AND RETAINED SURPLUS

(A) COMPOSITION

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Equity at the end of the year comprises:					
Accumulated Funds	28(b)	400,480	411,918	399,912	411,328
Reserves					
Foreign currency translation reserve	28(b)	115	126	-	-
Asset revaluation reserve	28(b)	417,729	394,867	417,730	394,863
Special purpose reserve	28(b)	5,387	4,823	-	-
Available for sale financial assets reserve	28(b)	14,283	9,188	14,283	9,188
Total Reserves	28(b)	437,514	409,003	432,013	404,051
Total Equity		837,994	820,921	831,925	815,379

(B) MOVEMENTS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2016	2015	2016	2015
		000'S \$	000'S \$	000'S \$	000'S \$
Foreign Currency Translation Reserve					
Balance 1 January		126	123	-	-
Movement due to translation of foreign subsidiary financial statements		(11)	3	-	-
Balance 31 December	28(a)	115	126	-	-
Asset Revaluation Reserves					
Land					
Balance 1 January		217,899	182,765	217,899	182,765
Net movements due to revaluation		26,677	35,134	26,677	35,134
Balance 31 December	28(a)	244,576	217,899	244,576	217,899
Buildings					
Balance 1 January		176,646	176,643	176,646	176,643
Impairment/reversal of impairment		(3,811)	3	(3,811)	3
Balance 31 December	28(a)	172,835	176,646	172,835	176,646
Artwork					
Balance 1 January		322	322	318	318
Impairment/reversal of impairment		(4)	-	-	-
Balance 31 December	28(a)	318	322	318	318
Special Purpose Reserve					
Balance 1 January		4,823	4,493	-	-
Transfer from/ (to) accumulated funds		564	330	-	-
Balance 31 December	28(a)	5,387	4,823	-	-
Available for sale Financial Assets Reserve					
Balance 1 January		9,188	-	9,188	-
Net movements in financial assets classified as available for sale		5,095	9,188	5,095	9,188
Balance 31 December	28(a)	14,283	9,188	14,283	9,188
Total reserves		437,514	409,003	432,013	404,051

Movements in retained earnings

Movements in retained earnings were as follows:

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Opening balance	411,918	424,060	411,328	423,454
Net result after income tax for the period	(10,874)	(11,812)	(11,415)	(12,126)
Transfer from/ (to) special purpose reserve	(564)	(330)	-	-
Balance 31 December	400,480	411,918	399,912	411,328

(C) NATURE AND PURPOSE OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(h) and impairments booked to previously revalued increments.

Foreign Currency Translation Reserve

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

Special Purpose Reserve

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

Available for Sale Reserve

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

29 KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) NAMES OF RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

(i) Names of Responsible Persons

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

The responsible Ministers for the reporting period were The Hon. Steve Herbert, Minister for Training and Skills (until 9 November 2016) and The Hon Gayle Tierney, Minister for Training and Skills (from 9 November 2016).

Council Members

Ms D Tyler
Ms E Beattie (appointed 1 January 2016)
Ms G Hamilton
Mr G Dale
Mr G Pappas

Ms G Al-Nasiri (appointed 1 August 2016)

Mr K Wong (until 31 December 2016)

Ms L Hannah (until 31 December 2016)

Dr M Keating (appointed 1 August 2016)

Mr M Toohey (until 31 December 2016)

Professor P Dawkins

Ms R Hawkins (appointed 1 January 2016)

Associate Professor R Black (until 31 December 2016)

Ms V Simmons (appointed 1 January 2016)

Mr W Kayler-Thomson

(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 A Corbett (until 31 December 2016)

Mr G Dreher

Mr I Ford

Mr I Solomonides (appointed 29 February 2016)

Mr J Tribe (until 1 July 2016)

Professor K Krause

Professor M Towstless

Professor N Lee (until 5 July 2016)

Professor P Dawkins

Mr R Constantine (appointed 18 January 2016)

Dr R Brown

Mr S Eltham (appointed 5 December 2016)

Mr S Berridge

Ms T Tjia

Professor W Payne

All of the above persons were also key management personnel during the year ended 31 December 2016.

The Consolidated comparatives in Note 29 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	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
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:	338	292	338	292

Remuneration Bands				
Nil to \$9,999	3	4	3	4
\$10,000 to \$19,999	-	1	-	1
\$20,000 to \$29,999	10	8	10	8
\$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	15	15	15

Remuneration of the Ministers is reported in the Annual Report of the Department of Premier and Cabinet. 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 \$660,000 — \$669,999 (\$640,000 — \$649,999 in 2015).

Total Remuneration in the range of \$790,000 — \$799,999 (\$690,000 — \$699,999 in 2015).

The accountable officer's long term performance bonus of \$80,000 for years 2011–2015, which was received in 2016, and which accounts for the significant increase in total remuneration in 2016, was donated to the Victoria University Centenary Campaign. This contribution is part of the \$500,000 donation that the Accountable Officer's and his wife pledged in 2016 to the University. The funds are being used to support a range of scholarships for VU students.

(iii) Remuneration of Executive Officers

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Remuneration				
Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties:	4,015	5,615	4,015	5,615

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
29 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

	TOTAL REMUNERATION				BASE REMUNERATION			
	CONSOLIDATED		UNIVERSITY		CONSOLIDATED		UNIVERSITY	
	2016 000'S NUMBER	2015 000'S NUMBER	2016 000'S NUMBER	2015 000'S NUMBER	2016 000'S NUMBER	2015 000'S NUMBER	2016 000'S NUMBER	2015 000'S NUMBER
\$100,000 to \$109,999	-	-	-	-	1	-	1	-
\$140,000 to \$149,999	1	-	1	-	-	-	-	-
\$150,000 to \$159,999	-	-	-	-	-	2	-	2
\$170,000 to \$179,999	-	-	-	-	1	1	1	1
\$190,000 to \$199,999	1	-	1	-	-	-	-	-
\$200,000 to \$209,999	-	-	-	-	-	1	-	1
\$210,000 to \$219,999	-	-	-	-	-	1	-	1
\$220,000 to \$229,999	-	1	-	1	-	1	-	1
\$230,000 to \$239,999	-	1	-	1	-	1	-	1
\$240,000 to \$249,999	-	-	-	-	1	-	1	-
\$250,000 to \$259,999	-	-	-	-	-	1	-	1
\$260,000 to \$269,999	1	-	1	-	-	-	-	-
\$270,000 to \$279,999	-	-	-	-	-	1	-	1
\$280,000 to \$289,999	-	1	-	1	2	1	2	1
\$290,000 to \$299,999	-	2	-	2	3	3	3	3
\$300,000 to \$309,999	2	1	2	1	3	1	3	1
\$310,000 to \$319,999	1	1	1	1	-	-	-	-
\$320,000 to \$329,999	5	2	5	2	-	-	-	-
\$330,000 to \$339,999	-	1	-	1	1	-	1	-
\$350,000 to \$359,999	1	1	1	1	-	1	-	1
\$390,000 to \$399,999	-	1	-	1	-	-	-	-
\$420,000 to \$429,999	-	-	-	-	1	1	1	1
\$450,000 to \$459,999	-	1	-	1	-	-	-	-
\$470,000 to \$479,999	-	2	-	2	-	-	-	-
\$480,000 to \$489,999	1	-	1	-	-	-	-	-
\$520,000 to \$529,999	-	1	-	1	-	-	-	-
	13	16	13	16	13	16	13	16
Total annualised employee equivalent	13	15	13	15	13	15	13	15

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 (2016: 1 Executive and 2015: 1 Executive) are not disclosed in the above remuneration bands however the remuneration paid is disclosed under remuneration.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	CONSOLIDATED		UNIVERSITY	
	2016	2015	2016	2015
	000'S \$	000'S \$	000'S \$	000'S \$
Short-term employee benefits	3,193	3,617	3,193	3,617
Post-employment benefits	486	538	486	538
Termination benefits	62	1,183	62	1,183
Performance-based payments	274	277	274	277
Total key management personnel compensation	4,015	5,615	4,015	5,615

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

Total executive remuneration for the Group has decreased by 28.5% since 2015, principally due to the reduction of senior executive officers from 18 in 2015 to 15 in 2016.

(D) LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans made to any members of Council or Executive Officers in 2016 (2015: Nil).

(E) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Other related transactions requiring disclosure have been considered, refer to Note 33(c).

30 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	
	2016	2015	2016	2015
	000'S \$	000'S \$	000'S \$	000'S \$
Audit of the Financial Statements				
Fees paid to Victorian Auditor-General's Office	124	158	111	145
Fees paid to ShineWing (Singapore)	2	6	-	-
Total	126	164	111	145

	CONSOLIDATED		UNIVERSITY	
	2016	2015	2016	2015
	000'S	000'S	000'S	000'S
	\$	\$	\$	\$
Other services				
Other audit and assurance services				
Fees paid to main audit firm				
Fees paid for Internal Audit Services	584	345	584	345
Total paid for audit and assurance	584	345	584	345
Taxation services				
Taxation services provided by related practice or auditor	2	17	-	-
Total taxation services	2	17	-	-
Other Services				
Other services	30	28	30	28
Total other services	30	28	30	28

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

31 CONTINGENCIES

(A) GUARANTEES

Guarantees	662	801	662	801
Total Guarantees	662	801	662	801

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

(B) LITIGATION

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

(C) CONTINGENT LIABILITIES

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

(ii) The University has entered into a series of agreements with the private sector in relation to the construction, operation and maintenance of a 500-bed student accommodation complex for a period of 37 years. In consideration for the private sector financing the construction of the premises the University under the agreements allow the operator of the student accommodation to collect all the rental income from the student accommodation and in addition has provided a financial guarantee effectively underwriting a level of occupancy (approximately 65%). In the event that the guarantee is triggered there is also an ability for the University to recoup the guarantee in subsequent years where occupancy levels are above that forecasted.

In the 2016 year being the initial year of operation 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 2017 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 (2015: Nil).

32 COMMITMENTS

(A) LEASE COMMITMENTS

(i) Operating Leases - as Lessee

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

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Property leases	63,026	50,911	63,026	50,911
Plant and equipment leases	4,243	9,600	4,243	9,600
Total	67,269	60,511	67,269	60,511

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Due within one year	11,769	13,658	11,769	13,658
Due after one year, but within five years	33,476	38,448	33,476	38,448
Later than five years	22,024	8,405	22,024	8,405
	67,269	60,511	67,269	60,511
GST reclaimable on the above	(6,115)	(5,501)	(6,115)	(5,501)
Net commitments	61,154	55,010	61,154	55,010

(ii) Operating Leases - as Lessor

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

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Due within one year	2,361	3,971	2,361	3,971
Between one year, but within five years	7,609	19,034	7,609	19,034
Later than five years	41,911	37,581	41,911	37,581
	51,881	60,586	51,881	60,586
GST payable on the above	(328)	(346)	(328)	(346)
Net lease income	51,553	60,240	51,553	60,240

(B) CAPITAL COMMITMENTS

Capital expenditure contracted for the reporting date but recognised as liabilities are:

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Buildings and IT infrastructure Major Works	12,485	7,936	12,485	7,936
Net commitments are payable as follows:				
Due within one year	7,576	6,385	7,576	6,385
Due after one year, but within five years	4,909	1,551	4,909	1,551
	12,485	7,936	12,485	7,936
GST claimable on the above	(1,135)	(721)	(1,135)	(721)
Net commitments	11,350	7,215	11,350	7,215

(C) OTHER EXPENDITURE COMMITMENTS

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

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Network Service fees	957	1,141	957	1,141
Student Management System Licence Fees	3,751	4,434	3,751	4,434
IT Infrastructure	1,505	569	1,505	569
CSG Software License fees	147	232	147	232
CSG service fees	521	894	521	894
	6,881	7,270	6,881	7,270
Net commitments are payable as follows:				
Due within one year	3,510	2,809	3,510	2,809
Due after one year but within five years	3,371	4,461	3,371	4,461
	6,881	7,270	6,881	7,270
GST reclaimable on the above	(262)	(661)	(262)	(661)
Net commitments	6,619	6,609	6,619	6,609

(D) REMUNERATION COMMITMENTS

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

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Due within one year	3,781	2,850	3,781	2,850
Due after one year but within five years	7,659	7,133	7,659	7,133
Later than five years	-	32	-	32
Net commitments	11,440	10,015	11,440	10,015

33 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 34.

(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:

Ms G.Hamilton - Council Member (Director, Western Bulldogs Football Club) - 2016: Nil and 2015: \$1,075,000

Mr R. Constantine - Senior Executive Officer (Director VERNet Pty Ltd) - 2016: \$653,000 and 2015: Nil.

Professor P Dawkins - Accountable Officer (Non-executive Director, Unisuper) - 2016: \$88,000 and 2015: Nil (director's fee).

Amount received by the University was subsequently donated to Victoria University Foundation. Refer to Note 33(d).

Disclosures relating relating to responsible officers and specified executives are set out in Note 29.

(D) TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	UNIVERSITY	
	2016 000'S \$	2015 000'S \$
Training fee income from Victoria University of Technology (Singapore) Pte Ltd	-	63
Donations paid to Victoria University Foundation	80	70
Donations received from staff and Council members of Victoria University	425	127
Donations received from Victoria University Foundation	208	47
Audit fees paid on behalf of Victoria University International Pty Ltd	3	3
Audit fees paid on behalf of Victoria University Enterprises Pty Ltd	3	3

(E) OUTSTANDING BALANCES

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

	UNIVERSITY	
	2016 000'S \$	2015 000'S \$
Amount receivable from Victoria University Foundation	5	46
Amount payable to Victoria University Foundation	13	-

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

(F) TERMS AND CONDITIONS

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

34 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1 (b):

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS	CLASS OF SHARES	EQUITY HOLDING	
			2016 %	2015 %
Victoria University Foundation Ltd (ACN 007 151 895)	Australia	-	100	100
Victoria University Foundation*	Australia	-	100	100
Victoria University Enterprises Pty Ltd (ACN 007 382 818)	Australia	Ordinary	100	100
Victoria University of Technology (Singapore) Pte Ltd	Singapore	Ordinary	100	100
Victoria University International Pty Ltd (ACN 079 529 089)	Australia	Ordinary	100	100

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

35 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.

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

NOTE	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Operating result after income tax for the period	(10,874)	(11,812)	(11,415)	(12,126)
<i>Add non cash items</i>				
Depreciation and amortisation	10	33,570	30,871	33,570
Net (gain) / loss on sale of non-current assets	8,20(a)	79	(19)	79
Impairment/ reversal of impairment	13	34	(992)	32
Impairment of non-financial assets		434	432	434
Bad debt recovered		(7)	(1)	(7)
<i>Change in operating assets and liabilities</i>				
Increase / (decrease) in Provision for employee benefits		(3,288)	6,238	(3,287)
Increase / (decrease) in Trade and Other Payables		(461)	9,175	(426)
Increase / (decrease) in Other Liabilities		(1,471)	(1,158)	(1,471)
(Increase) / decrease in Receivables		4,228	(6,986)	4,250
(Increase) / decrease in Other Non-financial Assets		160	316	160
Increase / (decrease) in provision for income tax		(263)	(240)	(263)
Net cash provided by / (used in) operating activities		22,141	25,824	21,656
				25,221

37 FINANCIAL RISK MANAGEMENT

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

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

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

(A) MARKET RISK

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

The Group in its daily operations are exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse affect on the operating result and/or net assets of the Group. e.g. an adverse movement in interest rates or foreign currency exchange rates.

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

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

(i) Foreign exchange risk

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

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

(ii) Price risk

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

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

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

(iii) Cash flow and fair value interest rate risk

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

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

(iv) Summarised sensitivity analysis

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

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

31 DECEMBER 2015		INTEREST RATE RISK				FOREIGN EXCHANGE RISK				OTHER PRICE RISK			
		-1%		+1%		-5%		+5%		-1%		+1%	
	CARRYING AMOUNT	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY	RESULT	EQUITY
	000'S	000'S	000'S	000'S	000'S	000'S	000'S	000'S	000'S	000'S	000'S	000'S	000'S
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets													
Cash and Cash Equivalents - at bank	8,231	(82)	(82)	82	82	-	-	-	-	-	-	-	-
Cash and Cash Equivalents - Deposits at call	11,505	(115)	(115)	115	115	-	-	-	-	-	-	-	-
Cash and Cash Equivalents - Deposits - Other	45,000	(450)	(450)	450	450	-	-	-	-	-	-	-	-
Receivables - Debtors	20,100	-	-	-	-	(431)	(431)	431	431	-	-	-	-
Financial assets - Available for sale	24,600	(246)	(246)	246	246	-	-	-	-	-	-	-	-
*Other financial assets - listed shares	9,198	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets - unlisted shares	1,707	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and other payables	37,495	-	-	-	-	(1)	(1)	(1)	(1)	-	-	-	-
Total increase/(decrease)		(893)	(893)	893	893	(432)	(432)	432	432	-	-	-	-

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

(B) CREDIT RISK

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

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

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

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

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

No other financial assets carry a significant exposure to credit risk.

The carrying amount of financial assets (as contained in the table in subnote 38(a)) represents the Group's maximum exposure to credit risk.

(C) LIQUIDITY RISK

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

This risk is minimised as cash and cash equivalent assets are held in highly liquid cash holdings, and the monitoring of cash flows ensures that maximum funds are available for investment. This risk is also mitigated through the bank loan facility of \$50m entered into in 2012 (full balance unused at 31 December 2016 and 31 December 2015). Details of this bank loan facility are outlined in Note 25.

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

	AVERAGE INTEREST RATE		VARIABLE INTEREST RATE		WITHIN 1 YEAR		NON INTEREST BEARING		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$	000'S \$
Financial assets:										
Cash and Cash Equivalents - at bank	1.57	0.47	19,970	8,231	-	-	-	-	19,970	8,231
Cash and Cash Equivalents - Deposits at call	-	1.90	-	11,505	-	-	-	-	-	11,505
Cash and Cash Equivalents - Deposits - Other	2.70	2.74	2,600	45,000	-	-	-	-	2,600	45,000
Receivables	-	-	-	-	-	-	16,746	20,100	16,746	20,100
Financial assets - Available for sale term deposit	2.63	2.86	-	-	2,500	24,600	-	-	2,500	24,600
Other financial assets - listed shares	-	-	-	-	-	-	11,027	9,198	11,027	9,198
Other financial assets - unlisted shares	-	-	-	-	-	-	1,707	1,707	1,707	1,707
Financial assets - Available for sale managed funds	-	-	-	-	-	-	62,805	-	62,805	-
Financial assets through profit or loss	-	-	-	-	-	-	44	-	44	-
Total Financial Assets	-	-	22,570	64,736	2,500	24,600	92,329	31,005	117,399	120,341
Financial Liabilities:										
Payables	-	-	-	-	-	-	36,998	37,495	36,998	37,495
Borrowings	-	-	-	-	-	-	598	-	598	-
Total Financial Liabilities	-	-	-	-	-	-	37,596	37,495	37,596	37,495

38 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	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assets				
Cash and cash equivalents - at bank	19,970	8,231	19,970	8,231
Cash and cash equivalents - Deposits at call	-	11,505	-	11,505
Cash and cash equivalents - Deposits - Other	2,600	45,000	2,600	45,000
Receivables - Debtors	16,746	20,100	16,746	20,100
Financial assets - Available for sale	2,500	24,600	2,500	24,600
Other financial assets - unlisted shares	1,707	1,707	1,707	1,707
Available for sale other financial assets - listed shares	11,027	9,198	11,027	9,198
Available for sale other financial assets - managed funds	62,805	-	62,805	-
Financial asset at fair value through profit and loss	44	-	44	-
Total financial assets	117,399	120,341	117,399	120,341
Financial Liabilities				
Payables	36,998	37,495	36,998	37,495
Borrowings	598	-	598	-
Total financial liabilities	37,596	37,495	37,596	37,495

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

Recognised Financial Instruments

Cash at Bank, Deposits at call, Deposits - other, Receivables, Available for sale investments, Creditors	These financial instruments have a short term to maturity. Accordingly, it is considered that their carrying amounts reflect fair values.
Unlisted shares	These are shares held in small private entities. Since there is no active market for these shares, their fair values cannot be reliably measured, hence they are carried at nominal cost.
Available for sale other financial assets - listed shares	These are shares held in Education Australia and have been valued as at 31 December 2016. Accordingly, it is considered that their carrying amount reflect their fair value.
Available for sale other financial assets - managed funds	These are units held in managed funds and have been valued as at 31 December 2016. Accordingly, it is considered that their carrying amount reflect their fair value.
Financial asset at fair value through profit and loss	This is a derivative financial instrument contract and has been valued as at 31 December 2016. Accordingly, it is considered that its carrying amount reflects its fair value.
Borrowings	Short-term and long-term interest-free loan facility due to be repaid in 3-5 years, thus it is considered that the carrying amount reflects its fair value.

(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 2016.

THE GROUP'S FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2016 CONSOLIDATED	NOTE	2016 000'S \$	LEVEL 1 000'S \$	LEVEL 2 000'S \$	LEVEL 3 000'S \$
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss	18				
Trading derivatives		44	44	-	-
Available for sale financial assets	18				
Term deposits		2,500	2,500	-	-
Listed shares		11,027	-	-	11,027
Managed funds		62,805	62,805	-	-
Total financial assets		76,376	65,349	-	11,027
Non-financial assets					
Land and buildings	20				
Land		222,131	-	123,874	98,257
Buildings		530,093	-	-	530,093
Leasehold improvement		3,428	-	-	3,428
Plant and equipment - motor vehicles		-	-	-	-
Plant and equipment - General Equipment		26,313	-	-	26,313
Other plant and equipment - artwork		580	10	570	-
Library collections		10,358	-	-	10,358
Total non-financial assets		792,903	10	124,444	668,449
Non-recurring fair value measurements					
Total non-recurring fair value measurements		-	-	-	-

THE GROUP'S FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2015	NOTE	2015 000'S \$	LEVEL 1 000'S \$	LEVEL 2 000'S \$	LEVEL 3 000'S \$
CONSOLIDATED					
Recurring fair value measurements					
Financial assets					
Available for sale financial assets - Term deposits		24,600	24,600	-	-
Trading securities		9,198	-	-	9,198
Total financial assets		33,798	24,600	-	9,198
Property plant and equipment					
Land and buildings	20				
Land		195,393	-	106,254	89,139
Building		493,359	-	-	493,359
Leasehold improvement		2,742	-	-	2,742
Other plant and equipment - artwork		576	55	521	-
Plant and equipment - motor vehicles		-	-	-	-
Plant and equipment - General Equipment		24,531	-	-	24,531
Library collections		9,718	-	-	9,718
Total non-financial assets		726,319	55	106,775	619,489
Non-recurring fair value measurements					
Total non-recurring fair value measurements		-	-	-	-

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

There were transfers between levels 1 and 2 for recurring fair value measurements relating to artworks. Based on the fair market valuation update provided by the independent valuer ByJoel Pty Ltd, items purchased on the open market in 2016 were classified as Level 1 and the remainder of the art collection were classified as Level 2.

(ii) Disclosed fair values

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

The fair values of available for sale investments that are disclosed in note 18 were determined by reference to published price quotations in an active market (level 1).

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

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

(i) Recurring fair value measurements

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

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

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

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

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

The following table is a reconciliation of the Group's Level 3 items for the periods ended 31 December 2016 and 2015.

LEVEL 3 FAIR VALUE MEASUREMENT 2016				
	LAND 000'S \$	BUILDINGS 000'S \$	LEASEHOLD IMPROVEMENTS 000'S \$	PLANT & EQUIPMENT - MOTOR VEHICLES 000'S \$
Consolidated				
Opening balance	89,138	493,359	2,742	-
Acquisitions	61	2,178	1,645	-
Disposals	-	(19)	(11)	-
Transfer from/to other asset class	-	54,315	273	-
Depreciation and impairment	-	(19,740)	(1,223)	-
Revaluation increments/decrement	9,058	-	-	-
Gains/(losses) recognised in other comprehensive income	-	-	-	-
Closing balance	98,257	530,093	3,426	-

LEVEL 3 FAIR VALUE MEASUREMENT 2016				
	PLANT & EQUIPMENT - GENERAL EQUIPMENT 000'S \$	LIBRARY COLLECTIONS 000'S \$	AVAILABLE FOR SALE FINANCIAL ASSETS - LISTED SHARES 000'S \$	TOTAL 000'S \$
Opening balance	24,531	9,718	9,198	628,686
Acquisitions	5,758	2,539	-	12,181
Disposals	(139)	(11)	-	(180)
Transfer from/to other asset class	2,196	-	-	56,784
Depreciation and impairment	(6,031)	(1,888)	-	(28,882)
Revaluation increments/decrement	-	-	-	9,058
Gains/(losses) recognised in other comprehensive income	-	-	1,829	1,829
Closing balance	26,315	10,358	11,027	679,476

LEVEL 3 FAIR VALUE MEASUREMENT 2015				
	LAND 000'S \$	BUILDINGS 000'S \$	LEASEHOLD IMPROVEMENTS 000'S \$	PLANT & EQUIPMENT - MOTOR VEHICLES 000'S \$
Opening balance	74,066	500,150	1,872	23
Acquisitions	555	2,502	(5)	-
Disposals	-	-	-	-
Transfers from/ (to) other asset class	-	5,394	1,912	-
Depreciation and impairment	-	(14,687)	(1,037)	(23)
Revaluation increments/ (decrements)	14,518	-	-	-
Gains/ (losses) recognised in other comprehensive income	-	-	-	-
Closing balance	89,139	493,359	2,742	-

LEVEL 3 FAIR VALUE MEASUREMENT 2015	PLANT & EQUIPMENT -	LIBRARY COLLECTIONS	AVAILABLE FOR SALE	TOTAL
	GENERAL EQUIPMENT		FINANCIAL ASSETS	
	000'S		- LISTED SHARES	
	\$		000'S	
			\$	
Opening balance	23,781	9,141	-	609,033
Acquisitions	5,569	2,466	-	11,087
Disposals	(116)	-	-	(116)
Transfers from/ (to) other asset class	955	-	-	8,261
Depreciation and impairment	(5,658)	(1,889)	-	(23,294)
Revaluation increments/ (decrements)	-	-	-	14,518
Gains/ (losses) recognised in other comprehensive income	-	-	9,198	9,198
Closing balance	24,531	9,718	9,198	628,687

(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 2015 and financial year 2016. See above for the valuation techniques adopted.

DESCRIPTION	FAIR VALUE AT 31 DECEMBER 2016 000'S \$	VALUATION TECHNIQUE*	SIGNIFICANT UNOBSERVABLE INPUTS
Land	98,257	Market approach	Community Service Obligation (CSO) adjustment
Buildings	530,093	Depreciated replacement cost	Useful life of specialised buildings
Leasehold improvements	3,426	Depreciated replacement cost	Useful life of specialised buildings
Plant & equipment - general equipment	26,315	Depreciated replacement cost	Historical cost
Library collections	10,358	Depreciated replacement cost	Historical cost
Available for sale financial assets - listed shares	11,027	Market approach	Discount method to account for any restrictions imposed on the shares

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

(iii) Valuation processes

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 2012, the fair value of the land and buildings was determined by Colliers International Consulting and Valuation Pty Ltd. A fair value assessment was made at 31 December 2016 for these assets and it was determined that no material movement had occurred since the last formal valuation.

The available for sale financial assets - listed shares are traded in an active market but due to the restriction in the shareholding, the valuation of these shares has been determined by an appropriately skilled independent third party. Where the valuation techniques including discounting and other techniques considered appropriate in the circumstance have been employed in pricing or valuing investments, the valuation 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.

39 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 2016 the assets of the DBD in aggregate were estimated to be \$2,252 million in excess (30 June 2015: \$1,479 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 2016 the assets of the DBD in aggregate were estimated to be \$3,757 million in excess (30 June 2015: \$3,379 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 2016 \$149.62 million (30 June 2015: \$151.64 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:	2016	2015
	000'S	000'S
	\$	\$
UniSuper	27,374	26,656
State Superannuation Schemes	7,762	8,172
Others	2,857	3,033
	<u>37,993</u>	<u>37,861</u>

40 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(A) EDUCATION - CGS AND OTHER EDUCATION GRANTS

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	COMMONWEALTH GRANTS SCHEME #1		INDIGENOUS SUPPORT PROGRAM		HIGHER EDUCATION PARTICIPATION PROGRAM #2	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		127,759	119,294	210	220	4,693	4,591
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(a)	127,759	119,294	210	220	4,693	4,591
Surplus/(deficit) from the previous year		-	-	11	19	-	909
Total revenue including accrued revenue		127,759	119,294	221	239	4,693	5,500
Less expenses including accrued expenses		(127,759)	(119,294)	(210)	(228)	(4,693)	(5,500)
Surplus/(deficit) for the reporting period		-	-	11	11	-	-

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	DISABILITY SUPPORT PROGRAM		DIVERSITY AND STRUCTURAL ADJUSTMENT FUND		PROMO OF EXC IN LEARNING AND TEACHING		TOTAL	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		121	56	-	-	20	125	132,803	124,286
Net accrual adjustments		-	-	-	-	3	-	3	-
Revenue for the period	3(a)	121	56	-	-	23	125	132,806	124,286
Surplus/(deficit) from the previous year		-	70	608	3,250	155	222	774	4,470
Total revenue including accrued revenue		121	126	608	3,250	178	347	133,580	128,756
Less expenses including accrued expenses		(121)	(126)	(608)	(2,642)	(79)	(192)	(133,470)	(127,982)
Surplus/(deficit) for the reporting period		-	-	-	608	99	155	110	774

#1 Includes the basic CGS grant amount and CGS – Enabling Loading.

#2 Includes Equity Support Program, Access and Participation Fund and National Priorities Pool.

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

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	HECS-HELP (AUST. GOVERNMENT PAYMENTS ONLY)		FEE-HELP #3	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Cash Payable/(Receivable) at the beginning of the year		340	(2,811)	3,152	17
Financial assistance received in cash during the reporting period		85,852	86,569	6,858	11,910
Cash available for the period		86,192	83,758	10,010	11,927
Revenue earned	3(b)	85,923	83,418	9,920	8,775
Cash Payable/(Receivable) at the end of year		269	340	90	3,152

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	VET FEE-HELP		SA-HELP	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Cash Payable/(Receivable) at the beginning of the year		(2,122)	(1,244)	(84)	(79)
Financial assistance received in cash during the reporting period		11,423	9,137	3,222	2,915
Cash available for the period		9,301	7,893	3,138	2,836
Revenue earned	3(b)	8,548	10,015	3,063	2,920
Cash Payable/(Receivable) at the end of the year		753	(2,122)	75	(84)

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	TOTAL	
		2016 000'S \$	2015 000'S \$
Cash Payable/(Receivable) at the beginning of the year		1,286	(4,117)
Financial assistance received in cash during the reporting period		107,355	110,531
Cash available for the period		108,641	106,414
Revenue earned	3(b)	107,454	105,128
Cash Payable/(Receivable) at the end of year		1,187	1,286

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

(C) SCHOLARSHIPS

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS		COMMONWEALTH EDUCATION COST SCHOLARSHIPS #4		COMMONWEALTH ACCOMMODATION SCHOLARSHIPS #4	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		2,190	2,213	167	183	50	36	26	41
Net accrual adjustments		-	-	-	-	(1)	(20)	-	(35)
Revenue for the period	3(c)	2,190	2,213	167	183	49	16	26	6
Surplus/(deficit) from the previous year		198	(126)	-	53	203	218	-	(5)
Total revenue including accrued revenue		2,388	2,087	167	236	252	234	26	1
Less expenses including accrued expenses		(2,030)	(1,889)	(167)	(236)	(30)	(31)	(26)	(1)
Surplus/(deficit) for the reporting period		358	198	-	-	222	203	-	-

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	INDIGENOUS ACCESS SCHOLARSHIP		INDIGENOUS STAFF SCHOLARSHIPS		OTHER		TOTAL	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		10	24	-	-	-	-	2,443	2,498
Net accrual adjustments		-	(24)	-	-	-	-	(1)	(79)
Revenue for the period	3(c)	10	-	-	-	-	-	2,442	2,418
Surplus/(deficit) from the previous year		-	-	-	-	-	-	401	140
Total revenue including accrued revenue		10	-	-	-	-	-	2,843	2,558
Less expenses including accrued expenses		(10)	-	-	-	-	-	(2,263)	(2,157)
Surplus/(deficit) for the reporting period		-	-	-	-	-	-	580	401

#4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

(D) EDUCATION RESEARCH #5

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	JOINT RESEARCH ENGAGEMENT		JRE ENGINEERING CADETSHIPS		RESEARCH TRAINING SCHEME	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		2,920	2,792	48	42	4,758	4,798
Revenue for the period	3(d)	2,920	2,792	48	42	4,758	4,798
Surplus/(deficit) from the previous year		-	-	95	48	-	-
Total revenue including accrued revenue		2,920	2,792	143	90	4,758	4,798
Less expenses including accrued expenses		(2,920)	(2,792)	(9)	5	(4,758)	(4,798)
Surplus/(deficit) for the reporting period		-	-	134	95	-	-

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	RESEARCH INFRASTRUCTURE BLOCK GRANTS		SUSTAINABLE RESEARCH EXCELLENCE IN UNIVERSITIES		TOTAL	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		474	468	857	801	9,057	8,901
Revenue for the period	3(d)	474	468	857	801	9,057	8,901
Surplus/(deficit) from the previous year		181	-	-	-	276	48
Total revenue including accrued revenue		655	468	857	801	9,333	8,949
Less expenses including accrued expenses		(416)	(287)	(857)	(801)	(8,960)	(8,673)
Surplus/(deficit) for the reporting period		239	181	-	-	373	276

#5 The reported surplus for JRE - Engineering Cadetships of \$134 k for 2016 is due to not being able to find suitable applicants and hence this is rolled over into 2017 and will be used in accordance with the new guidelines. The reported surplus for RIBG of \$239 k for 2016 is expected to be rolled over for future use, as there are contracts and commitments in place with regards to this infrastructure spending.

(E) OTHER CAPITAL FUNDING

PARENT ENTITY (UNIVERSITY) ONLY	EDUCATION INVESTMENT FUND		TOTAL	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-
Net accrual adjustments	-	-	-	-
Revenue for the period	-	-	-	-
Surplus/(deficit) from the previous year	-	94	-	94
Total revenue including accrued revenue	-	94	-	94
Less expenses including accrued expenses	-	(94)	-	(94)
Surplus/(deficit) for the reporting period	-	-	-	-

(F) AUSTRALIAN RESEARCH COUNCIL GRANTS

(I) DISCOVERY	NOTE	PROJECTS #6		TOTAL DISCOVERY	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		752	1,139	752	1,139
Net accrual adjustments		18	32	18	32
Revenue for the period	3(e)(i)	770	1,171	770	1,171
Surplus/(deficit) from the previous year		595	625	595	625
Total revenue including accrued revenue		1,365	1,796	1,365	1,796
Less expenses including accrued expenses		(1,149)	(1,201)	(1,149)	(1,201)
Surplus/(deficit) for the reporting period		216	595	216	595

#6 includes Early Career Researcher Award

(II) LINKAGES	NOTE	INFRASTRUCTURE		PROJECTS		TOTAL LINKAGES	
		2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	-	194	204	194	204
Net accrual adjustments		-	-	78	19	78	19
Revenue for the period	3(e)(ii)	-	-	272	223	272	223
Surplus/(deficit) from the previous year		459	459	-	18	459	477
Total revenue including accrued revenue		459	459	272	241	731	700
Less expenses including accrued expenses		(459)	-	(229)	(241)	(688)	(241)
Surplus/(deficit) for the reporting period		-	459	43	-	43	459

(G) OS-HELP

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2016 000'S \$	2015 000'S \$
Cash received during the reporting period		2,039	1,816
Cash spent during the reporting period		(1,589)	(1,988)
Net cash received	3(g)	450	(172)
Cash surplus/(deficit) from the previous period		1,473	1,645
Cash surplus/(deficit) for the reporting period	24	1,923	1,473

(H) SUPERANNUATION SUPPLEMENTATION

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2016 000'S \$	2015 000'S \$
Cash received during the reporting period	3(g)	7,775	9,060
Cash available		7,775	9,060
Cash surplus/(deficit) from the previous period		(6,962)	(7,850)
Cash available for current period		813	1,210
Contributions to specified defined benefit funds	39	(7,762)	(8,172)
Cash surplus/(deficit) for this period		(6,949)	(6,962)

(I) STUDENT SERVICES AND AMENITIES FEE

PARENT ENTITY (UNIVERSITY) ONLY	NOTE	2016 000'S \$	2015 000'S \$
Unspent/(overspent) revenue from previous period		176	429
SA-HELP revenue earned	3(b)	3,063	2,920
Student Services and Amenities Fees direct from students	5	1,474	1,522
Total revenue expendable in period		4,713	4,871
Student services expenses during period		(4,713)	(4,695)
Unspent/ (overspent) student services revenue		-	176

41 EX-GRATIA EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2016 000'S \$	2015 000'S \$	2016 000'S \$	2015 000'S \$
	The University has made no ex-gratia payments	-	-	-

DISCLOSURE INDEX

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO/S
STANDING DIRECTIONS / FINANCIAL MANAGEMENT ACT 1994 (FMA)			
1	FRD 22G	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	5–45
2	SD 5.2.1 (a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions and Australian Accounting Standards.	4
3	SD 5.2.3	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	4
4	SD 5.2.2	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements; • Financial Reporting Directions; and • FMA. 	53–56, 62–70
5	FRD 22G FMA	Financial Statements available, including: <ul style="list-style-type: none"> • Balance sheet and income statement; • Statement of recognised income and expenses • Notes to financial statements. 	57–119
6	SD 5.2.2(a) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none"> • Present fairly the financial transactions during reporting period and the financial position at end of the period; • Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and • Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	56
7	FRD 30	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> • \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	68
8	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	4, 49–50
9	SD 3.7.1	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	43
10	FRD 03A	Accounting for Dividends	N/A
11	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	62–70
12	FRD 10A	Disclosure Index	120
13	FRD 11A	Disclosure of Ex-gratia Payments	119
14	FRD 17B	Long Service leave and annual leave for employees	69, 80, 93
15	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	96–99

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO
16	FRD 22G	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following</p> <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period <p>AND for each consultancy more than \$10,000, a schedule is to be published on the University website listing:</p> <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 	44
17	FRD 22G	Manner of establishment and the relevant Minister	9, 42, 96
18	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	16–36, 37–38
19	FRD 22G	Nature and range of services provided including communities served	16–36
20	FRD 22G	Organisational structure and chart, including responsibilities	13, 15
21	FRD 22G	Names of Council members	39
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	12
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at 6.10 (a) to (e) in the FRD	34
24	FRD 22G 6.8	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	35–36
25	FRD 22G	Summary of the financial results for the year including previous 4 year comparisons	48
26	FRD 22G	Significant changes in financial position during the year	46–47, 59
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	5–6, 7–8, 9, 11, 17–20, 27–29
28	FRD 22G	Major changes or factors affecting performance	46–47
29	FRD 22G	Discussion and analysis of operating results and financial results	12, 46–47
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods	49–50, 104
31	FRD 22G	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	N/A
32	FRD 22G	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) – (d) in the FRD	N/A
33	FRD 22G	Summary of application and operation of the Freedom of Information Act 1982	41
34	FRD 22G	Statement of compliance with building and maintenance provisions of the Building Act 1993	41
35	FRD 22G	Statement where applicable on the implementation and compliance with the National Competition Policy	41
36	FRD 22G	Summary of application and operation of the Protected Disclosure Act 2012	41
37	FRD 22G	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
38	FRD 22G and 24C	Summary of Environmental Performance including a report on office based environmental impacts	41–42

DISCLOSURE INDEX

ITEM NO	SOURCE	SUMMARY OF REPORTING REQUIREMENT	PAGE NO
39	FRD 22G	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at 6.19 (a) – (l) in the FRD)	42
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	41
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
42	FRD 102	Inventories	N/A
43	FRD 103F	Non-financial physical assets	62–68, 70, 88–90, 108–112
44	FRD 104	Foreign currency	67–68
45	FRD 105B	Borrowing Costs	66, 81
46	FRD 106A	Impairment of assets	57–58, 62–66, 71–72, 82, 88–89
47	FRD 107B	Investment properties	N/A
48	FRD 109A	Intangible assets	64–65, 90
49	FRD 110A	Cash Flow Statements	61, 75
50	FRD 112D	Defined benefit superannuation obligations	68–69, 113
51	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	62–66, 87, 104
52	FRD 119A	Transfers through contributed capital	N/A
53	FRD 120J	Accounting and reporting pronouncements applicable to the reporting period	62–70
54	ETRA, s.3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2016	42
55	PAEC	Financial and other information relating to the university's international operations	9, 21–22, 24, 33, 71, 78
56	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"> • Summary of the university commercial activities • If the university has a controlled entity, include the accounts of that entity in the university's Annual Report 	45, 46–119



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