



THE UNIVERSITY OF  
MELBOURNE

# BUILDING STRENGTH

ANNUAL REPORT 2015  
VOL 1



# TABLE OF CONTENTS

▷	CHANCELLOR'S LETTER	3
▷	MELBOURNE VISION	4
▷	YEAR IN REVIEW	6
▷	BUILDING ON STRENGTH	8
▷	FIVE-YEAR STATISTICS	10
▷	OUR PEOPLE	12
▷	RESEARCH	20
▷	TEACHING AND LEARNING	32
▷	ENGAGEMENT	46
▷	SUSTAINABILITY	64
▷	COUNCIL MEMBERSHIP	78
▷	SENIOR LEADERSHIP	80
▷	UNIVERSITY GOVERNANCE	82
▷	STATUTORY REPORTING	90
▷	DISCLOSURE INDEX	109

FOR FULL FINANCIAL STATEMENTS SEE VOLUME 2



The Hon Steve Herbert, MLC  
Minister for Training and Skills  
2 Treasury Place  
EAST MELBOURNE VIC 3002

21 March 2016

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, it gives me great pleasure to submit for your information and presentation to Parliament the Annual Report of the University of Melbourne for the year ending 31 December 2015.

The Annual Report was endorsed by the University of Melbourne Council at its meeting on Wednesday 16 March 2016.

With student demand strong at undergraduate and postgraduate levels and a high performing academic and professional staff, 2015 marked another successful year for the University.

In research, the University of Melbourne has continued to win national and international recognition. We remain Australia's number one university in the Academic Ranking of World Universities by Shanghai Jiao Tong University and 44th in the world.

To ensure it sustains and improves upon the gains of recent years in research and teaching and learning, the University will require careful and skilful management of its capital and human resources in the years ahead. We face the challenge of increased competition, both from other institutions and emerging technologies. Engaging better with industry remains another important area for the University, both to support national innovation and build career links for our students and alumni.

Meanwhile the University's investment in infrastructure continues, as we strive to improve availability of student accommodation near campus and, along with partners, support the development of the Parkville biomedical precinct including the Victorian Comprehensive Cancer Centre.

The University of Melbourne has had a successful 2015 and Council remains committed to leading the institution through the implementation of *Growing Esteem 2015-2020*.

It has been my pleasure to lead the Council in 2015. With my fellow Councillors I look forward to meeting the challenges and contributing to the continued success of the University in 2016.

Yours sincerely

Elizabeth Alexander AM  
Chancellor



# THE MELBOURNE VISION

The University of Melbourne is committed to being one of the finest universities in the world, contributing to society in ways that enrich and transform our lives. We will measure our success by the 10 goals articulated in *Growing Esteem* 2015–2020.

Recognised as a **LEADER IN EMBEDDING SUSTAINABILITY** in all aspects of the University's operations, teaching and learning, research and engagement

The **AUSTRALIAN UNIVERSITY OF CHOICE** for the most talented students and scholars worldwide

Consistently **RANKED AMONG THE TOP 40** universities globally

Known for our **SERVICE TO THE NATION**, recognising the responsibilities that follow national higher education leadership

Deeply **CONNECTED** with business, government and community, with our precincts a key means of engaging with partners to leverage research and teaching strengths

**FULLY ENGAGED** in the life, culture and aspirations of Melbourne and the regions we serve

**PROVIDING OPPORTUNITIES** for students from all cultures and all backgrounds to successfully participate in the educational, cultural and social life of the University

Achieving **STUDENT SATISFACTION** and graduate outcomes comparable to the best universities in the world

Renowned for delivering learning and teaching programs that transform talented students into **THOUGHTFUL AND ACCOMPLISHED GRADUATES**

Known for **RESEARCH AND IMPACT**, underpinned by a comprehensive and world-leading discipline base

# YEAR IN REVIEW

2015 was a time of strengthening and consolidation for the University of Melbourne. The University improved its position while remaining Australia's number one university in the Academic Ranking of World Universities by Shanghai Jiao Tong University, and 44th in the world.

In a time of continuing regulatory and public funding uncertainty, the University took proactive steps, including implementing the new Melbourne Operating Model, to better direct its resources to core teaching and learning, research and engagement activities.

These organisational and resourcing improvements build upon solid foundations laid for the University during the previous decade, in the shape of major reform in learning and teaching (introduction of the Melbourne Curriculum in 2008) and improved performance in research which over recent years has seen the University rise in rankings.

The year 2015 also saw further consolidation of the Melbourne Curriculum, with enrolment numbers balanced almost evenly between undergraduate and postgraduate students.



Professor Glyn Davis AC  
Vice-Chancellor



## RESEARCH HIGHLIGHTS

### AUSTRALIA'S NO. 1 REAFFIRMED

The University of Melbourne's rankings reflect its research leadership and performance over the past six years. The results underscore the growing international reputation of the University as a research destination. Current rankings position the University as number 1 in Australia\*† and number 33 in the world†.

Page 25

### EXCELLENCE IN RESEARCH TRAINING

The University continued to attract the best talent into its research programs, further enabled by a number of international agreements established in 2015. A number of research training scholarships for Indigenous students were launched and the University received \$68.1 million in funding through the Research Training Scheme, the highest amount awarded to an Australian university in 2015.

Page 26

### LEADER IN RESEARCH FUNDING

Funding for research at the University reached an all-time high, with academics securing more than \$412 million in total research income, a 10 per cent increase on the previous year despite a tougher funding climate. The University also ranked 1st in Australian competitive research grant income in 2015.

Page 27



## ENGAGEMENT HIGHLIGHTS

### ENRICHING COMMUNITY CONNECTIONS

The University of Melbourne consolidated important partnerships with business, community, cultural and government organisations. This enabled the launch of the Pathways to Politics Program for Women in Canberra and the Yothu Yindi Foundation partnership which established a framework for collaboration across a range of social policy issues such as health, education and leadership.

Page 50

### EXCEEDING PHILANTHROPIC GOALS

Philanthropic support has seen *Believe – the Campaign for the University of Melbourne* exceed its target of \$500 million two years ahead of schedule, thanks to the generosity of over 20 000 donors across the world. Their support will deliver ground-breaking research, nurture leaders of tomorrow, and enrich communities.

Page 54

### STRENGTHENING INTERNATIONAL LINKS

The University of Melbourne continued to engage with its nearest neighbours in Asia and partners across the globe. Nineteen new agreements with top-ranked institutions were signed. The University was awarded \$368 800 funding through the New Colombo Plan to support 15 projects in 10 countries throughout the Indo-Pacific region.

Page 56



## TEACHING & LEARNING HIGHLIGHTS

### CURRICULUM-DRIVEN DEMAND

The Melbourne Curriculum continued to prove popular with domestic and international students. The University of Melbourne's international student profile has grown to 33 per cent of the total student population in 2015. The Bachelor of Arts continued to be the most popular course in Victoria for domestic students based on VTAC first preferences.

Page 36

### VALUING STUDENT DIVERSITY

The University of Melbourne offered a range of programs to engage and support students from low socio-economic backgrounds and students who identified as Aboriginal and Torres Strait Islander. The number of Indigenous student enrolments increased by 50 per cent in 2015 compared to 2011.

Page 37

### BROADENING ONLINE OFFERINGS

The University of Melbourne continued to pursue innovation in digital technologies to create and deliver new approaches to tertiary education and the student experience. In 2015, the University offered 21 Massive Open Online Courses (MOOCs) and five premium Graduate Online courses.

Page 40



## SUSTAINABILITY HIGHLIGHTS

### DELIVERING ON PROCESS IMPROVEMENT

In 2015, the University of Melbourne's successful implementation of the Melbourne Operating Model delivered critical improvements to functions such as student administration, grant applications, and staff and supplier payments.

Page 68

### PEOPLE STRATEGY

The *People Strategy 2015–2020* outlines how the University of Melbourne plans to support professional growth and outstanding careers, defining and lifting performance, and valuing diversity amongst our academic and professional staff. The strategy will enable the University to leverage the incredible talent and commitment of our staff to deliver our strategic goals.

Page 69

### INCREASING SUSTAINABILITY

Significant progress has been made towards embedding environmental sustainability across the University. Campus energy projects saved \$3.13 million and over 33 000 tonnes of carbon emissions this year. The University's inaugural Sustainability Charter provides a framework for social and environmental sustainability across all facets of University work.

Page 70

\*Academic Ranking of World Universities 2015

†Times Higher Education World University Rankings 2015–2016



# BUILDING ON STRENGTH



## INTERNATIONAL AGREEMENTS

The University has 258 international agreements with universities around the world – leveraging collaborative teaching and learning potential



## MELBOURNE OPERATING MODEL

Delivered business improvements to student admissions and enrolments, grant applications, staff and supplier payments

## QUALITY TEACHING



91% of 2015 graduates agreed that their course of studies will be valuable for their future

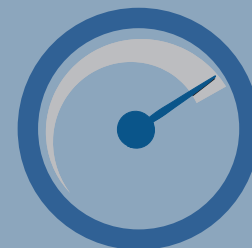
45 411 student enrolments, including 15 208 international students



17 990 completions

## MELBOURNE ACCELERATOR PROGRAM (MAP)

MAP was named the 8th best university business accelerator in the world



## GLOBAL RANKINGS FOR 2015



#44 Academic Ranking of World Universities  
#33 Times Higher Education World University Ranking  
#1 in Australia

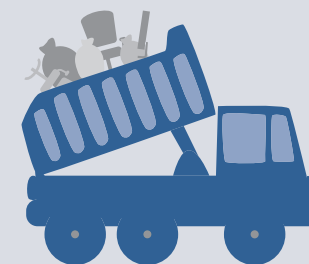
## BELIEVE CAMPAIGN

By the end of 2015, The University of Melbourne achieved its \$500 million philanthropic target thanks to the generosity of so many donors

## RESEARCH PERFORMANCE



Eighty-seven per cent of the University's 2015-assessed fields of research were rated by the ERA as above or well above world standard



## COMMITMENT TO SUSTAINABILITY

Diversion of waste from landfill: 115 tonnes

# BUILDING ON STRENGTH

The University of Melbourne aspires to research and teaching excellence. We aspire to genuine engagement with our local community, our city, state and the nation. In 2015, the University made bold choices and built on past success to deliver a consistent vision that will cement its position as one of the finest universities in the world. *Growing Esteem 2015–2020* will enable the University to determine its destiny amidst mercurial political, economic and societal changes and challenges.

# FIVE-YEAR STATISTICS

## TEACHING AND LEARNING

The Melbourne Curriculum and student experience continues to attract the best and brightest students regardless of their background. Student enrolments have continued to grow, while the median ATAR has remained strong at 93.80 in 2015.

The University student profile has increased by over 8000 equivalent full time student load (EFTSL) from 36 843 in 2011 to 45 411 in 2015.

The ratio of undergraduate to postgraduate students is steady at 51:49 in both 2014 and 2015.



## FINANCE

*Growing Esteem 2015–2020* highlights financial sustainability and resilience as a priority, noting the need to diversify revenue, manage costs and leverage balance sheet strength. 2015 was marked by uncertain government policy and funding, unpredictable financial markets and economic settings, and increased global competition. This required efficient resource allocation to ensure the core activities of teaching and research are supported and strategic investment enabled.

The University of Melbourne recorded an underlying operating surplus of \$32.5 million for 2015. Major drivers were growth in student EFTSL and cost savings arising from the Business Improvement Program, with the expectation that this will be reinvested in strategic academic activities in 2016 and beyond to support achievement of *Growing Esteem* goals.

For full financial statements and detailed commentary, see Volume 2.



## RESEARCH PERFORMANCE

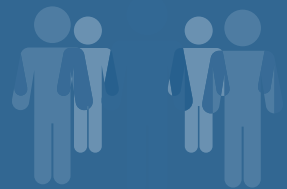
For the past five years, the University of Melbourne has been Australia's leading comprehensive research-intensive university. In 2015, the University received the highest competitive grant funding and the highest number of national and international research awards in Australia. The number of research higher degree students continued to grow, with students representing a diverse group of nationalities.



## STAFF

As a result of the Business Improvement Program, commenced in 2013, professional staff numbers declined slightly from 2014–2015. Academic staff numbers increased during this same period.

In *People Strategy 2015 to 2020*, the University of Melbourne embraced a contemporary approach to people management, to develop, strengthen and leverage the talents of University staff.



	2011	2012	2013	2014	2015
<b>Median ATAR <sup>1</sup></b>	93.10	93.85	94.30	94.25	93.80
<b>Student Enrolments (EFTSL) <sup>2</sup></b>					
Total Load	36,843	38,243	40,445	42,637	45,411
Research Higher Degree	3,110	3,201	3,316	3,489	3,610
Postgraduate Coursework	9,735	12,517	14,984	17,208	18,417
Undergraduate	23,998	22,524	22,145	21,941	23,384
% Female Enrolment	55.00%	54.97%	54.68%	54.7%	55.0%
International Load	10,159	10,652	11,705	13,200	15,208
% International Students	28.0%	28.0%	29.0%	31.0%	33.5%
Commonwealth Supported Places (incl RTS)	23,092	23,802	24,105	24,230	24,776
<b>Award Completions <sup>2</sup></b>					
Research Higher Degree (excl Higher Doc)	777	738	744	720	765
Postgraduate Coursework	6,155	7,419	8,266	9,545	10,204
Undergraduate	8,563	8,431	7,822	7,193	7,038
Total	15,495	16,588	16,832	17,458	17,990
<b>Staff (FTE) <sup>3</sup></b>					
Academic	3,448	3,613	3,741	3,729	4,068
Professional	4,196	4,520	4,569	4,346	3,995
Total	7,644	8,133	8,310	8,075	8,063
<b>Student Staff Ratio</b>					
Teaching and Research Academic Staff	24.5	23.9	23.9	25.0	28.1
All Academic Faculty Staff	10.7	10.6	10.8	11.4	11.2
<b>Research Performance Indicators <sup>2</sup></b>					
Research Income (\$million)	377	376	374	412	391
Research Publications	4,533	5,044	5,150	5,118	5,104
Research Load (EFTSL)	3,110	3,201	3,316	3,489	3,610
Research Completions (excl. Higher Doc.)	777	738	744	720	765
<b>Financials (\$million) <sup>4</sup></b>					
Total Underlying Operating Income	1554.7	1675.1	1751	1891.8	1978.2
Total Underlying Operating Expenditure	1552.3	1680.8	1743.8	1886.1	1945.8
Underlying Operating Result <sup>5</sup>	2.4	-5.8	7.2	5.8	32.5
Underlying Operating Margin (%)	0.2%	-0.3%	0.4%	0.3%	1.6%
<b>SOURCES OF UNDERLYING OPERATING INCOME (%)</b>					
Commonwealth Grants Scheme	15.9%	16.1%	15.6%	14.6%	14.3%
Other Australian Government Financial Assistance	33.1%	32.7%	28.8%	26.3%	24.3%
HECS-HELP	8.7%	8.6%	9.5%	9.2%	9.2%
FEE-HELP	3.0%	3.4%	4.4%	4.9%	5.1%
State Government Financial Assistance	2.9%	4.9%	3.2%	2.8%	2.0%
Fees and Charges	26.5%	26.2%	28.0%	30.3%	34.1%
Investment Income	2.1%	1.9%	1.9%	1.6%	1.5%
Other Income	7.8%	6.2%	8.6%	10.3%	9.5%

1. Median ATAR for enrolled students, based on both Commonwealth Supported Place and international on-shore students

2. 2015 student enrolments, award completions and research performance indicators are estimates

3. Staff FTE includes continuing, fixed-term and casual staff

4. Amounts represent University financial results excluding subsidiaries

5. Underlying operating result represents University's accounting surplus less net discretionary investment income, infrastructure grants and endowment receipts.

Refer to Volume 2 for further details.



# OUR PEOPLE

The University of Melbourne values the contribution of its people, and knows that only through them will its goals be achieved.

Excellence in education, research and innovation requires great academics and professional staff. The University is home to some of the world's best thinkers. Every day they address the major social, economic and environmental challenges of our time.

## HIGH-ACHIEVING STAFF

### **Advance Global Australian Award and Life Sciences category award**

Professor Karen Day, Dean  
(Faculty of Science)

### **American Academy of Microbiology Fellowship**

Professor Geoff McFadden  
(School of BioSciences)

### **Australia Day Honours**

Dr Franklin Chew OAM, awarded Medal of the Order of Australia for service to the Chinese community of Victoria, and to medicine

Adjunct Professor Betty Kitchener AM, made Member of the Order of Australia for significant service to the community through mental health support, research and education programs

Professor Emeritus Peter Lloyd AM, made Member of the Order of Australia for significant service to economics, particularly in the area of international trade theory and analysis

Professor John Mills AO, made Officer of the Order of Australia for distinguished service to medicine as a researcher and physician in the field of infectious diseases, particularly HIV/AIDS, to medical administration, and to the development of Australia's biotechnology industry

Professor Adrian Pagan AO, made Officer of the Order of Australia for distinguished service to tertiary education as an academic economist, to the development of public policy research, as an author, and through contributions to professional and financial organisations

Professor Michael Saling AM, made Member of the Order of Australia for significant service to education in the field of clinical neuropsychology as an academic, researcher and clinician

Mr Noel C Tovey AM, made Member of the Order of Australia for significant service to the performing arts, to Indigenous performers, and as an advocate for the lesbian, gay, bisexual, transgender and intersex community

### **Australian Academy of Health and Medical Sciences Fellows**

Laureate Professor Peter Doherty  
(Doherty Institute)

Professor Doug Hilton (Department of Medical Biology)

Professor Christine Kilpatrick (Department of Microbiology and Immunology)

Professor Sharon Lewin,  
Director (Doherty Institute)

Professor James McCluskey, (Department of Microbiology and Immunology)

Professor Ingrid Scheffer  
(Department of Paediatrics)

Professor Stephen Smith, Dean (Faculty of Medicine, Dentistry and Health Sciences)

### **Australian Academy of the Humanities Fellows**

Professor Trevor Burnard (School of Historical and Philosophical Studies)

Associate Professor Chris Healy  
(School of Culture and Communication)

Dr David Irving  
(Melbourne Conservatorium of Music)

Revd Canon Professor Dorothy Lee  
(Trinity College)

### **Australian Academy of Science**

*2016 Jacques Miller Medal for experimental biomedicine*

Associate Professor Katherine Kedzierska  
(Department of Microbiology and Immunology)

*Fenner Medal*

Associate Professor Jane Elith  
(School of BioSciences)

### **Australian Academy of Technological Sciences**

Professor Margaret Sheil (Provost)  
named Director

### **Australian Awards for University Teaching**

*Australian Government Citations for Outstanding Contributions to Student Learning*

Associate Professor Gelsomina Borromeo  
(Melbourne Dental School)

Dr Dominique Hes (Melbourne School of Design)

Associate Professor Lesley Stirling  
(School of Languages and Linguistics)

Dr Marcus White (Melbourne School of Design)

**Australian Institute of Landscape Architects Victorian State Awards**

*Research and Communication Award*

Dr Sue Murphy (School of Ecosystem and Forest Sciences) and Mr John Rayner (School of Ecosystem and Forest Sciences)

*Victoria’s President’s Award*

Mr Adrian Marshall (School of Ecosystem and Forest Sciences)

**Australian Research Council Laureate Fellowship**

Professor Anne Orford (Melbourne Law School) awarded Australian Laureate Fellowship and Kathleen Fitzpatrick Award to undertake ambassadorial role to promote women in research

Professor Leann Tilley (School of Biomedical Sciences) awarded Australian Laureate Fellowship and Georgina Sweet Australian Laureate Fellow to undertake ambassadorial role to promote women in research

**Australian Veterinary Association Awards**

*President’s Award*

Dr David Beggs (Faculty of Veterinary and Agricultural Sciences)

*Fellow of the AVA*

Emeritus Professor Bruce Parry (Faculty of Veterinary and Agricultural Sciences)

*Honorary AVA membership*

Professor Marshall Lightowlers (Faculty of Veterinary and Agricultural Sciences)

**Cambridge/International Language Testing Association (ILTA) Distinguished Achievement Award**

Professor Tim McNamara (School of Languages and Linguistics)

**Control Systems Society of the Institute of Electrical and Electronics Engineers (IEEE)**

*2014 Control Systems Technology Award*

Professors Michael Cantoni, Iven Mareels and Erik Weyer (Melbourne School of Engineering)

*2014 George S Axelby Outstanding Paper Award*

Professor Girish Nair (Melbourne School of Engineering)

**David Syme Research Prize**

Associate Professor Spencer Williams (School of Chemisty) for ground-breaking research to develop new drug for treatment of kidney disease

**Eureka Prizes 2015**

*3M Eureka Prize for Emerging Leader in Science*

Dr Phillip Urquijo (School of Physics)

*University of Technology Sydney Eureka Prize for Outstanding Mentor of Young Researchers*

Dr Marilyn Renfree (School of BioSciences)

*Australian Infectious Diseases Research Centre Eureka Prize for Infectious Diseases Research*

Dr Greg Ebert and Dr Marc Pellegrini and teams (Walter and Eliza Hall Institute of Medical Research)

*CSIRO Eureka Prize for Leadership in Science*

Professor Snow Barlow (finalist) (Faculty of Veternary and Agricultural Sciences) for policy and research leadership in the field of climate change

**Genetics Society of Australasia MJD White Medal**

Professor Philip Batterham (School of BioSciences)

**Geological Society of America Fellowship**

Associate Professor Mark Quigley (School of Earth Sciences)

**GSK Award for Research Excellence**

Professor James McCluskey, Deputy Vice-Chancellor (Research), Project Lead, University of Melbourne and Monash University research partnership on immune system identifiers and fighting disease

**Green Gown Awards Australasia**

*Continuous Improvement Award for Sustainability Initiatives*

Sustainable Campus, The University of Melbourne

*Facilities and Services category*

Furniture and Equipment Re-use Service

**Green Room Awards**

*Best Director*

Alyson Campbell, Head of Graduate Studies in Theatre (Faculty of VCA and MCM)

*Best Production*

Independent Theatre (Faculty of VCA and MCM)

**Leach Medal**

Laureate Professor Eric Reynolds AO (Melbourne Dental School)

**National Academy of Inventors Fellow**

Professor Andrew Holmes (School of Chemistry)

**National Health and Medical Research Council Research Excellence Awards**

*Rising Star Research Excellence Award*

Mrs Catherine Chamberlain (Melbourne School of Population and Global Health)

*Highest ranked program grant*

Professor James Beeson, Professor Alan Cowman (lead investigator), Professor Brendan Crabb, Professor Ivo Mueller, Professor Stephen Rogerson (Walter and Eliza Hall Institute of Medical Research)

*Highest ranked Career Development Fellowship – Clinical, Level 1*

Associate Professor Mario Alvarez-Jimenez (Centre for Youth Mental Health)

*Elizabeth Blackburn Fellowship – Biomedical*

Associate Professor Anne Voss (Walter and Eliza Hall Institute of Medical Research)

*Outstanding Contribution Award*

Professor Melissa Little (Department of Paediatrics)

**Premio Internacional 2015 Cubadisco Music Awards**

Nilusha Dassenaik and Alex Pertout (Faculty of VCA and MCM)

**President of Asia Pacific Association for International Education**

Professor Susan Elliott, Deputy Provost and Deputy Vice-Chancellor International

**Prime Minister’s Prize for Science**

*Frank Fenner Prize for Life Scientist of the Year*

Associate Professor Jane Elith (School of BioSciences)

*Thomson Reuters Australian Citation and Innovation Awards*

Associate Professor Jane Elith (School of BioSciences)

Professor Grant McArthur, Lorenzo Galli Chair in Melanoma (Melbourne Medical School)

Professor Rachel Webster and Professor Stuart Wytthe (ARC Centre of Excellence for All-Sky Astrophysics)

Professor Peter Colman, Dr Doug Fairlie, Professor David Huang, Dr Erinna Lee, Professor Andrew Roberts, Professor Andreas Strasser and Dr James Vince (Walter and Eliza Hall Institute of Medical Research)

**Royal College of Surgeons of Edinburgh fellowship ad hominem**

Associate Professor Andrew Heggie, (Department of Paediatrics)

**Royal Society Fellowship**

Professor Michael Goddard (Faculty of Veterinary and Agricultural Sciences)

Emeritus Professor Roger Powell (School of Earth Sciences)

**Royal Society of Victoria’s Medal for Scientific Excellence**

*Earth Sciences category*

Professor David Karoly (School of Earth Sciences)

**Spatial Science and Surveying Institute Australia Spatial Excellence Awards**

*SSSI Professional of the Year*

Professor Abbas Rajabifard, Director, (Centre for Spatial Data Infrastructures and Land Administration and Department of Infrastructure Engineering)

**Ufficiale dell’Ordine della Stella d’Italia (Knight of the Order of the Star of Italy)**

*For contribution to knowledge of Italian and Renaissance art*

Professor Jaynie Anderson (School of Culture and Communication)

**University of Melbourne Awards**

*Outstanding and enduring contribution to University and scholarly community*

Sir David Derham KBE CMG MBE (Mil) (Former Vice-Chancellor)

Dr Sophie Ducker AM (Department of Botany)

Margaret Greene (Conservatorium of Music)

Professor Thomas Healy (Department of Physical Chemistry)

Dr Jean Laby (Department of Physics)

Ray Lawler (Playwright, Director of University Theatre Repertory Company)

Professor Kwong Lee Dow OA (Centre for the Study of Higher Education, Professor of Education)

Professor Brian Lewis (Chair of Architecture)

Professor Peter McPhee AM (Former Head of History, President Academic Board, Deputy Vice-Chancellor (Academic), inaugural Provost)

Dr Valda McRae (School of Chemistry)



Emeritus Professor Margaret Manion AO (School of Culture and Communication)	<i>Edward Brown Award for Teaching Excellence</i>	Professor Christina Mitchell (MB BS 1978, DMedSc 2013)
Nancy Millis AC MBE (Department of Microbiology)	Dr Dominique Hes (Melbourne School of Design)	Ms Ngardarb Francine Riches (ProfCert Indigenous Research 2012, MFA(VisArt) 2014)
Sir John Monash GCMG KCB VD (Former Vice-Chancellor)	<i>Barbara Falk Award for Teaching Excellence</i>	Ms Janet Whiting AM (BA/LLB 1982)
Professor Charles Moorhouse AM (Electrical Engineering, Dean of Engineering)	Dr Andrew Jamieson (School of Historical and Philosophical Studies)	Ms Barbara Yeoh (BSc(Hons) 1970)
John Sumner AO CBE (Founded Union Theatre Repertory Company)	<i>Patricia Grimshaw Award for Mentor Excellence</i>	<i>Posthumous inductees to the Victorian Women’s Honor Roll</i>
George Tibbits (Architectural history)	Associate Professor Lesley Stirling (School of Languages and Linguistics)	Dr Eva Eden AM (MSc 1966, LLD 1986)
<b>University of Melbourne Awards for Excellence</b>	<i>David White Award for Teaching Excellence</i>	Ms Lorraine Elliot AM (BA 1964)
<i>Award for Excellence and Innovation in Indigenous Higher Education</i>	Associate Professor Gelsomina Borromeo (Melbourne Dental School)	Dr Sister Mary Glowrey (MB BS 1910, MD 1919)
Associate Professor Menaka Abuzar Melbourne Dental School’s Indigenous Oral Health Placement, project lead, (Melbourne Dental School)	<b>University of Melbourne Engagement Excellence Awards</b>	Hon Lynne Kosky (BSW 1980)
<i>Award for Outstanding Research Higher Degree Supervision</i>	<i>Excellence in Engagement – Public Value</i>	<b>Victorian Premier’s Award for Health and Medical Research</b>
Professor Tim McCormack (Melbourne Law School)	Associate Professor Andrew Robinson (School of Mathematics and Statistics)	Dr Peter De Cruz (Faculty of Medicine, Dentistry and Health Sciences)
<i>Gerry Barretto Award for Outstanding Student Services</i>	<i>Excellence in Engagement – Research</i>	<b>Victorian Young Tall Poppy Science Award</b>
Ms Francesca Pecoraro, Commerce Student Centre, lead applicant, (Faculty of Business and Economics)	Professor Andrew Mitchell and Professor Tania Voon (Melbourne Law School)	Dr Tamsyn Van Rheenen, Research field: Clinical neuropsychology and neuroscience
<i>Norman Curry Award for Innovation and Excellence in Educational Programs</i>	<i>Excellence in Engagement – Teaching</i>	<b>Walkley Awards for Excellence in Journalism</b>
Dr Stanislav Roudavski (Melbourne School of Design)	Simon Mann and <i>The Citizen</i> (Centre for Advancing Journalism)	<i>Social Equity Journalism Walkley Award</i>
	<b>Victoria Prize for Science and Innovation</b>	Dr Margaret Simons (Centre for Advancing Journalism) For <i>Fallen Angels: the children left behind by Australian sex tourists</i> (originally published in <i>The Monthly</i> )
	<i>Life Sciences category</i>	<b>Woodward Medals</b>
	Professor John Hopper (Melbourne School of Population and Global Health)	Associate Professor Barbara Keys (School of Historical and Philosophical Studies)
	<b>Victorian Honour Roll of Women 2015</b>	Professor Gordon Lynch (School of Biomedical Sciences)
	Dr Olga Kanitsaki AM (PhD 2000)	
	Ms Malvina Malinek OAM (BSc 1957, MSc 1971)	

## High-achieving students

### Archaeological Institute of America’s 2014 Graduate Student Paper Award

Christopher Hale (School of Historical and Philosophical Studies)

### American Australian Association’s Education Fund Fellowships

*Conoco Phillips Fellow*

Nicholas Rodd (School Of Physics)

*The Dow Chemical Company Fellow*

Mark Richardson (School of Chemistry)

*Qantas Fellow*

Dylan Lino (Melbourne Law School)

*Sir Keith Murdoch Fellows*

Elizabeth Manning (Florey Institute of Neuroscience and Mental Health) and Jessica Neil (School of Biomedical Sciences)

### Australian Boat Race

*Bella Guerin Trophy*

University of Melbourne Women’s Eight Captain, Alice McNamara (Melbourne Medical School)

### Australian Veterinary Association Awards

*Don Kerr Veterinary Student Award for strong academic record and exceptional commitment to cattle medicine*

Sam Morgan, Graduate (Faculty of Veterinary and Agricultural Sciences)

### Cambridge Australia Poynton Scholarship

*To undertake PhD in Law at University of Cambridge, commencing October 2015*

Katrina Malone, Graduate (Melbourne Law School)

### Ericsson Innovation Challenge (Australia and New Zealand, and New York)

Khale Lewis, Brendan Myers and Daniel Vandali (Melbourne School of Engineering graduates representing Team Australia and New Zealand)

### Gates Cambridge Scholars 2015

Michael Li, Graduate (Environmentally Sustainable Development) will undertake MPhil in Engineering for Sustainable Development

### Journalism Education and Research Association 2015 Ossie Awards

*Dart Centre for Journalism and Trauma Asia Pacific Award*

Krati Garg (Centre for Advancing Journalism) for *Protecting the messengers: news groups rethink safety for correspondents on the frontline...and at home*

*Investigative Journalism (all media) Award*

Andy Hazel, Daryl Holland, Elyas Khan, Keryn Reynolds, Ronelle Richards and Scott Tibballs (Centre for Advancing Journalism) for *Family First puts its family front and centre in election push*

*Mindframe Award*

Freddy Woodhouse (Centre for Advancing Journalism) for *Domestic violence: how PTSD can put veterans’ families at risk*

### The Chancellor’s Prize for Excellence in PhD Thesis

*Humanities, Creative Arts and Social Sciences*

Dr Geoffrey Mead (School of Social and Political Sciences)

*Sense of structure and structure of sense: Pierre Bourdieu’s habitus as a generative principle*

Dr Wendy Ng (Melbourne Law School) *The political economy of China’s anti-monopoly law*

*Science and Engineering*

Dr Liam Terres Hall (School of Physics) *Principles and applications of quantum decoherence in biological, chemical, and condensed matter systems*

Dr Darwin Tat-Ming Lau (Department of Mechanical Engineering) *Modelling and analysis of anthropomorphic cable-driven robots*

*Medicine, Dentistry and Health Sciences*

Dr Aung Ko Win (Melbourne School of Population and Global Health) *Cancer risks for people with colorectal cancer-predisposing genetic mutations*

Dr Christina Qingran Mo (Florey Department of Neuroscience and Mental Health) *The effects of stress on the onset and progression of Huntington’s disease in a transgenic mouse model*

**Rhodes Scholarship 2016 (Victorian)**

Matthew Pierri (currently studying for Juris Doctor, Melbourne Law School, BA Media and Communications major and Chinese Language), will undertake Master of Public Policy, Blavatnik School of Government at University of Oxford)

**Royal Society of Victoria Young Scientist Research Prizes**

*Young Scientist Research Prize for the Biomedical and Health Sciences*

Eamonn Fahy (Department of Opthamology) for research into treatments for glaucoma

*Young Scientist Research Prize for the Physical Sciences*

Catherine de Burgh-Day (School of Physics) and Edward Nagul (School of Chemistry)

**Universitas 21 (U21)**

*Three Minute Thesis (3MT) competition, international grand final*

Eamonn Fahy, PhD candidate (Department of Ophthalmology) *Catching the Silent Thief of Sight* – presentation on research into glaucoma and methods of early detection

**Victorian Government International Student Awards**

*International Student of the Year (Research)*

Ashrafalsadat Hosseini (from Iran), PhD candidate (Global and Cultural Mental Health Unit, Centre for Mental Health)

*International Student of the Year*  
AND

*International Student of the Year (Higher Education)*

Fang Xuan Koay (from Malaysia) (Faculty of Business and Economics)





RESEARCH

THE UNIVERSITY OF  
MELBOURNE'S CHARACTER  
IS DEFINED BY OUR  
RESEARCH: BRILLIANT,  
INNOVATIVE AND INSPIRING.



BOTANICAL

## RESEARCH PERFORMANCE 2015 OVERVIEW

In 2015, the University of Melbourne achieved significant improvements in results as measured by Excellence in Research for Australia (ERA), Australia's national research evaluation framework. Eighty-seven per cent of the University's 2015-assessed fields of research were rated by the ERA as above or well above world standard. The University increased the number of fields in which it undertook research, demonstrating a unique breadth and depth in research capability.

An excellent result in the Australian Research Council (ARC) Discovery Program was achieved, with the University receiving funding for 79 new

Discovery Projects. This was the University's highest figure in five years, placing it first among Australian universities in this category.

The University of Melbourne was awarded 84 National Health and Medical Research Council (NHMRC) project grants, ranking first in the country for total NHMRC funding, with more than \$94 million worth of grants.

The University received \$68.1 million in funding through the Research Training Scheme, the highest amount awarded to an Australian university in 2015.







## RESEARCH COLLABORATION

The Melbourne Research Institutes are a key component of the University’s multi-faceted approach to catalysing research collaborations. Other large investments in facilitating cross-divisional research activity, and in raising the external profile of deep University research expertise on topics of contemporary interest to society, have occurred under the Research@Melbourne program. These investments include support for the research arm of the Melbourne School of Government, research support for the Carlton Connect agenda, and the creation of a suite of Hallmark Research Initiatives and related investments. In addition, there are varied initiatives within and across Academic Divisions designed to create new opportunities for collaborative research.

### MELBOURNE RESEARCH INSTITUTES

The Melbourne Research Institutes consolidate many aspects of research strengths within the University, increasing recognition – locally and internationally – of our research portfolio. They are delivering a range of programs supporting and building the University’s research capacity across disciplines. Through seed-funding and workshops (but excluding seminars and public events), it is estimated that well over 1000 individual University of Melbourne researchers have been actively involved in MRI programs to date with some 25 per cent of the University’s academic staff having been touched in some way by Institute activities.

### HALLMARK RESEARCH INITIATIVES

The Hallmark Research Initiatives program supports interdisciplinary research in areas of particular current interest: Disability, Materials, Computational Biology, Indigenous, Ageing, Children’s Lives, Therapeutic Technologies. The objectives of this program are:

- An increase in interdisciplinary and intra-institutional academic collaboration;
- An increase in collaborative research with external partners;
- Facilitation of additional highly competitive applications involving researchers from multiple disciplines to a range of external funding agencies, including industry and international sources; and
- Increased public awareness of the University as a provider of outstanding research that is relevant to and benefits the community.

### MELBOURNE RESEARCH INSTITUTES 2015 HIGHLIGHTS

**Melbourne Networked Society Institute (MNSI):** Appointed first cohort of MNSI Fellows, who are at the forefront of understanding the impact of the networked society, and actively support the Institute’s activities through research, outreach and collaboration.

**Melbourne Sustainable Society Institute (MSSI):** Hosted visit of former US Vice President and Nobel Laureate Al Gore to deliver an update of his famous slideshow *An Inconvenient Truth*.

**Melbourne Energy Institute (MEI):** Led Melbourne Research Institutes’ debate with The Wheeler Centre of *Is Proof Overrated?*.

**Melbourne Social Equity Institute (MSEI):** Launched Community Fellows Program to support community organisations to undertake research projects, participate in professional development, and increase engagement between researchers and the community.

**Melbourne Neuroscience Institute (MNI):** Forged links with neuroscience academic institutions, including with Sâlpetrière in Paris and Hotchkiss in Canada.

### HALLMARK RESEARCH INSTITUTES 2015 HIGHLIGHTS

**Materials Hallmark Research Initiative “When Industry Met Academics” Materials workshop:** A workshop aiming to fuel interaction between industry and academics in the materials field at the University.

**Indigenous Hallmark Research Initiative seed funding round:** Five seed funding grants were awarded, building capacity in new and emerging areas of Indigenous research.

**Hallmark Disability Research Initiative engagement in Europe:** A strong relationship has been established with the Protestant University of Applied Sciences Rhineland-Westphalia-Lippe, generating discussion and building knowledge of rights based research.

### BUILDING STRENGTH IN PARTNERSHIP

The University of Melbourne continued to cultivate its multi-disciplinary partnerships with IBM, the Department of Health and Human Services (DHHS), and Museum Victoria.

Working with IBM, the University made developments to its cognitive computing agenda and, together, explored applications

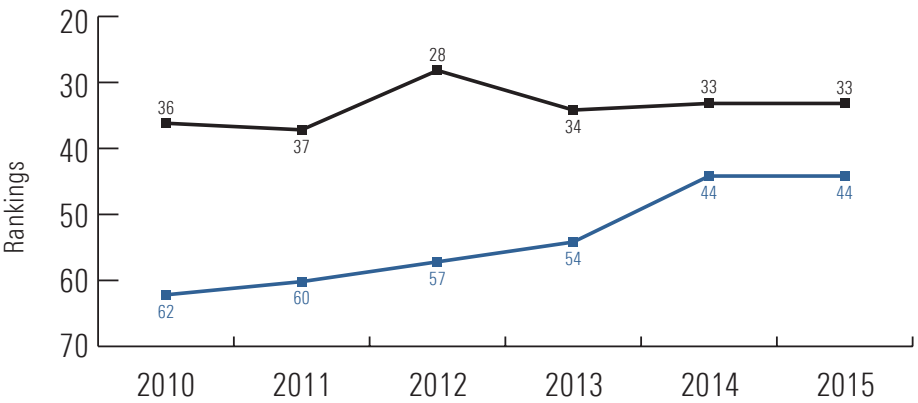
in health. The University signed a memorandum of understanding with Museum Victoria to formalise the McCoy Project, and awarded five multi-disciplinary research projects. The University is actively engaging with DHHS through a formal partnership, with a focus on the health services of the north west region.

## GLOBAL RANKINGS FOR 2015



33 — Times Higher Education World University Rankings

44 — Academic Ranking of World Universities



### HEADLINING THE 3MT STAGE

Eamonn Fahy, PhD candidate in the Faculty of Medicine, Dentistry and Health Sciences, won both the 2015 Trans-Tasman and Universitas 21 Three Minute Thesis (3MT) competitions.

Eamonn’s presentation, *Catching the silent thief of sight*, described his work on comatose ganglion cells and early detection of glaucoma.

Participation in the 3MT exposes the University of Melbourne’s graduate researchers to an international audience and develops their communication skills. As such, it provides a dual benefit – our students have the opportunity to establish their careers, and the University has a meaningful stage on which to engage the wider community in its research.



In 2015 the University of Melbourne received an estimated \$1.6 MILLION IN SCHOLARSHIP FUNDING through the China Scholarship Council



## EXCELLENCE IN RESEARCH TRAINING

The University of Melbourne continues to recruit the best possible talent into its graduate research programs. In 2015 more than 40 per cent of research higher degree enrolments were international.

Sustained international recruitment is made possible by the University's ongoing strategic investment in international PhD scholarships, supplemented by partnerships with national funding bodies.

Agreements were signed or renewed with the Higher Education Commission (Pakistan), Comisión Nacional de Investigación Científica y Tecnológica (Chile), and the China Scholarship Council.

### ENHANCING CAREER OPPORTUNITIES FOR GRADUATE RESEARCHERS

The University of Melbourne is one of eight Victorian and NSW universities co-investing in Australian Mathematical Sciences Institute Intern to connect organisations and businesses wanting to undertake focused research projects with PhD students. The program allows students to spend three to five months on a project, satisfying the business research need while gaining valuable experience and building professional networks.

Sixteen late-candidature PhD students from four faculties participated in the Industry Mentoring Network in STEM (IMNIS) pilot program in 2015. The program was piloted in two states and is supported by the Australian Academy of Technological Sciences and Engineering. In Victoria, the pilot focused on biotechnology with members of AusBiotech volunteering as mentors. Carlton Connect hosted a networking evening, co-chaired by AusBiotech CEO Anna Lavelle, and co-founder of Women in Science Australia, Michelle Gallaher. More than 90 mentors, mentees and University of Melbourne early career researchers attended.

## DEDICATED TO EXEMPLARY RESEARCH TRAINING

### 2015 HIGHLIGHTS

- The Melbourne India Postgraduate Program established relationships with key Indian institutes of technology.
- A number of faculties introduced Indigenous research training scholarships.
- Agreements signed with Bonn University (Germany), Indian Institute of Technology (Kanpur), and Shanghai Jiao Tong University (China) extended the University's international collaborations.
- The Melbourne Poche Centre for Indigenous Health held a successful two-day familiarisation program for prospective Indigenous PhD applicants.

### CITATIONS

According to Thomson Reuters, in 2015 12 HIGHLY CITED RESEARCHERS listed the University of Melbourne as their primary affiliation

### ESTIMATED RESEARCH INCOME FOR 2015

\$391m



RHD load has grown by 16% contributing to a strong pipeline of future research talent

## INVESTING IN MAJOR RESEARCH INFRASTRUCTURE PROJECTS

The University of Melbourne hosts an extensive range of collaborative research infrastructure platforms spanning the spectrum of cross-campus research activity.

These platforms are supported by a workforce of 133 full-time equivalent technical specialists, management and support personnel.

### Melbourne Collaborative Research Infrastructure Program (MCRIP)

Implemented in 2013, the Melbourne Collaborative Research Infrastructure Program supports collaborative research infrastructure of critical mass by funding technical personnel. The program supports 13 collaborative platform technologies specifically addressing technical expertise,

long-term sustainability, researcher access and quality assurance within these platforms.

In 2015 the program secured support beyond stage-one funding, enabling it to provide consistent long-term support for platform technologies.

## RESEARCH INFRASTRUCTURE PROJECTS

### 2015 HIGHLIGHTS

#### ARC Linkage Infrastructure, Equipment and Facilities funding

Seven successful University of Melbourne-led awards in the 2015 round will enable purchase and development of a number of cutting-edge technologies, including an industrial large-area nanowriter to be located at the Melbourne Centre for Nanofabrication.

#### Research infrastructure engagement

The increased coordination of research infrastructure within the University of Melbourne over the past few years has

significantly improved researcher access, not only within the University, but for the broader research community. Industry representatives seeking to engage with the University through research and development are an important target market in this regard.

The number of industry partnerships forged through university platforms – ranging from contractual assignments to large collaborative research agreements – has grown substantially.

University platforms are regularly represented and actively participate in a range of precinct engagement activities. These include Victorian Platform Technology Network events, research and technology conferences and, through the hosting of a range of in-house tours, workshops and seminars across the University Platform network.

## RESEARCH PERFORMANCE

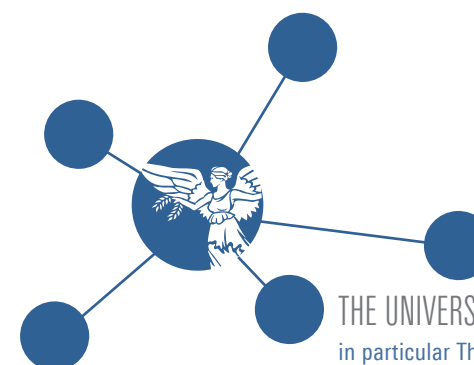
	Research Income		Research Publications		Research Higher Degree Load		Research Higher Degree Completions	
	\$ million	National Rank	Weighted Score	National Rank	EFTSL	National Rank	Number	National Rank
2015	391 (est)	*	5104 (est)	*	3610	*	765	*
2014	412	1	5118	3	3489	2	720	5
2013	374	2	5150	3	3316	2	744	3
2012	376	1	5044	3	3201	2	738	2
2011	377	1	4533	3	3110	2	777	2

\*2015 data not available at time of printing.









## PERFORMANCE AGAINST 2015 TARGETS



THE UNIVERSITY OF MELBOURNE IS the hub for a number of RAPIDLY EVOLVING precincts, in particular The Melbourne Biomedical Precinct, the largest cluster of medical researchers in Australia

 RESEARCH QUALITY AND PERFORMANCE CULTURE	<b>Action</b> <ol style="list-style-type: none"><li>1. Establish discipline-specific performance expectations (addressing both quality and productivity) with clear benchmarks and targets, as the basis for individual research performance assessment.</li><li>2. Implement recruitment and confirmation framework aligned with achievement of world standards in research performance and with development of key skills in leadership, industry engagement and translation, innovation, entrepreneurship, and international research.</li></ol>	<b>Result</b> <ol style="list-style-type: none"><li>1. Increased highly cited researchers indicator score in 2015. Maintained national lead in Australian Competitive Grant income in 2015, based on 2014 HERDC income return.</li><li>2. Commenced Academic Capacity and Careers Work Program to enhance, support and recognise academic staff. New academic positions of Enterprise Professor and Enterprise Fellow created to encourage appointment of industry experts who will enhance and extend University/Industry connections, partnerships and alliances.</li></ol>
 RESEARCH FOCUS AND SCALE	<b>Action</b> <ol style="list-style-type: none"><li>1. Identify key research areas that will be world-leading by 2020 with appropriate actions, interventions and targets articulated in faculty strategic plans.</li><li>2. Invest in areas of research excellence and where increased scale can deliver great research outcomes.</li></ol>	<b>Result</b> <ol style="list-style-type: none"><li>1. Maintained global position at #44 in the world and held national lead in <i>Academic Ranking of World Universities</i> rankings. Melbourne remains highest-ranked Australian university according to <i>Times Higher Education World University Rankings</i> at #33 in the world, and the only Australian university in the world top 50.</li><li>2. Faculties reviewed and redefined research areas determined to be at world class standard by 2020. Clear performance standards and expectations also developed and agreed by all areas and on track to be met by 2020.</li></ol>
 RESEARCH COLLABORATION, PARTNERSHIPS AND IMPACT	<b>Action</b> <ol style="list-style-type: none"><li>1. Develop incentives, rewards and infrastructure that support quality research conducted in partnership with academia, industry, government, external research agencies and community partners, both domestically and internationally. Specifically, develop career paths that span industry and academic research experience and expertise.</li><li>2. Enhance opportunities for staff, student, University and industry engagement through precinct development, with focus on:<ul style="list-style-type: none"><li>• Melbourne Biomedical and Biosciences Campus (with Austin and St Vincent's hospitals)</li><li>• Carlton Connect, focused on technology, innovation and sustainability</li><li>• Southbank arts precinct</li><li>• Public policy precinct at Carlton</li><li>• Potential new engineering research campus with a strong industry focus.</li></ul></li><li>3. Enhance the University's international research profile and impact by:<ul style="list-style-type: none"><li>• Increasing the number of international collaborators in University-led research grants, contract research and industry partnerships</li><li>• Partnerships with organisations internationally, including potential establishment of international joint research centres</li><li>• Increasing the number of joint appointments and graduate research opportunities with international universities and partners</li><li>• Supporting industry/university exchange program for staff and research higher degree candidates</li><li>• Reviewing sabbatical arrangements to make time with industry available to academics and create more opportunities for industry leaders to spend time on campus.</li></ul></li></ol>	<b>Result</b> <ol style="list-style-type: none"><li>1. Office of Research, Innovation and Commercialisation (RIC) established to provide specialist services to boost research excellence and outcomes. Category two (other Public Sector Research Income) grew by 24 per cent and State government funding increased by 43 per cent. Category three (Industry and Other Research income) grew by 12 per cent. Category four (Cooperative Research Centre Research income) grew by 15 per cent.</li><li>2. The Melbourne Biomedical Precinct is the largest cluster of medical researchers in the nation, with over 10 000 scientists, clinicians and technical staff engaged in biomedical and healthcare research, and teaching and research training. Emerging innovation precinct around Carlton Connect continuing to develop, with focus on technology and innovation. Carlton Connect fostered cross-sectoral collaboration and delivered program of workshops, hackathons, conferences and training events.</li><li>3. Stimulated collaboration in five priority countries: Brazil, Chile, China, Germany and India. Received highest number of grants for any Australian university in Universities Australia-DAAD joint-research cooperation scheme. This success was complemented by the award of International Research Training Group with University of Bonn awarded by the DFG, and Thematic Network Grant in Materials Science with Bayreuth University supported by DAAD. Research @ Melbourne Strategy yielded initiatives in India with joint PhD agreements with two Indian institutes of technology: IITs of Kanpur and Madras. Enhanced research partnerships with leading Chinese institutions has seen development of a number of joint research initiatives, including Soil Science. Increased engagement with China has driven unprecedented demand by Chinese research students seeking places in Melbourne PhD programs. New sabbatical and secondment model developed to support flexible approach to sabbatical, secondment and international exchange that facilitates engagement with industry, government and the professions.</li></ol>
 GRADUATE RESEARCHERS	<b>Action</b> <ol style="list-style-type: none"><li>1. Provide graduate researchers with opportunities to succeed in careers within and beyond the Academy, focusing on thematic programs and collaborative research.</li><li>2. Utilise scholarships and thematic program opportunities to attract high-quality graduate researchers from around the world.</li></ol>	<b>Result</b> <ol style="list-style-type: none"><li>1. A co-investment agreement signed with AMSI Intern to increase internship opportunities. Project officer assigned to develop inter-disciplinary PhD programs.</li><li>2. The number of 2015 applications from Brazilian, Chilean, Chinese, German, and Indian citizenship were 54 per cent higher than 2012 levels.</li></ol>



## SOLUTION IN SIGHT FOR AGE-OLD PROBLEM

For over 2000 years, the fine-tooth comb has been the only truly effective weapon against head lice. A University of Melbourne researcher has found a safe and simple alternative.

When archaeologists excavated a wooden fine-tooth comb from Antinoë in Egypt, and New Zealand-based entomologist Ricardo Palma recovered head lice and eggs from the debris it was encased in, he came to an inevitable conclusion.

'The effectiveness of fine-toothed combs as delousing instruments can hardly be overstated,' says Dr Palma on his website [Headlice.Org](http://Headlice.Org).

'Modern combs differ very little in shape and dimensions from their ancient counterparts.'

The problem is the amount of time and effort required to comb out every egg to be sure of ending the head lice infestation.

Enter Vern Bowles, Deputy Director of the Centre for Animal Biotechnology in the Faculty of Veterinary and Agricultural Sciences at the University of Melbourne, and founder and Chief Scientific Officer of pharmaceutical company Hatchtech.

Much of Associate Professor Bowles' research career has been devoted to studying parasite infections.

'Having worked for a number of years investigating novel control strategies against both external and internal parasites in sheep, in 2001 – with the aid of Uniseed funding – we were able to commence research aimed at solving

the intractable problem of head lice in children,' Dr Bowles says. 'The need was real, and the market opportunity compelling.'

Since forming in 2001, Hatchtech has conducted an extensive development program – both clinical and non-clinical – for a new drug application filed with the Food and Drug Administration in the United States in mid-2015. The trademarked product, which researchers have named Xeglyze, is a new topical lotion that has proven successful in killing head lice and their eggs in a single 10-minute application – without the need for nit combing.

'You simply apply the product to dry hair, leave it in for 10 minutes, and wash out with water,' Dr Bowles says.

'Of subjects treated with the new lotion, 81.5 per cent were free from head lice 14 days after the single treatment,' Mr Alsop says. 'Importantly, these were double-blind, randomised, vehicle-controlled, parallel-group studies in subjects aged from six months and above with an active head lice infestation.'

Combined with results from a recent phase 2 clinical study that demonstrated 100 per cent efficacy of the new lotion against head lice eggs, researchers point to compelling evidence of its ability to safely do what other products cannot.

'Currently approved products on the market generally have little or no efficacy against eggs,' Professor Bowles says. 'So if they are not physically removed from the hair, an infestation will quickly return, and hence the need for multiple treatments and nit combing to kill the newly emerged lice.'

Speaking to the broader question of universities and commercialisation, Dr Bowles believes opportunities exist for researchers to access funding through organisations such as Uniseed and, depending on the technology, source additional funds by syndicating with other funding sources, which is what took place with Hatchtech.

'The University provides a rich source of ideas and high quality science which gives a solid foundation for creating new opportunities,' Dr Bowles says. 'As the skills base of individuals who understand the science and can combine this with sound commercial experience expands, the potential exists for further development within this sector.'

'While clearly not all science lends itself to a product opportunity, the continued funding of basic science and curiosity-driven research is vital to knowledge creation and it is from this base that new opportunities can arise.'





TEACHING &  
LEARNING

THE UNIVERSITY OF  
MELBOURNE OFFERS  
LEARNING THAT STIMULATES,  
CHALLENGES AND  
FULFILLS THE POTENTIAL  
OF EXCELLENT STUDENTS  
FROM AROUND THE WORLD,  
LEADING TO MEANINGFUL  
CAREERS AND PROFOUND  
CONTRIBUTIONS TO SOCIETY.



## TEACHING AND LEARNING PERFORMANCE 2015

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In response to the changing context of higher education – nationally and internationally – 2015 saw the launch of the University of Melbourne's revised Digital Learning Strategy.

A number of successful initiatives have been developed to support students and enhance teaching, learning and assessment with innovative, digital technologies and the delivery of more flexible study options.







## MELBOURNE CURRICULUM DRIVEN BY DEMAND

The appeal of the Melbourne Curriculum is evidenced by continuing demand from domestic and international students. The quality of the student intake has remained very high, with the median ATAR at 93.80.

The University of Melbourne’s international student profile has remained broadly constant over recent years, with enrolments from international students increasing to 33 per cent in 2015.

In 2015 the University again experienced strong demand for undergraduate courses. Prospective undergraduate students nominated the University as their first preference in significant numbers. Four of the University’s undergraduate degrees were among the ten most preferred courses in the VTAC system. (See below).

### STUDENT ENROLMENTS

Student Enrolments (EFTSL)	2010	2011	2012	2013	2014	2015
Total load	36,619	36,843	38,243	40,445	42,637	45,411
Research higher degree	3,216	3,110	3,201	3,316	3,489	3,610
Postgraduate coursework	8,289	9,735	12,517	14,984	17,208	18,417
Undergraduate	25,114	23,998	22,524	22,145	21,941	23,384

### 2015 MOST PREFERRED COURSES BASED ON VTAC CSP FIRST PREFERENCE RANKING DATA: VTAC POPULARITY POLLS (FINAL)

Degree	Course Rank						No. of 1st Preferences	
	2010	2011	2012	2013	2014	2015	2014	2015
Arts	1	1	1	1	1	1	2,938	2,716
Science	3	2	3	2	2	2	2,543	2,354
Commerce	4	4	4	4	4	4	1,543	1,664
Biomedicine	7	7	7	6	7	6	797	793

### MEDIAN UNDERGRADUATE ATARS

Metric / Indicator	2010	2011	2012	2013	2014	2015
Median ATAR	93.90	93.10	93.85	94.30	94.25	93.80

### INTERNATIONAL STUDENT ENROLMENTS

Student Enrolments (EFTSL)	2010	2011	2012	2013	2014	2015
Total load	36,619	36,843	38,243	40,445	42,637	45,411
International load	10,143	10,159	10,652	11,705	13,200	15,208
International students (%)	28.0	28.0	28.0	29.0	31.0	33.5

## VALUING STUDENT DIVERSITY

The University of Melbourne and its partners offered a range of participation programs in 2015 to engage with and support students from low Socio-Economic Status (SES) backgrounds.

The Access Melbourne program allows special entry for prospective students who are disadvantaged by factors such as a disability, medical condition or other limiting circumstance.

Students who identify as Aboriginal and Torres Strait Islander are coming to the University in greater numbers. Since 2013, 22 Indigenous students have commenced at the University of Melbourne in the elite category of Chancellor’s Scholars.

### ACCESS

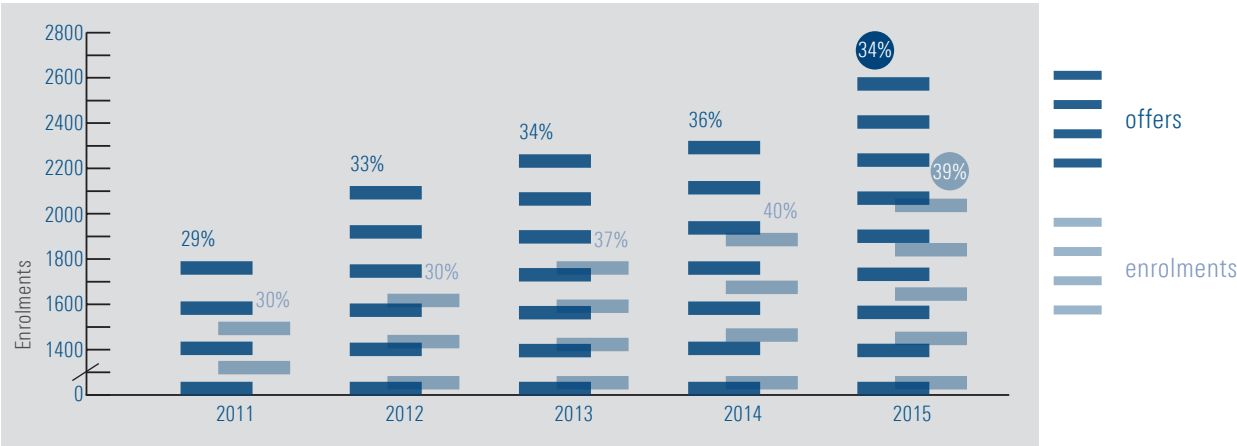
#### 2015 HIGHLIGHTS

- The Melbourne Connect Program linked university alumni from 71 low-SES schools with 2955 prospective students.
- Students attended the Melbourne Connect Study Skills day in preparation for VCE exams and to hear from current University students on the transition from VCE to university.
- 51 regional Year 11 students attended the UniExperience camp to gain first-hand knowledge of university life and tertiary study.
- 534 regional parents and students attended Meet Melbourne information sessions in Albury, Ballarat, Bendigo, Geelong, Hamilton, Shepparton and Warrnambool.
- The University of Melbourne participated in 50 regional presentations to Year 12 students as part of the Tertiary Information Service.
- A range of Higher Education Participation Program-funded Equity Innovation Grants increased contact with disadvantaged students, including the Chemistry Immersion Workshop for Year 11 students, and the Indigenous Winter School.

### INDIGENOUS STUDENT ENROLMENTS

	2011	2012	2013	2014	2015
Total Indigenous student enrolments	181	183	207	230	272 (est)
Total Indigenous student completions	61	54	58	56	79 (est)

### ACCESS MELBOURNE ENROLMENTS AS PERCENTAGE OF TOTAL OFFERS AND ENROLMENTS





## IMPROVING ON A WORLD-CLASS CURRICULUM

New graduate programs were introduced in 2015, including the Master of Entrepreneurship (Faculty of Business and Economics), Master of Human Rights Law (Melbourne Law School), Master of Architectural Engineering (Melbourne School of Engineering/Faculty of Architecture Building and Planning) and a Graduate Certificate in Aboriginal and Rural Communities (Department of Rural Health/Faculty of Medicine, Dentistry and Health Sciences).

Quality assurance and strategic reviews were also undertaken, including in psychological sciences, commerce and science.

### MELBOURNE STUDENT EXPERIENCE ABOVE THE NATIONAL AVERAGE

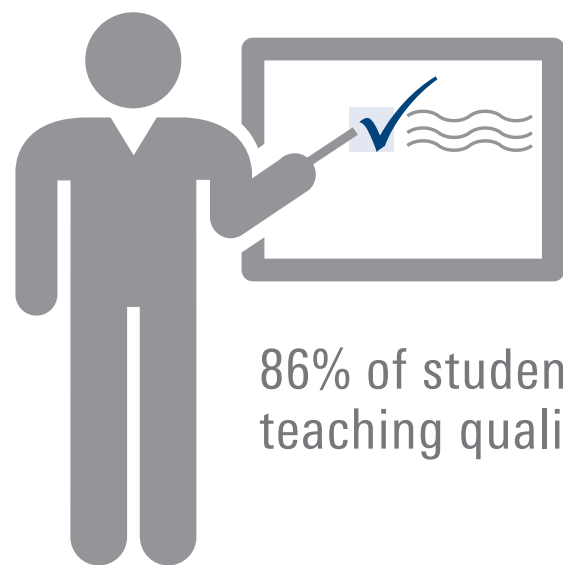
The University of Melbourne's outcomes from the 2014 University Experience Survey showed results above the national average in three of the five focus areas of the survey including:

- Above-average outcomes for teaching quality (86 per cent compared to the national average of 82 per cent), learning resources (87 per cent compared to 84 per cent) and learner engagement (65 per cent compared to 61 per cent)
- 83 per cent of respondents described overall educational experience as good or excellent (up from 81 per cent in 2013) and above the national outcome of 81 per cent.

### WORKING TO IMPROVE GRADUATE OUTCOMES

The University of Melbourne continues to expand services to encourage excellent career outcomes. This includes development of experiential work-integrated learning into graduate programs, increasing access to structured work experience for undergraduates, and incorporating flexibility into the curriculum in order for students to accommodate paid work.

Opportunities for an international experience through study abroad, work-integrated learning or projects with University researchers were also expanded during the year.



86% of students reported above-average teaching quality in the latest University Experience Survey

### EXCELLENCE IN TEACHING RECOGNISED

Citations for Outstanding Contributions to Student Learning were awarded to four of the University of Melbourne's teaching staff in 2015:

Associate Professor Gelsomina Borromeo for her work in developing a greater understanding in students of special-needs dentistry through innovative teaching approaches

Dr Dominique Hes for inspiring students through embedding sustainable architectural knowledge and action

Associate Professor Lesley Stirling for her sustained commitment to promoting a faculty culture of mentoring, for both students and staff

Dr Marcus White for developing urban design studio teaching approaches and emerging technology resources

### PROFESSORIAL LEADERSHIP RECOGNISED WITH NEW AWARDS

The University celebrated and recognised exceptional members of its professoriate with the appointment of four new Melbourne Laureate Professors:

Professor Frank Caruso, Melbourne School of Engineering

Professor Hilary Charlesworth, (Incoming) Melbourne Law School

Professor John Hattie, Melbourne Graduate School of Education

Professor Ingrid Scheffer AO, Faculty of Medicine, Dentistry and Health Sciences

The University awarded the inaugural round of Redmond Barry Distinguished Professor titles to members of its professoriate who have demonstrated leadership for the University, pre-eminence in research or creative activity, or pre-eminence in research and training. The titles were awarded to the following 11 members of the professoriate:

Professor Mark Considine (Dean of Arts)

Professor Barbara Creed (School of Culture and Communication)

Professor Ruth Fincher (Head, School of Geography)

Professor Philip Goad, Chair of Architecture (Faculty of Architecture, Building and Planning)

Professor Lesley Head (School of Geography)

Professor John Hopper (Melbourne School of Population and Global Health)

Professor Tim Lindsey (Melbourne Law School)

Professor Iven Mareels (Dean of Engineering)

Professor James McCluskey (Deputy Vice-Chancellor Research)

Professor Terry Nolan (Foundation Head, Melbourne School of Population and Global Health)

Professor Anne Orford (Melbourne Law School)

### STUDENTS IMPRESS IN START-UP CAPITAL

Dr Brent Coker from the Faculty of Business and Economics (2012 Best Entrepreneurial Educator of the Year award, Australian Business and Higher Education Round Table), accompanied undergraduate students to San Francisco where they worked together on projects for innovation-focused companies.

The students took the opportunity to apply their skills and knowledge in an extremely competitive international environment.

At Hewlett-Packard, they worked on a project to attract millennial employees, something of vital importance in San Francisco, where competition to attract the best is fierce.

According to student Jenny Jacob, San Francisco was unique in giving students a glimpse into the energetic and exciting world of start-ups. 'I was able to network and consult with highly successful industry professionals from the best universities in the world,' said Ms Jacob.





## NEW INITIATIVES IN ONLINE LEARNING

The University of Melbourne continued to launch a range of online learning offerings throughout 2015 to support the provision of premium quality, digitally supported education.

### MASSIVE OPEN ONLINE COURSES (MOOCs)

University of Melbourne MOOCs typically run for five to eight weeks, and include video lectures, interactive content, discussion forums and peer assessment. Using digital technology and innovative pedagogy, high-quality learning is delivered to students across the world.

In 2015 21 MOOCs were offered yielding over 306 000 enrolments.

A diverse variety of topics was offered including:

- Sexing the Canvas
- Corporate Financial Decision-Making for Value Creation
- Re-Thinking Ageing: Are we prepared to live longer?
- Animal Behaviour.

### GRADUATE ONLINE MELBOURNE (GO-MELB)

Five graduate courses were offered:

- Ageing in Society
- Clinical Teaching
- Evaluation
- Psychiatry
- Rehabilitation Science.

The University also developed mobile learning applications addressing specific learning objectives and using mobile phone technology to create personal learning experiences.

## ENHANCING THE STUDENT EXPERIENCE

### A NEW STOP FOR DELIVERING STUDENT SERVICES

During 2015, the University worked to develop a new approach to student services by establishing Stop 1. Stop 1 brings together diverse student services to provide a holistic student service model covering admissions, enrolment, course planning, administration, support services and skills and development. Stop 1 opened in a new location on the corner of Grattan and Swanston streets in time for the start of Semester 1, 2016.

### NATIONAL LEADERSHIP IN OUTBOUND MOBILITY

For the previous year the University of Melbourne recorded the largest outbound mobility program in Australia, with a total of 3142 experiences undertaken by students across all study levels.\* There were 1187 undergraduate mobility experiences, increasing the undergraduate mobility access rate (the number of experiences as a proportion of the graduating cohort) to 17.2 per cent. Exchange and short-term programs remained the most popular program types for undergraduates, comprising 47 per cent and 43 per cent of mobility experiences respectively.

### MELBOURNE ACCELERATOR PROGRAM NAMED IN WORLD TOP 10

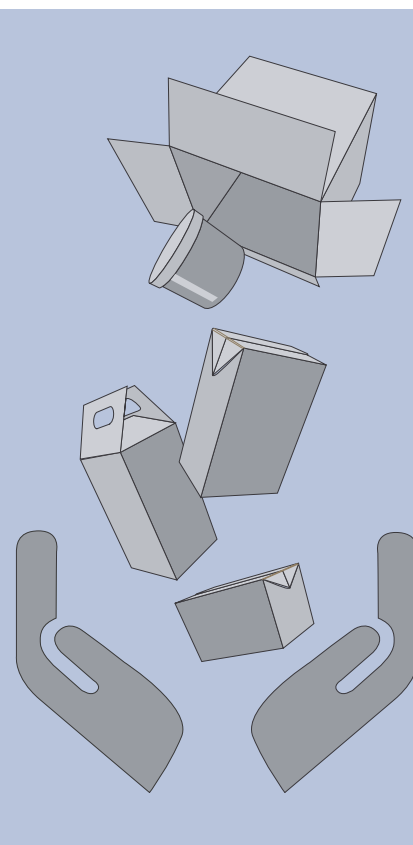
The Melbourne Accelerator Program (MAP) was named the eighth best university business accelerator in the world for 2015. The Program provides funding, office space, mentoring and networking opportunities for alumni with ideas for a startup.

The result places MAP, one of the University of Melbourne's flagship entrepreneurship programs, as the number one accelerator in the country and second in the Asia-Pacific.

The rankings are compiled annually by Swedish firm UBI Global, an international group specialising in the analysis of business incubation around the world. MAP was previously ranked 13th in 2014.

The rankings cover more than 400 incubation programs in over 70 countries.

Vice-Chancellor Professor Glyn Davis said the result highlighted how relevant universities are to the current innovation debate in Australia.



### NEW MASTERS DEGREE LAUNCHED IN COLLABORATION WITH FOOD AND PACKAGING INDUSTRY

The Faculty of Veterinary and Agricultural Sciences worked with food and packaging industries to create a new Masters degree.

The Master of Food and Packaging Innovation was launched in 2015 and teaches food science, packaging and product design together with business skills such as project management and entrepreneurship.

A cross-disciplinary team of University staff worked with industry advisers and research groups to design the degree and drive innovation in food and packaging industries.

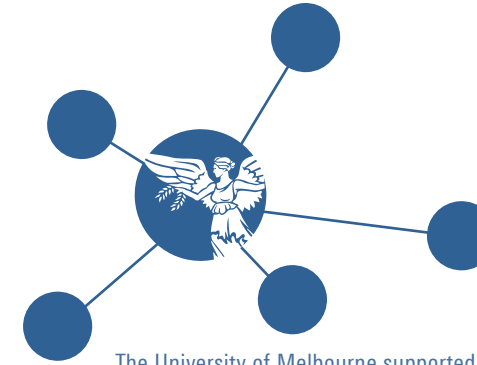
Vice-Chancellor Glyn Davis said the degree exemplifies the University's keen interest in working with industry in teaching and research.

Amanda Banfield, Mondelez International Managing Director for Australia and New Zealand, said it was important for large companies to invest in a training and development pipeline to sustain and grow their business.

\*i-graduate Learning Abroad Report 2015



## PERFORMANCE AGAINST 2015 TARGETS



The University of Melbourne supported 14 dual programs, three joint masters programs, Universitas 21 Global Issues Program, and a number of jointly awarded PhD programs and other research higher degree agreements



### HIGH QUALITY LEARNING AND TEACHING

#### Action

1. Provide undergraduate students with expanded opportunities for international mobility experience in the course of their degree program.  
Provide innovative, student-centred blended learning through:
  - Melbourne Digital Curriculum – developing and implementing technology-based teaching, learning and assessment resources and programs for use by campus-based students
  - Melbourne MOOCs – focusing on 'signature track' as verified certificate of completion
  - Graduate Online – Melbourne (GO-Melb) – wholly online, high quality graduate-level courses.
2. Improve the use of timetable, academic year and infrastructure to support pedagogical flexibility, student choice and changing student demographics.
3. Increase the number of joint and dual degrees offered in partnership with universities that are among the best in the world.
4. Align academic recruitment, confirmation and reward framework with achievement of world standards in teaching and learning.
5. Increase the scale of teaching activity to deliver enhanced learning opportunities across diverse student cohort.

#### Result

1. Further steps taken to grow outbound mobility offerings, with 3142 experiences taken by students across all study levels. Number of successful initiatives developed and implemented to provide innovative, student-centred blended learning.
2. 21 MOOCs offered with over 306 000 student enrolments.  
Graduate Online – Melbourne (GO-Melb) continued to grow, with 2015 offerings including Ageing in Society, Clinical Teaching, Evaluation, Psychiatry and Rehabilitation Science. Developed mobile learning applications to address learning objectives and use mobile phone technology to create truly personal learning experiences.
3. The University supported 14 dual programs, three joint masters programs, Universitas 21 Global Issues Program, and a number of jointly awarded PhD programs and other research higher degree agreements.
4. New academic positions of Melbourne Enterprise Professor and Enterprise Fellow created to encourage appointment of industry experts who will bring new perspectives to teaching and student learning. New program of University Excellence Awards introduced to recognise outstanding contributions of academic and professional staff in teaching, research and engagement.
5. Student load increased from 42 637 in 2014 to 45 411 in 2015. *Growing Esteem 2015–2020* strategy released, in line with commitment to grow as comprehensive, campus-based, research-intensive institution with distinctive and graduate-focused teaching profile.



### STUDENT EXPERIENCE

#### Action

1. Significantly increase the number of quality student accommodation opportunities on and around the University.
2. Progressively improve the residential accommodation offer for students new to the city of Melbourne.
3. Develop the campus masterplan to include student centre and precincts, on-campus accommodation, and physical and virtual infrastructure in support of vibrant student experience.
4. Implement expanded range of scholarships, focusing on value in promoting:
  - Equity and access
  - Academic excellence
  - Global mobility.
5. Develop initiatives designed to attract, retain and improve completion rates for Indigenous students.

#### Result

1. The Leicester Street Campus Living Village is complete and ready for occupation in 2016, providing 648 additional beds. University College's expansion underway to provide additional 135 beds in 2017. Architects working on 303 Royal Parade as a new Student Hall of Residence to provide 311 beds in 2018. Planning underway for Carlton Connect to build 450 beds.
- 2 & 3. Melbourne Offer strategy designed, setting out the University's objectives and goals to improve student experience, including a unique Accommodation Offer initiative to be phased in, commencing with interstate and regional scholars and international students.
4. Strategic review of scholarships undertaken to ascertain current state of scholarships and make recommendations for ideal future state, including more targeted scholarships for international students, principles developed to frame future scholarship offerings.
5. Bachelor of Arts (Extended) and Bachelor of Science (Extended) contributed significantly to growth in Indigenous undergraduate student commencements. Overall Indigenous enrolments increased by 50 per cent since 2011.  
Murrup Barak, Melbourne Institute for Indigenous Development provided a range of Indigenous services to enrolled students, including a program to support Indigenous students' transition into University, individual appointments for students requiring engaged referral or advocacy regarding mainstream services, tutorial programs, and enrichment programs.  
Developed new initiatives, including Indigenous student exchange program and global seminar program, to be further developed in 2016 and beyond through piloting with overseas institutions.



### CAREER OUTCOMES

#### Action

1. Facilitate more work-integrated learning experiences for students, particularly at postgraduate level, including internships, university-based research projects and graduate placement.

#### Result

1. Enterprise-wide online system purchased to administer Work Integrated Learning (WIL) activity in all faculties and schools. Initial discussions held with major employment placement organisations to improve graduate employment outcomes through working together. Planning underway to develop links with top 50 employers in Australia.





# BUILDING CHANGE IN REMOTE COMMUNITIES

By exposing University of Melbourne postgraduate students to diverse environments, cultures and real-life design challenges, the Bower Studio helps shape the next generation of architects, landscape architects and urban planners.

With support from MacDonnell Regional Council, twelve University of Melbourne postgraduate students travelled to the remote Indigenous communities of Areyonga and Amoonguna in the Northern Territory in 2015 to help build much-needed facilities.

Their stays in the communities were part of the Bower Studio Program, a travelling subject offered through the Masters of Architecture.

The Bower Studio – named after the bower bird indigenous to Australia and New Guinea which builds large nesting structures from available materials – is a sequence of Master of Architecture build/consult/design projects at the Melbourne School of Design.

In 2015 the studios also visited Suanum in Papua New Guinea.

The projects are led by senior lecturer Dr David O'Brien. Students work alongside members of local communities on essential infrastructure projects. Every year since 2008, Bower Studio participants have built facilities in remote Australia, Papua New Guinea and Thailand that have contributed to community health and wellbeing.

Ms Kathleen Kopietz, who has now completed her Masters of Architecture, participated in two Bower Studios – one in Central Australia in first semester, and one in a small New Guinean village near Wewak in second semester. She followed these up in 2015 with a subject that included travel to the Galapagos Islands.

'I was able to employ the techniques and concepts I'd learnt in Bower to do

with community consultation and small scale intervention,' she says. 'Seeing how something thought about, talked about and designed on paper is actually built, is a very special experience for a student of architecture.'

Construction is wide ranging – from composting and ablutions facilities, to kindergartens and community centres and general purpose pavilions, designing and building outdoor furniture.

Dr O'Brien says all the projects have one common thread: they are built in consultation and collaboration with local communities.

In 2015 the University team also worked with local school students in building cubby houses from a prefabricated kit of panels.

'We have done this a few times before in various locations and the kids love it,' Dr O'Brien says.

'In places like the Central Desert of Australia, where there's often no protection from the elements when waiting for public transport, a shelter provides relief from the heat for residents,' he says.

'So we create sheltered pavilions that create cool and shaded protection from the sun and shelter from rain.'

Dr O'Brien believes that Bower projects provide more than just a quick fix. 'The structures make an important contribution to community health and wellbeing and create something communities can replicate on their own,' he says.

'The aim is to develop systems and training for local communities that other building teams can replicate, providing a benefit to the community that continues long after we've left.'

For example, Bower students have assisted in the construction of an essential neonatal unit and composting toilet facility in the remote Papua New Guinea community of Suanum.

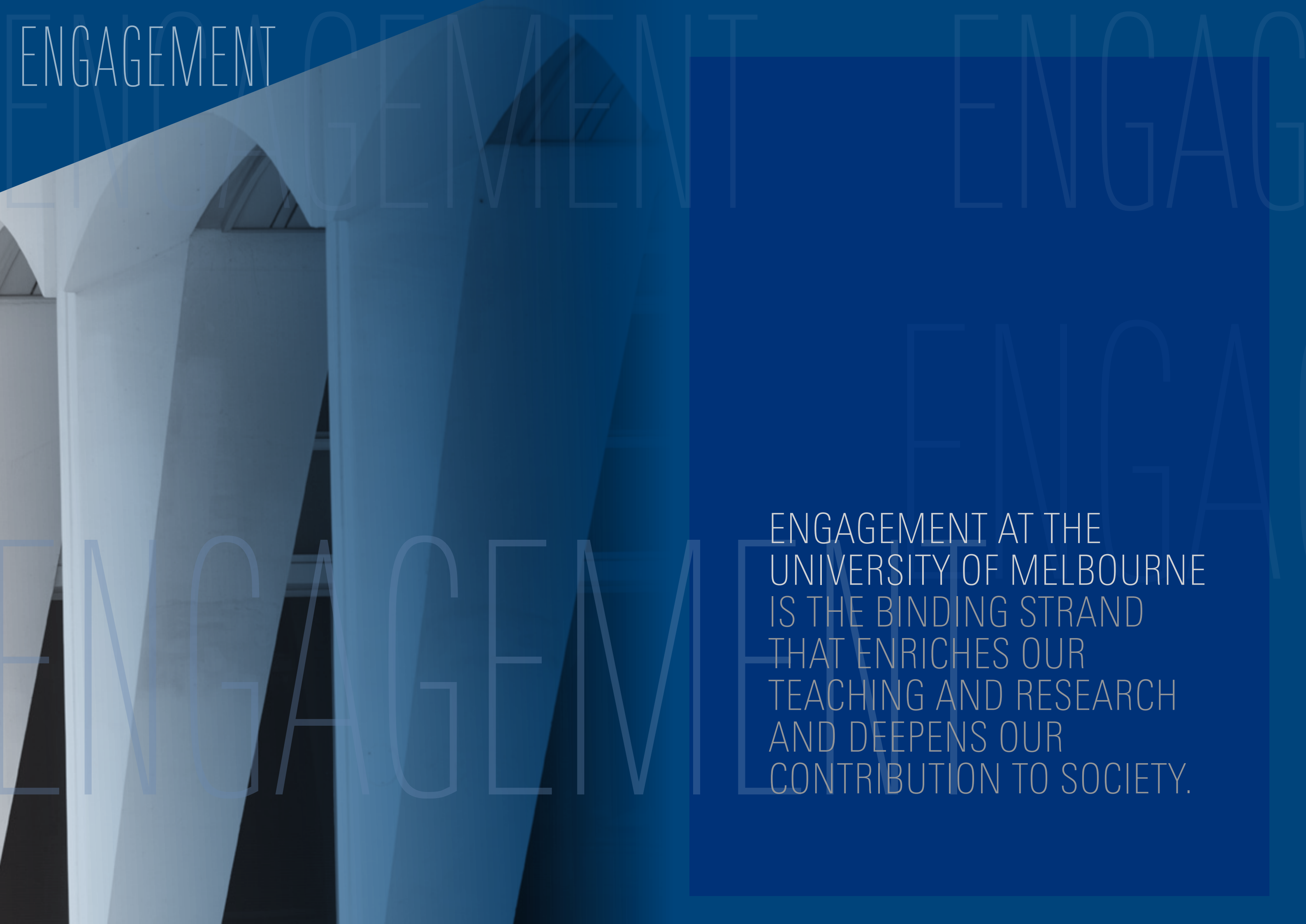
Perinatal complications are the leading form of mortality in Papua New Guinea and are responsible for greater numbers of deaths than pneumonia and malaria.

The four-bed neonatal centre has a room for storing medication and a new ablutions facility, to provide a healthier place for infants and mothers at the most vulnerable time of their lives.

Masters of Architecture students at the University of Melbourne vie for a space in Bower Studios. Dr O'Brien says the studios offer students a rare opportunity to work in a hands-on manner with local community members and hone their consultative skills to facilitate lasting change.

Ms Kopietz agrees. 'Now I've finished university, looking back I can say that Bower has been formative in my development and fostered a passion for small-scale, sustainable and personal design.'

'The experience of being hands on, immersed in what was designed, studied and actually facilitated, then built and completed within the same semester, is experience I believe all students would benefit by.'



ENGAGEMENT

ENGAGEMENT AT THE  
UNIVERSITY OF MELBOURNE  
IS THE BINDING STRAND  
THAT ENRICHES OUR  
TEACHING AND RESEARCH  
AND DEEPENS OUR  
CONTRIBUTION TO SOCIETY.





## ENGAGEMENT PERFORMANCE 2015 OVERVIEW

*Engagement at Melbourne* focuses on three commitments – public value, engaged students, engaged research – to deepen the relevance and impact of our academic mission across the local, national and global domains of our work. The University will shape its commitment to public value around six keystone engagement programs (KEPs) in public policy, communities of place and interest, cultural impact and expressing values through our operations. The scoping

and shaping of the KEPs is a priority for the coming year, alongside the application of an engagement lens to research and teaching practice.



## ENGAGING WITH BUSINESS, COMMUNITY AND GOVERNMENT

### WORKING IN PARTNERSHIP WITH GOVERNMENT

The University of Melbourne continued to pursue opportunities for professional development and engagement during 2015 through secondments, policy roundtables, submissions and parliamentary committee hearings.

As part of its association with the Department of the Prime Minister and Cabinet, a Department member undertook a two-week secondment at the University and while there, arranged a Health roundtable involving University academics and policy makers. The secondment program has been extended for a further two years.

**Policy roundtables** allow the University to share expertise to shape policy and elevate reputation. Staff from across the University participated in roundtables with both State and Federal public servants on topics including health policy, productivity, family violence and livable cities.

**Submissions** draw together expertise across the campus to advise government, advance University interests, and open the door to further discussion as policy is developed.

Notable submissions to government include:

- International Education Strategy
- Medical Research Future Fund
- Research Training System
- Research funding and policy
- Vision for a Science Nation
- Tuition Protection Service

- Smart ICT
- Victorian Government – Future Industries consultations.

**Parliamentary committee** hearings provided University academics an opportunity to elaborate on submissions lodged in response to parliamentary consideration of policy issues. Experts appeared before committee inquiries on the Medical Research Future Fund, Smart ICT, and Australia's Innovation System.

**Campus visits** were hosted regularly for ministers, shadow ministers, other government MPs and advisers to showcase the work – particularly in research and innovation – that occurs on campus.

### SMOOTHING PATHWAYS TO POLITICS FOR WOMEN

The University of Melbourne, in partnership with the Trawalla Foundation, launched the *Pathways to Politics for Women Program*. It was launched in November 2015 by the Hon Julie Bishop MP, the Hon Tanya Plibersek MP, Ms Carol Schwartz AM, and Professor Glyn Davis at Parliament House, Canberra.

### YOTHU YINDI PARTNERSHIP SIGNED AT GARMA FESTIVAL

At the 2015 Garma Festival in Arnhem Land, the University of Melbourne signed a partnership agreement with the Yothu Yindi Foundation. The partnership builds on existing work between the two organisations and sets out the framework

for collaboration across education, leadership, culture, health and research.

### STRENGTHENING TIES IN THE GOULBURN VALLEY

The University of Melbourne continued to work closely with the Goulburn Valley region in 2015. The relationship has been strengthened by the establishment of a new 'constellation' governance model led by the Committee for Greater Shepparton and Algabonyah, the regional Indigenous body.

An Economic Roundtable was co-convened in August by the Algabonyah community cabinet (representing an alliance of Aboriginal community organisations from across the Goulburn Murray region) and the University of Melbourne. It brought together leaders from government, universities, TAFE, local and national businesses and Aboriginal community leaders and elders.

### RENEWING LONG-STANDING RELATIONSHIP WITH THE SMITH FAMILY

The University of Melbourne and The Smith Family renewed their Cooperative Relationship Memorandum of Understanding to support disadvantaged children to stay engaged in schooling and improve access to and participation in university education.

The focus is on priority regions:

- Goulburn Valley (with a particular emphasis on the Yorta Yorta and other Indigenous people of the region)



Students of 22 nationalities took part in the Engaging Melbourne Program intended to foster engagement of international and domestic students around the common theme of football

- North and western regions of Melbourne
- Disadvantaged inner city neighbourhoods.

### WORKING WITH MELBOURNE FOOTBALL CLUB TO CONNECT SPORT AND EDUCATION

The University of Melbourne and the Melbourne Football Club signed a memorandum of understanding to support their mutual interests in:

- Student engagement and inclusion
- Elite sporting opportunities for students
- Facilities
- Research and connecting with the wider City of Melbourne.

The Engaging Melbourne Program was successfully delivered in October, involving more than 100 students from 22 nationalities.

The program fosters engagement of international and domestic students around the common theme of football. Following a grant from the State Government, the program will be expanded in 2016.

### MAKING A DIFFERENCE THROUGH SPORT

In partnership with Athletics Australia and the Murrup Barak, Institute for Indigenous Development, the Raise the Bar Academy attracted 35 Indigenous secondary school students and athletes, many from remote communities, who participated in athletics sessions and leadership activities mentored by some of the University's elite student-athletes. The program was recognised by Australian University Sport, with a National Community Leadership Award.

MU Sport was involved in a community tolerance and acceptance campaign *Gay? That's Ok!*. Events included a luncheon attended by Gender and Sexuality Commissioner Rowena Allen, and Victorian Minister for Equality Martin Foley, followed by a match in which the University Blacks wore rainbow guernseys.

## A YEAR OF POSITIVE ENGAGEMENT WITH ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES

### 2015 HIGHLIGHTS

- Establishment of the Dr Margaret Williams-Weir Fellowship Program to recognise Indigenous leaders and intellectuals. Dr Williams-Weir was the first Indigenous graduate of an Australian university. Indigenous leader Noel Pearson was appointed as inaugural Fellow.
- Awarding of an Honorary Doctor of Laws to Galarrwuy Yunupingu AM, Gumatj leader and Yothu Yindi Foundation chairman, at the 2015 Garma Festival. The award recognises and celebrates the significance of Mr Yunupingu's work for Indigenous rights.
- Strengthening the University's connection with the Global Compact Network

Australia (GCNA), Pro Vice-Chancellor (Engagement), Professor Ian Anderson, has been appointed to the board of GCNA and joined its Indigenous Engagement Working Group (IEWG). At an IEWG meeting hosted by the University, a panel of Indigenous leaders and experts worked on developing an Australian supplement to the UN Global Compact's Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples.

- The annual Dungala Kaiela Oration was delivered by Vice-Chancellor, Professor Glyn Davis. In the oration 'The Hard Conversation – Indigenous Voices and Public Policy,' Professor Davis explored the multiplicity of thought in Indigenous

debates and some of the central concerns, ideas and debates on land rights, legal equality, self-determination and empowered community.

- Professor Marcia Langton delivered the 2015 Narm Oration titled *From hunting to contracting: Econmic Development in Indigenous Australia*. Professor Langton outlined the perversity of the policies – historic and current – that hinder Indigenous economic development and, by extension, the health and wealth of modern Australia.





## CONTRIBUTING TO MELBOURNE'S CULTURAL LIFE

### COMMEMORATING ANZAC IN ITS CENTENARY YEAR

In partnership with Museum Victoria, National Gallery of Victoria, City of Melbourne and the Shrine of Remembrance, the ANZAC centenary program highlighted the University of Melbourne's research, archives and cultural collections. Activities were woven together by a series of public panels curated by the History of the University Unit.

The centrepiece was an exhibition at the Shrine of Remembrance supported by the Australian and Turkish governments. Archaeological artefacts from the Joint Historical and Archaeological Survey of the Gallipoli Battlefield led by the University's Professor Antonio Sagona were on display along with other items from the University's Rare Map Collection, Archives, Baillieu Print Collection and Special Collections.

### STAR PERFORMANCES AND FULL HOUSES FOR MELBOURNE THEATRE COMPANY

Over the 2015 season Melbourne Theatre Company (MTC) welcomed 225 000 attendees to more than 550 performances.

MTC continued its commitment to developing new Australian works, with world premieres of *What Rhymes with Cars and Girls*, *The Waiting Room*, *The Last Man Standing* and *North by Northwest*.

In 2015 the NEON Festival of Independent Theatre again presented challenging performances to new audiences. MTC's Education and Families department took *Yellow Moon* to regional Victoria and, with subsidised tickets from the Crown Resorts Foundation, welcomed hundreds of first-time theatre-goers to *The Boy at the Edge of Everything*.

A study by Intuitive Solutions revealed that, in addition to being a key part of Victoria's cultural fabric, MTC is a driver of economic activity. For example, the production *North by Northwest* alone generated \$3.7 million for the Victorian economy, with 79 per cent of respondents nominating the play as their main reason for visiting the Melbourne CBD.

### RECORD VISITS TO IAN POTTER MUSEUM OF ART

The Ian Potter Museum of Art welcomed 43 000 visitors during 2015, the highest annual attendance in the Museum's history and 40 per cent above target. More than 7 000 students from a range of faculties and disciplines undertook curriculum engagement through the Potter.



The Ian Potter Museum of Art welcomed approximately 43 000 visitors during 2015, the highest annual attendance in the Museum's history and exceeding the annual target by 40 per cent

Twelve exhibitions were staged in 2015 foremost among them, the major exhibition *An Illumination: The Rothschild Prayerbook & other works from the Kerry Stokes Collection c. 1280–1685*. The exhibition was extraordinarily well attended, attracting 14 167 visitors during its 80-day run, and was complemented by a public program organised by the University Library.

During 2015, the University Art Collection holdings were augmented with 32 donations and 18 purchases. The works encompass photography, video, sculpture, drawing and painting from across a range of time periods – historical to contemporary – and featured a strong component of contemporary Indigenous cultural material.

### IMPRESSIVE LIST OF TITLES PUBLISHED BY MELBOURNE UNIVERSITY PUBLISHING

In 2015, Melbourne University Publishing (MUP) achieved significant critical recognition, publishing 51 new titles under the Melbourne University Press, Miegunyah Press and MUP Academic imprints. Highlights included *The Straight Dope* by Chip Le Grand (2015 Walkley Book Award and the inaugural William Hill Sports Book of the Year Award), and *Modern Love* by Lesley Harding and Kendrah Morgan (shortlisted for the 2015 Victorian Premier's Literary Prize). Other major releases included *Windsor's Way* by Tony Windsor, *Impressive* by Kirstie Clements, *Leadership in Action* by John Cantwell, *The Money Men* by Chris Bowen, *A Letter to My Children* by Christopher

Pyne, *Santamaria* by Gerard Henderson, *The Knowledge Wars* by Peter Doherty, *Born to Rule* by Paddy Manning, *The Reith Papers* by Peter Reith, *Battleground* by Peter van Onselen and Wayne Errington, and *The Forgotten Notebook* by Betty Churcher.

## CULTURAL ENGAGEMENT

### 2015 HIGHLIGHTS

- The University of Melbourne continued its Learning Partnership with the National Gallery of Victoria in 2015 for the Winter Masterpieces exhibition *Masterpieces from the Hermitage: The Legacy of Catherine the Great*. In addition to the masterclasses delivered by University academics, the program included a live radio broadcast panel discussion on Women and Leadership, student internships, exclusive alumni viewings and discounted ticketing for staff, students and alumni.
- The University was a major partner in the 4th annual Melbourne Rare Book Week, with events and exhibitions hosted by the University's Cultural Collections. Coinciding with Open House Melbourne weekend, the Australian Antiquarian Book Fair held on the Parkville campus attracted record attendances in 2015.
- Other cultural partnerships in 2015 included for The Wheeler Centre's *Interrobang: A Festival of Questions*, the Melbourne Festival, Sydney Opera House and Wheeler Centre *For Thought* program, and the Summersalt Festival.

## MILLION-DOLLAR PARTNERSHIP SIGNED WITH AUSTRALIA POST

The University of Melbourne has signed a three-year partnership with Australia Post worth \$1 million.

The partnership forms part of Australia Post's \$20 million eCommerce capital fund and will provide greater opportunities for the next generation of innovators.

The funding will provide for two new places in the Melbourne Accelerator Program to work on eCommerce business ideas.

An annual scholarship to the Wade Institute for Entrepreneurship will also be awarded.

There will also be specific outreach programs targeting regional and rural areas, women and social entrepreneurs.

Vice-Chancellor, Professor Glyn Davis, said the University was honoured that Australia Post had chosen the University as its first valued innovation partner in the fund.



## BUILDING PHILANTHROPY INTO THE FABRIC OF THE UNIVERSITY COMMUNITY

### ROLL CALL OF SOME OF THE UNIVERSITY'S MOST GENEROUS DONORS IN 2015

- » **Neville and Dianne Bertalli** whose generous gift created the Bertalli Chair in Cancer Medicine
- » **Bloomberg Philanthropies** whose major philanthropic commitment to global health saw the University funded to help developing countries access crucial health data
- » **The Clifford Family** who endowed the Clifford Chair in Neural Engineering
- » **Jane Hansen and Paul Little AO** of the Little Foundation, whose gift to create the Hansen Trust will transform teaching of history in the Faculty of Arts
- » **The Laby Foundation** including Betty Laby, whose bequest has endowed the Thomas Laby Chair of Physics
- » **The Ian Potter Foundation** whose ongoing support will enhance the face of the Victorian College of the Arts and Melbourne Conservatorium of Music and enhance the Ian Potter Museum
- » The estate of **Romeo Schiavon** which will help to educate journalists of the future
- » **Elizabeth and James Tatoulis** who endowed the Elizabeth and James Tatoulis Chair in Classics

The success of *Believe –the Campaign for the University of Melbourne* was due in no small part to the leadership of Campaign Chairman Allan Myers AC QC and Deputy Chairmen Leigh Clifford AO and Martyn Myers AO who, together with members of the Campaign Board, helped drive this significant achievement.

### RECOGNISING DONOR GENEROSITY

The University of Melbourne established the Wilson Society and Cussonia Circle to recognise leadership and cumulative philanthropic contributions. The Heritage Society increased its membership to over 300 as a growing number of the University's donor community make the very personal decision to leave the University a gift in their will.

### DONORS MAKING A DIFFERENCE

The University of Melbourne has recorded its largest philanthropic undertaking thanks to the generosity of over 20 000 donors across the globe, who have supported goals to deliver groundbreaking research, nurture leaders of tomorrow and enrich communities.

Gifts to the Campaign have made a transformative difference to Melbourne. They have supported hundreds of new scholarships, created 24 professorial chairs, played a key role in redeveloping the Southbank campus and added major works of art to the University's cultural collection.

### ANNUAL APPEAL FOCUSES ON STUDENT SUPPORT

The University's Annual Appeal program continued to garner remarkable alumni support. Appeals during 2015 focused on student need with more than 5000 donors contributing, including an unprecedented 1000 student donors.

### USA FUND LAUNCHED

Internationally, 2015 saw the introduction of the USA Education Fund. Launched with a generous donation from alumni James Gorman and President of the USA Foundation Matt Edmonds, the USA Education Fund provides scholarships, bursaries, fellowships and travel grants for students.

### BENEFACTORS RECOGNISED

In 2015, for the first time, the University was able to honour three of its most generous benefactors. Campaign Chairman Allan Myers AC QC, and Greg Poche and Kay Van Norton Poche, whose donation of \$10 million created the Melbourne Poche Centre for Indigenous Health, were made Fellows of the University.

## ALUMNI CONTRIBUTIONS AND AWARDS

### RECOGNISING ALUMNI SUCCESS

More than 110 alumni were recognised for their contributions to public life in the 2015 Australia Day and Queen's Birthday Honours lists.

Alumni were also acknowledged in the fields of arts and science. Immunologist Professor Ian Frazer AC won an international award from the European Patent Office for developing the world's first cervical cancer vaccine, Professor Terry Speed won the CSIRO Eureka Prize for Leadership in Science, and author Sophie Laguna won Australia's top fiction prize, the Miles Franklin Literary Award.

Featuring in the 2015 Australia China Alumni Awards was Henry Chan, who won the CPA Australia Award for Banking and Finance. The University alumni community was also strongly represented in the Advance Global Australian Awards with financier James Gorman, Dean of Science Professor Karen Day, and Professor Cameron Hepburn all recognised.

### VOLUNTEERS DONATE TIME

Alumni made remarkable contributions to the University as volunteers, donating countless hours to support students and community. More than 1500 volunteers across the world supported the University as mentors, board and committee members and guest speakers.

### CONNECTING WITH CULTURAL PARTNERS

Partnerships with iconic cultural organisations such as the National Gallery of Victoria enabled the University to offer alumni special access to key exhibitions and performances.

The inaugural Chancellor's Concert, endorsed by Chancellor Elizabeth Alexander AM, premiered the talents of the University of Melbourne Symphony Orchestra and saw over 250 alumni attend the free performance and alumni reception at City Recital Hall.

### ALUMNI PEER APPROVALS

In 2015, the Alumni Council also appealed to its peer community for the first time, raising \$26 000 during a month-long appeal for students in financial need.

The University's alumni associations were active in 2015, helping deliver events in China, Hong Kong, Indonesia, Japan, Malaysia, Singapore, United Kingdom and in Sydney. A new alumni association was also established in Beijing.

### BUILDING SOCIAL MEDIA PROFILE

Online engagement continued strongly in 2015 with the Facebook alumni social network increasing by 14 per cent to 15 650 followers, the most popular alumni page of any Australian university. Similarly, Twitter (with 2740 followers – the highest following of an Australian university alumni group) and LinkedIn (with over 9000 members) reflected this trend, with an increase of 20 per cent and 21 per cent respectively.



Alumni social network increased by  
14 per cent to 15 650 followers



9000 members  
21 per cent increase



2740 followers highest following of an  
Australian university alumni group  
20 per cent increase





## FORGING LINKS ACROSS THE GLOBE

The University of Melbourne has more than 250 formal agreements with other universities, comprising University-wide and faculty-level memorandums of understanding and student exchange agreements that underpin collaboration and opportunities for students across the globe.

19 new agreements were signed in 2015 including with:

- University of Barcelona (Spain)
- Catholic University of Louvain (Belgium)
- Federal University of Rio de Janeiro (Brazil).
- Ghent University (Belgium)
- University of Grenoble Alpes (France)
- Pontifical Catholic University of Rio de Janeiro (Brazil)

### ENGAGING WITH OUR NEAREST NEIGHBOURS IN ASIA

#### Australia India Institute

The Australia India Institute (All) continued its growth in 2015 by establishing its first centre in India. The centre's offices in New Delhi, led by Professor Amitabh Mattoo, were inaugurated by the then Minister for Education and Training the Hon Christopher Pyne MP, the High Commissioner of Australia in India Mr Patrick Suckling, and University of Melbourne Vice-Chancellor Professor Glyn Davis.

The Institute hosted the first Australia India Leadership Dialogue this year. The two-day event brought together politicians,

business people and media to explore the opportunities and challenges facing the Australia-India relationship. The Australian delegation was led by the Minister for Trade and Investment the Hon Andrew Robb MP, and Attorney General for Australia the Hon George Brandis QC.

The Institute launched its first Massive Open Online Course subject titled Contemporary India, held a Health, Wellness and Spirituality lecture series and hosted several high-profile visitors including cricketing legend Rahul Dravid, CEO of the Bombay Stock Exchange Ashish Chauhan, and Indian novelist Shobhaa De.

The Institute welcomed Professor Craig Jeffrey as its new Director. Professor Jeffrey succeeded the Institute's Foundation Director, Professor Amitabh Mattoo, who returned to India to serve as Honorary Director of the All@Delhi, and Professor of International Relations at Jawaharlal Nehru University.

#### Asialink

Against a backdrop of new free trade agreements and a volatile political, economic and strategic landscape, Asialink continued to help lead Australia's engagement with Asia.

The National Centre for Asia Capability, Asialink Business, delivered 43 public and in-house training programs to over 700 participants.

Over 4800 participants attended Asialink Business events, featuring prominent Australian and international leaders, captains of industry, politicians and public administrators.

Throughout 2015, Asialink Arts focused strongly on Japan, including leading a delegation to participate in the internationally renowned Echigo Tsumari Festival. Asialink Arts' residents explored new ideas, communities and collaborations from East Timor to Turkey. The exhibition-touring program exposed contemporary Australian artists to new audiences of almost one million across India, Japan and Turkey.

Now in its 12th year, the Asia Australia Mental Health (AAMH) Program – a consortium between Asialink, St Vincent's Health and the University of Melbourne's Department of Psychiatry – continued to break new ground in collaborative approaches to mental health in Asia. In 2015, AAMH scaled up its activities, including in preparation for the commercialisation of training programs in various locations in China.

Through its diplomacy program, Asialink continued to strengthen relationships between leaders in ASEAN and Australia. Highlights included the Asialink Conversations in Singapore, focusing on women in leadership, and the ASEAN/Australia-NZ dialogue in Malaysia on issues of violent extremism and irregular movements of people.



The University of Melbourne has more than **250 formal agreements with other universities**, comprising University-wide and faculty-level Memorandums of Understanding and Student Exchange Agreements

#### Confucius Institute

The Confucius Institute collaborated with Asialink Business to deliver three China-focused cross-cultural training modules in Sydney, Brisbane and Melbourne to the corporate sector and general public. The course reached the highest levels of

government, with the Institute delivering a pre-departure briefing for the Victorian Premier before his inaugural mission to China.

The Institute hosted *Master Talk* with China's most famous violinist, Mr Sheng Zhongguo, attracting an audience of over 350 people and marking the 35th anniversary of his

arrival in Australia as the first Chinese artist to perform nationally.

A panel discussion exploring insights into modern Chinese society through the wildly popular Chinese dating show *If You Are The One* attracted an audience of over 400.

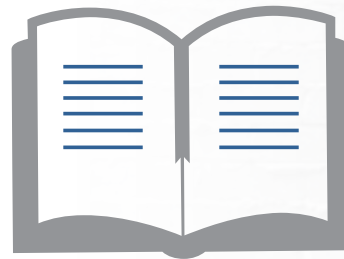
## INTERNATIONAL ENGAGEMENT

### 2015 HIGHLIGHTS

- A memorandum of agreement was signed between the University of Melbourne and Peking University to establish Centre for Psychiatric Research and Training. The Centre will collaborate on psychiatric research and build research capacity of mental health professionals from both Australia and China, and focus on joint PhD programs and post doctoral exchange.
- A letter of Intent was signed with the School of Mathematics and Statistics and the Department of Mathematics at Peking University to establish a Virtual Research Hub for Mathematics and Statistics.
- A longstanding partnership with the Chinese Academy of Social Sciences (CASS) was renewed with a memorandum of understanding. Melbourne and CASS further cemented its relationship by committing to organise a series of research workshops on areas of mutual interest. The first joint workshop on sustainable cities was hosted by the Faculty of Architecture, Building and Planning in October 2015.
- The Vice-Chancellor accepted an invitation to join the International Academic Advisory Council (IAAC) of Yenching Academy at Peking University.
- The University was awarded \$368 800 funding through the New Colombo Plan to support 15 projects in 10 countries in the Indo-Pacific region.
- The University received 26 applications from top Indian students for postgraduate research scholarships in the Melbourne School of Education and Faculty of Science under the Melbourne-India Postgraduate Program, a joint initiative of the University of Melbourne and a select group of India's primary research institutions.
- \$2.1 million over three years was awarded to the University by the Australia-Indonesia Centre, for a health and medicine research cluster focusing on preventing non-communicable disease and led by Professor Susan Sawyer.
- The Melbourne School of Engineering continued to expand the Innovative C-Campus with Tsinghua University, in particular delivering a second iteration of the joint online subject on water resource management.



246 stories were published on the University of Melbourne's new online platform *Pursuit* in 2015



## ENGAGING WITH AUDIENCES ACROSS THE GLOBE

In 2015 the University used traditional and new media to inform the public of research developments and to comment on a range of current issues.

### New online channel launched

The University's new digital platform *Pursuit* was launched in September 2015. *Pursuit* tells the stories of the University's endeavours across the full suite of academic disciplines. The platform published 246 stories in 2015.

### *UpClose* reaches world-wide audience

*UpClose*, the University of Melbourne's online audio talk show of research, opinion and analysis, is presented in English, and has audiences in over 170 countries. In 2015, more than 80 000 visits were recorded to the *UpClose* website, with most listeners coming from Australia, China and the USA.

### Social media expanded

Social media plays a key part in the University's engagement. Various social media accounts enable the University to engage with the internal and external community.

### The University's Social media following in 2015

- Facebook: 185 000
- Twitter: 54 000
- LinkedIn company page: 38 000
- LinkedIn University: 168 000
- Instagram: 20 000
- Google +: 6400
- YouTube: 9800

## ONE-SHOT FLU VACCINE RESEARCH CATCHES INTERNATIONAL MEDIA INTEREST

In May 2015, research led by Associate Professor Katherine Kedzierska from the University of Melbourne's newly established School of Biomedical Sciences within the Faculty of Medicine, Dentistry and Health Sciences and Peter Doherty Institute of Infection and Immunity achieved global media coverage.

The study revealed how flu-killing immunity cells memorise distinct strains of influenza, with the potential of leading to novel cellular memory-implant technologies, and resulting in a one-shot flu jab for life.

To make the discovery, the international research team including Laureate Professor Peter Doherty, winner of the 1996 Nobel Prize for discovering how the immune system recognises virus-infected cells, followed the first outbreak of the avian-derived H7N9 flu virus in China in 2013.

The research was published in the prestigious journal *Nature Communications* and attracted some 200 mentions in domestic and international media including 16 television items (ABC, Nine, Sky News, SBS, and Channel 10), 25 newspaper items including *The Age*,

*The Australian*, *Courier Mail*, *Courier Mail*, *Daily Telegraph*, *Herald Sun*, *Sydney Morning Herald*, and all capital and regional dailies. International news sites included *Business Standard*, *The Economic Times*, *Latin American Herald Tribune*, *The South China Morning Post*, *The Times of India*, and the UK's *Daily Mail*.

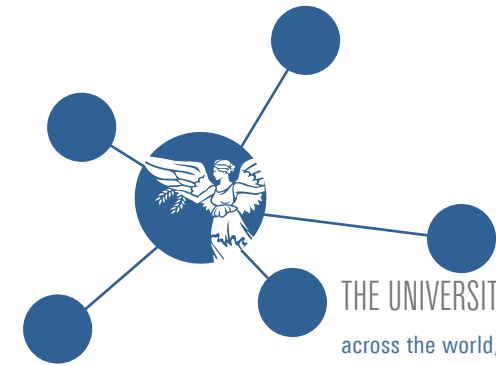
In addition, the story scored more than 120-plus hits on the internet within the first 36 hours of publication.







## PERFORMANCE AGAINST 2015 TARGETS



THE UNIVERSITY OF MELBOURNE alumni community attended over 600 alumni events across the world, and **MADE CONTRIBUTIONS** as volunteers, donors, and mentors.



### PUBLIC ENGAGEMENT

#### Action

1. Extend the reach of engagement, leveraging precincts to make distinctive contributions to civic and cultural life of the city, state, nation and region articulated through new engagement strategy in 2015.
2. Integrate engagement capabilities, aspirations and achievements into brand and external communications.
3. Strengthen and deepen the University's cultural enterprise, establishing innovative channels for engaging students (particularly through object-based learning), staff and the wider public.
4. Align HR strategy to facilitate and reward public, industry and professional practice engagement activity for academic and professional staff.
5. Implement second Reconciliation Action Plan.
6. Establish selected high-impact signature engagement projects that draw together research and teaching capabilities across a range of disciplines to create social and economic outcomes.

#### Result

1. The *Engagement at Melbourne 2015–2020* strategy was released with commitments to public value, engaged students and engaged research. A learning Partnership with Melbourne Recital Centre within Southbank cultural precinct was developed, to provide opportunities for curriculum-based, work-integrated learning and research.
2. The brand campaign *Collision* profiles interdisciplinary research outcomes and positions the University of Melbourne as a place where minds come together to tackle important questions facing the world. Online content platform, *Pursuit* launched, featuring news and stories from around the University community.
3. Partnerships with a range of cultural organisations including The National Gallery of Victoria, Sydney Opera House and Wheeler Centre and joint programming for ANZAC Centenary Exhibition, *An Illumination: The Rothschild Prayerbook & other works from the Kerry Stokes Collection c. 1280–1685*, provided opportunities for object-based learning, student internships, profiling of academic research, and alumni interaction.
4. Introduced a new academic appointment categories – Melbourne Enterprise Professors and Fellows – to further engage with industry, business and professions. Developed framework for academic promotion articulating criteria and indicators for teaching and learning and including new engagement criteria and indicators. Melbourne Engagement Grants and Melbourne Engagement Excellence Awards introduced to seed engagement initiatives and recognise academic and professional staff engagement excellence.
5. The second Reconciliation Action Plan released. Key achievements include:
  - Establishment of Traditional Owners and Elders Reference Group to advise on engage with Victoria Aboriginal communities, cultural oversight of RAP, and guidance on protocols
  - Development of Indigenous Procurement Policy
  - Indigenous staff and student recruitment and retention targets revised and strengthened, and renewed measurement framework developed
  - Initiatives introduced to provide Indigenous students with international academic engagement opportunities via pilot with an overseas university, Indigenous student exchange program, and seminar program.
6. A range of engagement programs identified for influencing public conversations and policy development through The Public Policy Precinct, advancing economic and social development priorities in the west of Melbourne, and continuing partnership with the Goulburn Valley region.



### INDUSTRY ENGAGEMENT

#### Action

1. Establish professional advisory boards for all graduate schools (where not already in place).
2. Leverage existing industry partnerships to expand opportunities for work-integrated learning for students.
3. Facilitate staff exchange between academia, government and industry.

#### Result

1. Facilitated staff exchange between academia, government and industry.
2. Pursued opportunities for work-integrated learning for students with both new and existing partners, including exploration of opportunities with global organisations.
3. Reviewed and refreshed programs for secondment and special studies to create more equitable, flexible and purposeful approach to supporting academic careers, industry linkages and engagement.



### INTERNATIONAL ENGAGEMENT

#### Action

1. Promote online education to strengthen international engagement and increase visibility.
2. Increase international diversity of staff profile, and encourage international staff and student mobility.
3. Increase the scale and impact of international research collaborations.

#### Result

1. 21 Massive Open Online Courses (MOOCs) delivered to over 308 000 students across the world.
2. Academic appointment policies enhanced to allow faster recruitment processes for senior international appointees. Policy for Special Studies Programs (SSP) reframed to support and encourage greater international mobility for academic staff.
3. Joint research with leading international institutions continued, including collaboration in five priority countries: Brazil, Chile, China, Germany, and India. Co-funding with external agencies, such as the Australia China Strategic Research Fund, received.



### ALUMNI AND SUPPORTERS

#### Action

1. Forge new avenues to engage alumni in life of University, including through creating internship opportunities, student recruitment, advocacy and mentoring.

#### Result

1. The University alumni community attended over 600 alumni events across the world, and made contributions as volunteers, donors, and mentors.



## BEAUTY AND THE BOOK: *ROTHSCHILD PRAYER BOOK* DRAWS RECORD CROWDS

The Rothschild Prayer Book was the acclaimed centrepiece of a Potter Museum exhibition attracting 14, 000 visitors in ten weeks.

*An Illumination: the Rothschild Prayer Book & Other Works From the Kerry Stokes Collection c. 1280–1685* at the Ian Potter Museum of Art at the University of Melbourne featured the world famous *Rothschild Prayer Book*.

The exhibition also included *Calvary* (1615), the only Pieter Breughel the Younger painting known to be owned in Australia.

The show drew record crowds to the Potter, with over 14 000 visitors exploring the exhibition.

A work of breathtaking beauty and exceptional skill, the book was in private hands for much of its 500 years, until Nazis confiscated it from the Rothschild family in 1938. It sold for a world record price in 1999, following its restitution by the Austrian Government.

The *Rothschild Prayer Book* was produced by pre-eminent artists in the Ghent-Bruges school, whose manuscripts were sought and treasured throughout Europe. They were created in the final flowering of medieval illuminated manuscripts after the beginning of print and just before the Reformation brought an end to the production of lavish prayer books.

‘The manuscript is an example of this school of painting at its peak,’ says Emeritus Professor Margaret Manion, co-author of the exhibition catalogue, ‘with miniatures by the most sought-after illuminators of the day.

Perhaps because the book may have remained closed for much of its 500-year life, its 252 pages are pristine, its pigments deep and bright, its gold leaf glittering on the page.

Kate Challis, whose PhD focused on early 16th century illuminated manuscripts, first saw the Prayer Book in Vienna’s National Library before it was returned to the Rothschilds.

‘It was magnificent, magical,’ says Dr Challis. ‘Unlike art in paintings, where you see them from afar as you approach, a book is closed. Once I opened it, it was revealed in its majesty, and also in its intimacy, in size and proximity.

‘Today we’re bombarded with imagery, but in those days people would not have seen many images at all except the occasional altarpiece.’

Dr Challis compares the Prayer Book to today’s smartphone, in terms of how it might be carried around and of how it might absorb the viewer.

‘It was also a form of entertainment. Artists were really showing off their skills,’ she says.

Kelly Gellatly, Director of the Ian Potter Museum of Art, also makes a point of the way the prayer book was used.

‘For me, part of the appeal of the book itself, beyond its breathtaking beauty, is its human scale – the fact that it is an object that was made to be used, and to be held,’ she says.

Much is made of the book’s mysterious provenance. The original owner is still unknown and its history remains obscure for a period of several hundred years, until it showed up in the collection of Anselm von Rothschild in the late 1800s.

Theories have imagined the book in the hands of queens in Navarre and Germany, and in the libraries of prominent royal dynasties.

But it is called the *Rothschild Prayer Book* because this is the only part of its provenance story that is certain.





SUSTAINABILITY

SUSTAINABILITY UNDERPINS  
THE UNIVERSITY OF  
MELBOURNE'S COMMITMENT  
TO CAREFULLY CONSIDER OUR  
PHYSICAL ENVIRONMENT. IT  
SERVES AS AN ORGANISING  
PRINCIPLE FOR THE DECISIONS  
WE MAKE ABOUT THE FUTURE  
AND THE COMMUNITIES IN  
WHICH WE WORK AND LIVE.





## SUSTAINABILITY PERFORMANCE 2015

Throughout 2015 a range of sustainability initiatives and projects were rolled out across campus with resultant energy savings of \$3.13 million per year.

Further savings are beginning to flow from the successful introduction of the Melbourne Operating Model. The flow-on improvements to a range of business functions will increase efficiency, improve performance and enable more resources to flow to the University's academic mission.

In 2015 attention was focused on development of the University of Melbourne's People Strategy to strengthen and leverage the talents of the University's people to help realise key strategic goals. A range of programs and initiatives continued to support diversity and inclusion of staff, including implementation of the University's second Reconciliation Action Plan.





## ORGANISATIONAL SUSTAINABILITY

### WORKING SMARTER

In 2013 the University of Melbourne embarked on the Business Improvement Program to improve systems and processes to make the University a more productive and satisfying place to work and freeing up funds through administrative efficiency for reinvestment in core research and teaching programs.

In 2015 the University successfully implemented the Melbourne Operating Model, delivering critical business improvements to functions such as student admissions and enrolments, grant applications, and staff and supplier payments.

Service improvement projects delivered during the year increased efficiency, enabled professional and academic excellence and improved the student experience.

Teams worked to make measurable improvements such as:

- Reducing the time taken to commence a research project by up to five days
- Streamlining and standardising the special consideration process
- Reducing overdue invoices by over 25 per cent
- Saving 500 000 printed pages per annum
- Enhancing staff on-boarding processes.

### BUILDING EXCELLENCE IN SKILLS, CAPABILITIES AND EXPERIENCE

#### 2015 HIGHLIGHTS

- Commencement of five talented graduates in the first Melbourne Early Career Development Program for professional staff, the first of its kind in the Higher Education sector
- More than 1000 staff attended workshops covering leadership and management, change, service culture and team building
- A Values and Behaviours Design Workshop for 85 University Services leaders helped establish service culture and behaviours
- Professional staff managers attended an Enabling High Performance workshop
- Over 70 staff received training in the 'lean and agile' project methodology, and selected participants were provided with additional masterclasses
- Online training in key compliance areas continued, including Promoting Positive Workplace Behaviours, OH&S, Performance Development, and Recruitment and Selection
- 1000 staff attended Responsible Conduct of Staff policy sessions
- Review of current organisational practice regarding compliance training was conducted, with recommended changes to be implemented in 2016.

### READY TO WORK



The Ready to Work initiative was delivered in 2015 and has enabled new staff to access email, file share, printing, telephone services and printing on the morning they start their career at the University of Melbourne.

Onboarding checklists to automate several of the Ready to Work initiatives will be developed in the first half of 2016.



The percentage of continuing and fixed term Indigenous staff has more than doubled since 2011

### INDIGENOUS STAFF (2011–2015) - CONTINUING AND FIXED TERM

2011	2012	2013	2014	2015
35	49	64	73	79

### NEW PEOPLE STRATEGY DEVELOPED

In 2015, the University of Melbourne developed its *People Strategy 2015–2020*.

The Strategy represents a contemporary approach to people management, one that will strengthen the talents of the University's people and help them thrive, manage and lead in an ever-changing climate. The strategy also outlines how the University will leverage the talents and ambitions of staff to realise its strategic goals.

### RESPECTING AND SUPPORTING DIVERSITY AND INCLUSION

The University of Melbourne values diversity and recognises that differences in age, gender, sexual orientation, physical ability, race, ethnicity and background, bring richness to the work environment. The University is intent on creating an environment that values, supports and respects a diverse range of views, knowledge and experiences.

During 2015, the Vice-Chancellor became a Male Champion of Change, an initiative to advance gender equality and promote more women into leadership positions.

Also in 2015, the University successfully applied to join a pilot program by Science in Australia Gender Equity (SAGE), the first Australian trial of the successful UK Athena SWAN gender equity program to improve the promotion and retention of women and gender minorities in science, technology, engineering, mathematics and medicine.

### COMMITTED TO RECONCILIATION

The University of Melbourne commenced implementation of the University's second *Reconciliation Action Plan 2015–2017* to expand upon measurable targets and embed actions and commitments made in the earlier RAP into its business strategy and operations.

By December 2015, over 300 staff had completed Indigenous Cultural Awareness training.

Now in the third year of its Indigenous Employment Framework, the University maintains its commitment to becoming an employer of choice for Indigenous Australians and to reach the employment target of population parity in Indigenous staff by 2020.

With the Staff Equity and Diversity Strategy due for publication in 2016, the University began planning to develop a diversity and inclusion strategy to take it to 2020, building on past achievements, and embedding a diverse and inclusive culture.

### FEMALE STAFF IN TOTAL STAFF POPULATION

	2011 F	2012 F	2013 F	2014 F	2015 F
Total Teaching and Research Staff	39.1%	37.1%	37.2%	37.0%	38.4%
Staff at Level D	33.8%	35.5%	34.2%	36.8%	39.1%
Staff at Level E+	22.6%	23.3%	25.5%	26.3%	28.5%
Staff at HEW 10+	57.6%	58.4%	58.4%	58.4%	58.7%



## EMBEDDING SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

The University’s Sustainability Charter provides a framework for embedding social and environmental sustainability across all facets of University work. The charter articulates high-level principles and commitments, translated into priority actions through the *Sustainability Plan*.

Staff, students and the wider University community were asked to comment on a draft Sustainability Charter during 2015. More than 120 pieces of feedback were received, with approximately 100 people attending a consultation event in December.

### ENERGY AND EMISSIONS SAVINGS ACHIEVED

Campus energy projects completed from 2008 to 2015 are now contributing annual savings of \$3.13 million and over 33 000 tonnes of carbon emissions. A new \$9 million suite of energy reduction and generation projects over the next three years is expected to deliver further savings of \$0.9 million and over 9000 tonnes of carbon per annum.

### NEW SOLAR INSTALLATIONS MOVE THE UNIVERSITY CLOSER TO RENEWABLE ENERGY SUPPLY

- Solar panels on the roof of Wilson Hall use the latest technology to protect the building’s heritage status while ensuring Wilson Hall is energy positive. The 101-kilowatt installation almost doubles the University’s existing solar capacity to 210 kilowatts. Performance data indicates that Wilson Hall generates more energy than required for its usage, with excess generation transferred to adjacent buildings.
- The 14-storey Campus Living Villages student accommodation facility was completed in 2015, and awarded the Green Star Multi-Unit Residential Design Rating by the Green Building Council of Australia. Its rooftop solar panels generate 81 430 kilowatt hours, or 14 per cent of the building’s annual electricity requirements.
- The Melbourne Law School building was upgraded with 2800 lights being replaced with LEDs, resulting in annual electricity savings equivalent to 232 tonnes of carbon emissions and a further 126+ tonnes of emissions from embodied energy by reusing existing light fittings which would have contributed 10 tonnes to waste.

- In an Australian first, the Southbank Grant Street Theatre received a complete LED upgrade, delivering 69 tonnes of carbon savings through reduced cooling and theatrical supplies, equating to savings of \$121 000 over five years.

### REDUCING THE UNIVERSITY’S ENVIRONMENTAL FOOTPRINT

#### 2015 HIGHLIGHTS

- Energy generation from solar photovoltaics increased by 92 per cent
- Increased water capture by 26 per cent
- Secured \$9 million financing through Clean Energy Finance Corporation for energy reduction and generation projects
- Committed to a City of Melbourne Renewable Energy project to create demand for new clean energy capacity in Victoria.

### EFFICIENT WATER SAVING AND RECAPTURING MEASURES INTRODUCED

Rainwater and grey water capture and reuse has increased significantly in 2015. Total non-potable water capture across campuses rose from 12 460 kilolitres to 15 652 kilolitres – a 26 per cent increase.

A Water Management Plan has been developed for the Parkville campus with other campuses to be included gradually. This covers water conservation, distribution, harvesting, measurement and quality.

### LESS WASTE, GREATER ENVIRONMENTAL SAVINGS

2015 saw a 30 per cent increase in the total estimated retail replacement value of items through reuse of furniture and equipment at the University.

For the first time IT equipment such as desktops, laptops and monitors have been included in the reuse service. The 2015 figures include 357 items of IT equipment equating to 4.5 tonnes and \$280 000 estimated savings.

### SUSTAINABILITY TARGETS

Performance Measure	Baseline Value (from 2006)	2015 Target	2015 Actual Performance	2015 Target as % Reduction from Baseline	2015 Actual as % Reduction from Baseline
Energy usage – GJ/m <sup>2</sup> GFA	0.9	0.6	0.7	33%	21%
Nett energy-related carbon emissions – kg CO <sub>2</sub> /m <sup>2</sup> GFA*	212	106	106	50%	50%
Potable water usage – kilolitres per m <sup>2</sup> GFA	0.78	0.62	0.5	20%	31% *using 2014 actual

\* In second quarter 2016 the University will be releasing its first Sustainability Report using the Global Reporting Initiative framework which will provide a comprehensive review and reporting of the University’s impacts and sustainability performance in 2015.





## INCORPORATING SUSTAINABILITY INTO RESEARCH AND TEACHING

### EMBEDDING SUSTAINABILITY IN CURRICULA AND RESEARCH

#### 2015 HIGHLIGHTS

- University Sustainability Team and Office of Environmental Programs worked in cooperation to commence writing and implementing a biodiversity management plan.
- Students in the subject Interdisciplinarity and the Environment worked in project teams with diverse disciplinary backgrounds to prepare briefing papers that analysed current knowledge and gaps relevant to strategic management of biodiversity on the Parkville campus.
- Green Innovation Fund received 17 applications for grants of up to \$10 000 towards campus sustainability improvements, and granted funding to six projects:
  1. LED Grow Light Trial
  2. Sound.e.Scapes Sensory Installation
  3. Solar Virtual Network Metering Trial
  4. Wormi (vermiculture network of worm bins)
  5. Wildversity biodiversity app
  6. Sensory Garden for the Queensberry Children's Centre
- Assessment of Fair Trade and alternative certification schemes undertaken by Melbourne Business Practicum students from Faculty of Business and Economics on behalf of Fair Trade Steering Committee.

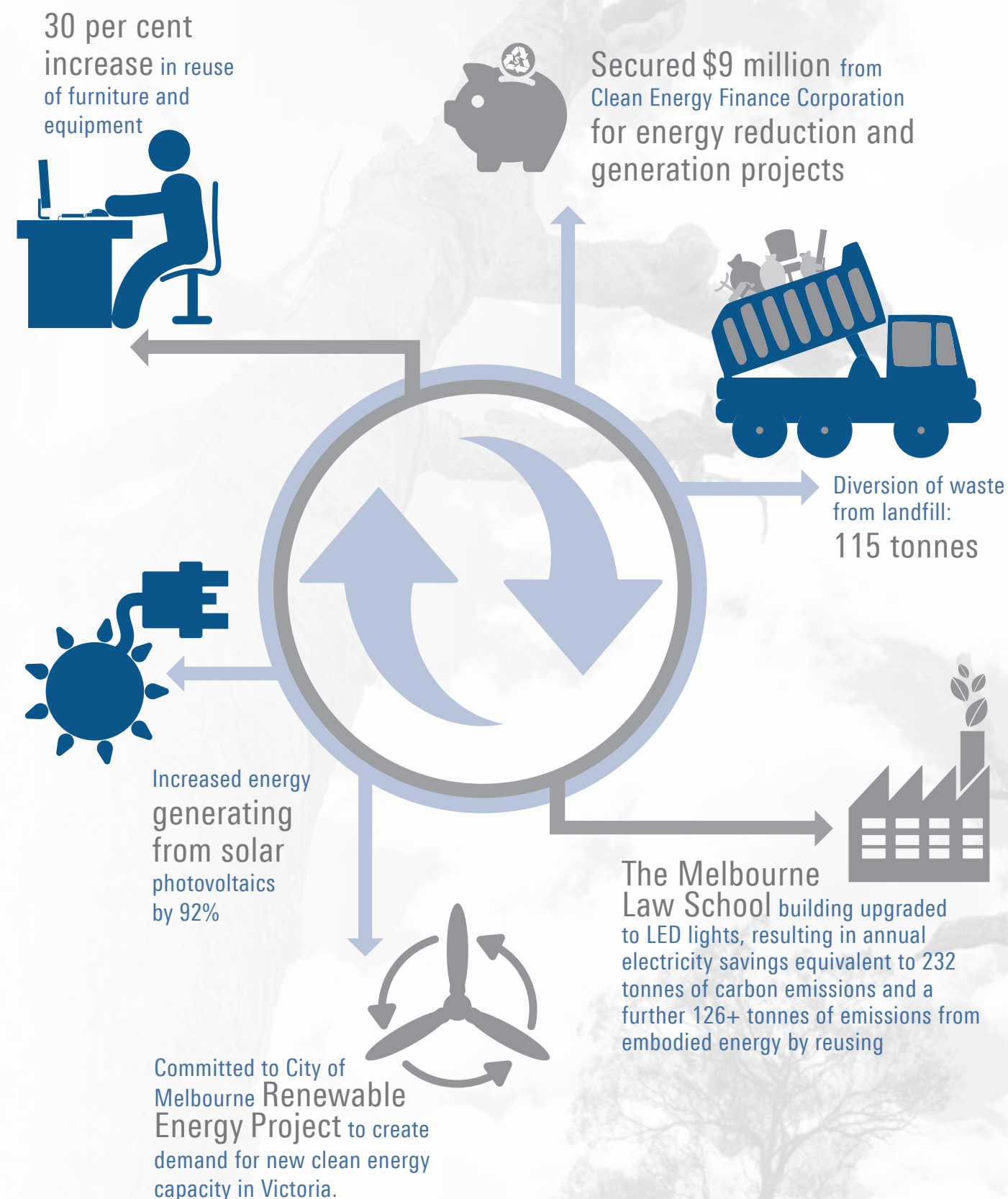
### UNIVERSITY OF MELBOURNE WINS MAJOR SUSTAINABILITY AWARDS

The University won two sustainability awards at the 2015 Australasian Green Gown Awards.

The University won the Continuous Improvement Award, and also in the category of Facilities and Services for the Furniture and Equipment Re-use Service which has been operating for three years and has saved an estimated \$200 000 on landfill charges and \$3.5 million savings on retail replacement.

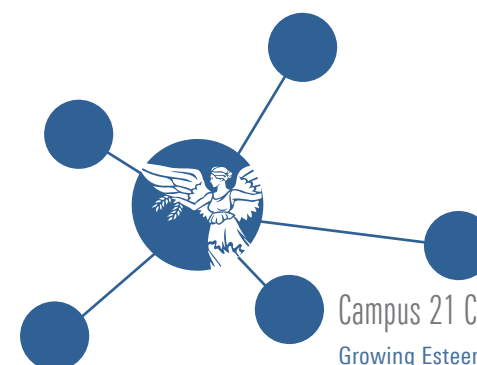
Melbourne was highly commended for Student Engagement for #C15Hack, Australia's biggest green innovation hackathon.

University of Melbourne Vice-Chancellor Glyn Davis said the awards recognised outstanding achievements by the University.





## PERFORMANCE AGAINST 2015 TARGETS



Campus 21 Century tool released, translating values of Growing Esteem strategy into physical and virtual environment



### ORGANISATIONAL SUSTAINABILITY

#### Action

1. Identify opportunities and threats of digital technology developments and ensure they are harnessed to support core business activities.
2. Facilitate attraction, retention and recognition of outstanding academic and professional staff.
3. Successfully embed Melbourne Operating Model and ensure program principles and goals guide management decisions.
4. Implement integrated 'best practice' campus planning framework.
5. Implement business process improvements identified through Business Improvement Program.

#### Result

1. Access University Services project commenced. When implemented, digital technology will automate and standardise transactional processes and streamline service, allowing users to spend less time requesting services and support, and freeing staff to focus on core business activities.
2. *People Strategy 2015–2020* developed.
3. The Melbourne Operating Model implemented.
4. Campus 21 Century tool released, translating values of Growing Esteem strategy into physical and virtual environment, including set of principles relevant to all campus infrastructure projects and initiatives. Sustainability Charter completed, providing framework for embedding social and environmental sustainability across all facets of University work, including campus planning.
5. Business Improvement Program identified range of 'pain points' to be addressed through process improvements. A range of initiatives will be delivered across research, student services, administration and finance, and human resources.



### ENVIRONMENTAL SUSTAINABILITY

#### Action

1. Reduce University's environmental footprint.
2. Develop Sustainability Charter to provide framework for embedding social and environmental sustainability across all facets of University work.
3. Communicate and promote University's environmental and social sustainability achievements to ensure recognition as global leader in this area.

#### Result

1. Continued reduction of resource intensity and environmental footprint and engagement of University community in development of *Sustainability Plan 2016–2020*.
2. Charter consultation period closed 31 December with extensive involvement of University community. Charter finalised and due for release in late March 2016.
3. First Sustainability Report in development (due for release end April 2016) to publicly state and track progress in addressing University's material impacts. University awarded number of awards for sustainability performance.





# POOLING RESOURCES TO PURCHASE POWER

The University of Melbourne has partnered with leading organisations to drive savings and accelerate renewable energy uptake.

On 30 November 2015, the University of Melbourne signed an agreement with leading Melbourne businesses, councils, cultural institutions and other universities to combine their electricity buying arrangements and create a new business model for renewable energy purchase.

Built on the concept of resource pooling, the Melbourne Renewable Energy Project is a landmark agreement, and the first of its kind in Australia. As major consumers of electricity, the University and partnering organisations are pledging to purchase renewable energy through a group-purchasing model.

Consortium member organisations include Bank Australia, City of Melbourne, City of Port Phillip, Citywide, Federation Square, Melbourne Convention and Exhibition Centre, Moreland City Council, National Australia Bank, NEXTDC, and RMIT University.

The University of Melbourne will harness its expert research, teaching and administrative resources to contribute to testing new approaches and drive investment in renewable energy.

‘We’re proud to be involved in the Melbourne Renewable Energy Project,’ says University Chief Financial Officer Allan Tait. ‘We take seriously our responsibility as a public-spirited and global university to lead debate and act on sustainability issues.’

In line with the University of Melbourne’s *Growing Esteem 2015–20* strategy, the Melbourne Renewable Energy Project (MREP) will help establish the University as a model of environmental sustainability, and significantly contribute towards the University’s 2030 carbon-neutrality target.

Clare Walker, Principal Advisor Sustainability, envisages that significant benefits can be realised from the project in terms of research, teaching and learning opportunities, and in directly engaging the University’s academic community.

‘All aspects of the project – be they technical, environmental, commercial, financial or social – offer opportunities for student project work, internships and industry-based research projects,’ Ms Walker says. ‘Staff in the University’s institutions and research centres – both academic and professional – could act as a rich resource for informing and studying project development. ‘While students can take their understanding of a viable Australian renewable energy sector into their future places of employment.’

The University of Melbourne is moving towards zero emissions electricity through a combined approach across both demand and supply.

‘Energy efficiency projects on campus deal with demand reduction, while on-campus generation and purchase from

an external renewable energy generator move us towards renewable energy supply,’ Ms Walker says.

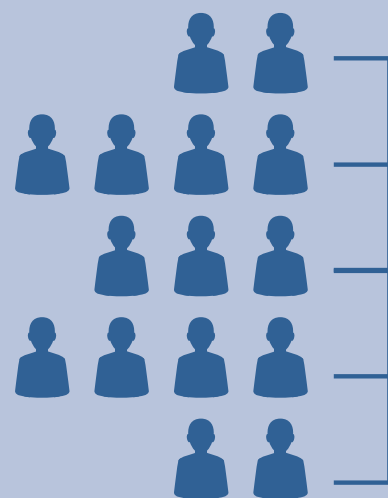
‘As on-campus projects alone will not enable the University to achieve zero emissions, it is imperative for the University to develop financially and technologically sound business models such as the Melbourne Renewable Energy Project to secure long-term, stable renewable supply.’

# COUNCIL MEMBERSHIP



## COUNCIL

Council is the governing body of the University of Melbourne and has oversight of the direction and superintendence of the University. Council's responsibilities and powers derive from the *University of Melbourne Act 2009*.



### CHANCELLOR

**MS ELIZABETH ALEXANDER AM**  
*BCom Melb. FAICD FCA FCPA*

Appointed to Council 2 October 2004. Re-appointed 15 April 2008. Elected Deputy Chancellor 1 January 2011. Elected Chancellor 8 April 2011. Re-elected Chancellor 1 January 2014. Field of experience: business and accounting. Chair of Medibank. Chair of Dexus Wholesale Property Ltd. Director of Dexus Property Group. National President of Winston Churchill Memorial Trust. First Female National President of CPA Australia and Australian Institute of Company Directors. Former Chairman of CSL Limited. Former Panel Member of the McKeon Strategic Review of Health & Medical Research. Former Veve Cliquot Businesswoman of the Year.

No significant financial interests declared.

### VICE-CHANCELLOR

**PROFESSOR GLYN DAVIS AC**  
*BA NSW PhD ANU FASSA FIPAA*

Appointed Vice-Chancellor 10 January 2005. Past Chair of Universitas 21, and of Universities Australia. Director of Grattan Institute and Melbourne Theatre Company. Member of Group of Eight. Member of Supervisory Board of Menzies Centre for Australian Studies (London). *Ex-officio* member of the University's companies and controlled entities.

No significant financial interests declared.

### PRESIDENT OF ACADEMIC BOARD

**PROFESSOR RACHEL WEBSTER**  
*BSc (Hons) Monash MSc Sussex PhD Camb.*

Appointed 1 January 2015. Ex-officio member of Council as elected President of Academic Board for term of office concluding 31 December 2016.

No significant financial interests declared.

### PERSON APPOINTED BY MINISTER

**MR ROBERT JOHANSON**  
(Deputy Chancellor)  
*BA LLM Melb. MBA Harv.*

Appointed 6 March 2007 (Governor-in-Council member). Re-appointed 1 January 2013 and resigned 3 August 2014. Appointed Minister's Appointment 4 August 2014. Re-elected Deputy Chancellor 1 January 2015. Field of experience: banking and finance. Chairman of Bendigo and Adelaide Bank Limited, Australia India Institute, The Conversation, and Australian Friends of Asha. Director of Neclone, Rural Bank, Grant Samuel Group, and The Robert Salzer Foundation.

No significant financial interests declared.

Term of office concluding 31 December 2016.

### PERSONS APPOINTED BY GOVERNMENT

**MR TONY PEAKE**  
*BBus RMIT FCA*

Appointed 5 May 2009. Re-appointed 1 October 2015. Field of experience: business and government. Managing Partner Finance & Operations and National Leader – Government of PwC Australia. Director of Melbourne University Publishing Ltd. Director of The Business/Higher Education Roundtable. Chair of Methodist Ladies'

College. Victorian Fellow of the Institute of Public Administration Australia. Fellow of The Institute of Chartered Accountants in Australia. Fellow of Leadership Victoria's Williamson Community Leadership Program.

No significant financial interests declared.

Term of office concluding 31 December 2017.

### MR JOHN WILSON

*BCom (Hons) Melb. CA CPA FFin*

Appointed 23 March 2010. Re-appointed 1 January 2013. Field of experience: business and accounting. Chair of University Audit Committee.

No significant financial interests declared.

Term of office concluded 31 December 2015.

### THE HON DR DAVID KEMP

*BA LLB Melb. PhD Yale Hon DUniv. Sunshine Coast*

Appointed 7 October 2014. Field of experience: university, government and consultancy. Professor of Politics, Monash University 1979–1990. Member of Federal Parliament for Goldstein, 1990–2004. Minister for various education and related portfolios 1996–2001. Minister for Environment and Heritage 2001–2004. Minister Assisting the Prime Minister for the Public Service and Vice-President of the Executive Council 1998–2004. Fellow, Australia and New Zealand School of Government. Director of Grattan Institute for Public Policy, Virginia Chadwick Memorial Foundation, Scotch College, and the Victorian Scottish Heritage Cultural Foundation. Chairman, Museum of Australian Democracy, Old Parliament House, Canberra. Member, Australian Heritage Council.

No significant financial interests declared.

Term of office concluded 31 December 2015.

### PERSONS APPOINTED BY COUNCIL

**PROFESSOR ROBIN JOHN BATTERHAM AO**

*BE PhD LLD (Hon) Melb. DSc (Hon) UTS Hon DEngin Qld*  
*FAA FTSE FCAE FEng FNAE FSATW*  
*FAusIMM FIChemE FISS FAIM FAICD FIEAust*  
*CE CPE CSci AMusA Hon.MWIF*

Appointed 1 July 2012. Re-appointed 1 January 2015. Field of experience: research and engineering. Board Member of MBD Energy and Australian-India Council. Chair of Advisory Panel Australia-India Strategic Research Fund. Chair of Advisory Panel Australia China Fund. Chair of Australian Chamber Choir.

No significant financial interests declared.

Term of office concluding 31 December 2017.

### MR ROSS McPHERSON

(Deputy Chancellor)  
*LLB (Hons) Melb. LLM Lond. FAIM FAICD*

Appointed 1 January 2010. Elected Deputy Chancellor 7 May 2012. Re-elected Deputy Chancellor 1 January 2014. Field of experience: law, business, and media. Executive Chairman of McPherson Media Group. Chairman of Board of McPherson Newspapers Pty Ltd and subsidiary companies. Convenor of FoodBowl Unlimited Inc. Chair of Goulburn Valley Health Foundation and member of the Hecht Trust and the McPherson Smith Rural Foundation. Member of Global Foundation Inc Advisory Council and the Victorian Public Sector Advisory Board. Director and Treasurer of International News Media Association.

No significant financial interests declared.

Term of office concluding 31 December 2018.

### THE HON JUSTICE JOHN MIDDLETON

*LLB (Hons) Melb. BCL (Hons) Oxon.*

Appointed 1 January 2011. Reappointed 1 January 2014. Field of experience: law. Appointed Justice of Federal Court of Australia 2006. Deputy President of Australian Competition Tribunal 2009. Presidential Member of Administrative Appeals Tribunal 2010. Board Member of Victorian Bar Foundation. Part-time Commissioner of Australian Law Reform Commission.

No significant financial interests declared.

Term of office concluding 31 December 2016.

### MR MARTYN MYER AO

*BEng Swinburne MEngSc Monash MScM MIT*

Appointed 17 February 2009. Reappointed 1 January 2014. Field of experience: business and not-for-profit. President of The Myer Foundation. Chairman of The Myer Family Investment Ltd. Director of Cranlana Programme. Chairman of CogState Ltd. Board Member of Melbourne Theatre Company. Board Member of Royal Botanic Gardens Victoria. Director, Board of Metro Quarry Group Pty Ltd.

No significant financial interests declared.

Term of office concluding 31 December 2016.



# SENIOR LEADERSHIP

The senior leadership team is responsible for strategic vision ensuring the University remains a viable, accountable and world-class institution

## SENIOR LEADERSHIP

### VICE-CHANCELLOR AND PRINCIPAL

**Professor Glyn Davis AC**

BA *NSW* PhD *ANU* FASSA FIPAA

### PROVOST

**Professor Margaret Sheil**

BSc (Hons) PhD *UNSW* FRACI FTSE

### DEPUTY PROVOST AND DEPUTY VICE-CHANCELLOR (INTERNATIONAL)

**Professor Susan Elliott**

MBBS MD *Melb.* FRACP

### DEPUTY VICE-CHANCELLOR (RESEARCH)

**Professor James McCluskey**

BMedSci MBBS MD *W Aust.* FRACP FRCPA FAA

### VICE-PRINCIPAL (POLICY AND PROJECTS)

**Dr Julie Wells**

BA *UWA* DipEd *UWA* BA (Hons) *Murdoch* PhD *Monash*

### VICE-PRINCIPAL (ENGAGEMENT)

**Mr Adrian Collette**

BA *LaTrobe* MA *Melb.*

### VICE-PRINCIPAL ADMINISTRATION AND FINANCE

**Mr Allan Tait**

BScSci (Hons) *Birm.* ACA ACE&W

### VICE-PRINCIPAL (ADVANCEMENT)

**Mr Nick Blinco**

BA *Hull* MSt *Oxon.*

### HEAD OF UNIVERSITY SERVICES

**Mr Paul Duldig**

MEc *Adelaide*

### SENIOR VICE-PRINCIPAL (until July 2015)

**Mr Ian Marshman**

BA (Hons) *Melb.* LL.M. *ANU*

### PRESIDENT OF ACADEMIC BOARD

**Professor Rachel Webster**

BSc *Monash* MSc *Sus.*

PhD *Cant.* IAU ASA AAS

## DEANS

### FACULTY OF ARCHITECTURE, BUILDING AND PLANNING

**Professor Tom Kvan**

BA MA *Cantab.* MArch *UCLA* PhD *Open (UK)* FRICS AAIA

(until June 2015)

*Interim Dean*

**Professor Daryl Le Grew**

BArch, MArch *Melb.* HonDLitt *Tas.* FAIM

(from July 2015)

### FACULTY OF ARTS

**Professor Mark Considine**

BA (Hons) PhD *Melb.* FASSA FIPAA

### FACULTY OF BUSINESS AND ECONOMICS

**Professor Paul Kofman**

MEc PhD *Erasmus*

**Professor Zeger Degraeve** (Dean MBS)

BSc *Ghent* MBA *KU Leuven* (BE) PhD *Chicago*

### FACULTY OF MEDICINE, DENTISTRY AND HEALTH SCIENCES

**Professor Stephen Smith**

DSc FRCOG FMedSci

(until August 2015)

**Professor Mark Hargreaves**

BSc *Melb.* MA *BallSU* PhD *Melb.* FESSA FACSM

(from September 2015)

### FACULTY OF SCIENCE

**Professor Karen Day**

BSc (Hons) PhD *Melb.*

### FACULTY OF VETERINARY AND AGRICULTURAL SCIENCES

**Professor Ken Hinchcliff**

BVSc (Hons) *Melb.* MSc *Wisconsin-Madison*

PhD *Ohio* DACVIM

(until August 2015)

*Acting Dean*

**Associate Professor Brian Leury**

BAgricSci (Hons) *LaTrobe* PhD *LaTrobe*

(from September 2015)

### FACULTY OF THE VICTORIAN COLLEGE OF THE ARTS AND MELBOURNE CONSERVATORIUM OF MUSIC

**Professor Barry Conyngham AM**

BA MA (Hons) *Syd.* DMus *Melb.* CertPostdocStud, *USCD*

### MELBOURNE GRADUATE SCHOOL OF EDUCATION

**Professor Field Rickards**

BSc (Hons) *Melb.* MEd *VUManc.* PhD *Melb.* FACEL FACE

### MELBOURNE SCHOOL OF ENGINEERING

**Professor Iven Mareels**

ir (electro-mechanical engineering) *Ghent* PhD *ANU* FTSE

FIEEE, FIEAust, CPEng

### MELBOURNE LAW SCHOOL

**Professor Carolyn Evans**

BA LLB (Hons) *Melb.* PhD *Oxon.*



# UNIVERSITY GOVERNANCE

The University of Melbourne was established by an Act of the Victorian Parliament in April 1853. Since then it has been governed by successive Acts, the most recent being the *University of Melbourne Act 2009*, subsequently amended by the *Education Legislation Amendment (TAFE and University Governance Reform) Act 2015*.

## PRIMARY RESPONSIBILITIES OF COUNCIL AS THE GOVERNING BODY OF THE UNIVERSITY

- |   |  |  |
|---|--|--|
| A. Ensuring that the University is managed lawfully, ethically and prudently  | F. Overseeing the establishment of University charitable trusts and the proper discharge of University trust obligations   | I. Approving the University master plan  |
| B. Approving the University's strategic and business plans, and specifically the strategic goals and financial objectives contained therein                                       | G. Approving investments and strategic commitments that may have a material effect on the assets, financial performance or operations of the University and any material change in the nature of the business or role of the University                          | J. Monitoring relations between the University, governments and the external community   |
| C. Deciding the expenditure authorisation limits to be delegated to the Vice-Chancellor and other senior officers of the University, and approving expenditure above those levels | H. Monitoring the decisions and actions of the Vice-Chancellor and the performance of the University to ensure satisfactory progress is being made towards the vision, strategic goals and financial objectives of the University as reflected in approved plans | K. Approving the appointment of the Vice-Chancellor, Provost, Deputy Vice-Chancellors (including Provost), Deans, Senior Vice-Principal and other members of the professional staff as specified from time to time |
| D. Approving any significant changes to the organisational structure of the University  |  | L. Determining any matters referred to it by the Vice-Chancellor or the Board  |
| E. Determining what academic authorities are to be delegated to the Board   |  | M. Ensuring that all external accountabilities are met.  |

## OBJECTS OF THE UNIVERSITY

Section 5 of the University of Melbourne Act states that the objects of the University are:

- |   |  |  |
|---|--|--|
| A To provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard   | D To equip graduates of the University to excel in their chosen careers and to contribute to the life of the community   | i. realising Aboriginal and Torres Strait Islander aspirations, and  |
| B To provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University   | E To serve the Victorian, Australian and international communities and the public interest by:   | ii. the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage   |
| C To undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the wellbeing of the Victorian, Australian and international communities | i. enriching cultural and community life   | G To provide programs and services in a way that reflects principles of equity and social justice  |
|   | ii. elevating public awareness of educational, scientific and artistic developments, and   | H To confer degrees and grant other awards, and  |
|   | iii. promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society.  | I To utilise or exploit its expertise and resources, whether commercially or otherwise.  |
|   | F To use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching, learning, research and advancement of knowledge activities and thereby contribute to: | The governance of the University of Melbourne, subject to the provisions of the Act, is detailed in a Council Standing Resolution (1.3). Part of that Standing Resolution covers Council committees. |



GOVERNANCE STRUCTURE 2015

COUNCIL						
Council Standing Committees ▽	Academic Board ▽	Faculties and Graduate Schools ▽	Other Academic Units ▽	Inter-Disciplinary Research Institutes ▽	Semi-Autonomous Bodies ▽	Subsidiary Companies ▽
Audit Committee	Academic Programs Committee	Faculty of Architecture, Building and Planning	Australia India Institute	Melbourne Energy Institute	Asialink	Australia India Institute Private Ltd (India)
Buildings and Estates Committee	Appeals Committees	Faculty of Arts	Bio 21 Molecular Science and Biotechnology Institute	Melbourne Networked Society Institute	Carlton Connect (disestablished as of 10 August 2015)	Australian Music Examinations Board (Vic) Ltd
Council Nominations and Governance Committee	Archives Advisory Board	Faculty of Business and Economics	Nossal Institute for Global Health	Melbourne Neuroscience Institute	The Ian Potter Museum of Art	Australian National Academy of Music Ltd Group
Finance Committee	Information Technology Committee	Faculty of Medicine, Dentistry and Health Sciences	School of Melbourne Custom Programs	Melbourne Social Equity Institute	International House	Melbourne Business School Ltd Group
Honours Committee	Libraries and Academic Resources Committee	Faculty of Science		Melbourne Sustainable Society Institute	The Medley Hall of Residence	Melbourne Dental Clinic Ltd
Legislation and Trusts Committee	Melbourne Custom Programs Committee	Faculty of Veterinary and Agricultural Sciences			Melbourne Theatre Company	Melbourne University Publishing Ltd
Remuneration and Employment Conditions Committee	Research Higher Degrees Committee	Faculty of Victorian College of the Arts and Melbourne Conservatorium of Music			Melbourne University Sport	MU Student Union Ltd
University of Melbourne Foundation	Selection Procedures Committee	Melbourne Graduate School of Education			The University of Melbourne Veterinary Hospital	Nossal Institute Ltd
University Risk Committee	Teaching and Learning Development Committee	Melbourne Law School				UMELB Pte Ltd (Singapore)
VCA Integration Committee	Teaching and Learning Quality Assurance Committee	Melbourne School of Engineering				UOM Commercial Ltd Group

MIXED REPRESENTATION COMMITTEES

Reflecting the value of balanced input, most University Council committees are of mixed composition, combining external and internal Council members, who bring special knowledge or skills to the committees’ tasks.

EXTERNAL MEMBER COMMITTEES

Although the Chancellor and the Vice-Chancellor are *ex officio* members of all University bodies, certain committees may be otherwise composed wholly of external members. Council may establish an *ad hoc* Due Diligence Committee to consider a specific issue and, if Council so determines, such a committee may be made up exclusively or predominantly of external members.

COUNCIL COMMITTEES

Audit Committee

Chair: Mr John Wilson

Audit Committee oversees the University’s external audit program, recommends the annual financial statements for approval, monitors the University response to the annual audit and, jointly with the University Risk Committee, oversees the annual internal audit program.

Buildings and Estates Committee

Chair: Mr Robert Johanson

Buildings and Estates Committee exercises governance responsibilities on behalf of Council in the oversight of the planning, development and stewardship of the University’s buildings, infrastructure and open spaces on all campuses.

Council Nominations and Governance Committee

Chair: Ms Elizabeth Alexander

Council Nominations and Governance Committee advises Council on the overall governance of the University and on matters relating to selection and appointment of members of Council, as well as considering proposed amendments to the Act.

Finance Committee

Chair: Ms Elizabeth Alexander

Finance Committee exercises governance responsibilities in respect of the University’s financial and business affairs, including monitoring the financial risk and performance of the University’s subsidiaries and commercial ventures. Within delegated authority, the Committee acts on behalf of Council in those matters. The Investment Management Committee reports to Council through the Finance Committee.

CATEGORY OF APPOINTMENT	COUNCIL MEMBER	COUNCIL MEETINGS 2015		LEAVE OF ABSENCE
		Eligible to Attend	Attended	
Chancellor	Ms E Alexander	8	8	0
Vice-Chancellor	Professor G Davis	8	8	0
<i>Ex officio</i> – President of Academic Board	Professor R Webster	8	8	0
Persons appointed by the Governor-in-Council	Dr David Kemp	8	6	0
	Mr R Johanson	8	8	0
	Mr A Peake	8	3	0
	Mr J Wilson	8	8	0
Persons appointed by Council	Professor R Batterham	8	6	0
	Mr R McPherson	8	7	0
	Justice J Middleton	8	6	0
	Mr M Myer	8	5	0

Indemnity for Council

Pursuant to Section 19 of the Act, the University of Melbourne indemnifies members of Council and University committees in respect of acts or omissions in good faith in the exercise of their powers or duties.

### Honours Committee

**Chair:** Ms Elizabeth Alexander

Honours Committee nominates, considers and recommends on behalf of Council, candidates for honorary degrees, medals for exceptional service, and the appointment of eminent scholars. It also advises on other honours and awards in recognition of service to the University or the community generally.

### Legislation and Trusts Committee

**Chair:** The Hon Justice John Middleton

Legislation and Trusts Committee advises Council on the appropriate form for draft statutes and regulations of Council and oversees the University's stewardship of endowments and trusts.

### Remuneration and Employment Conditions Committee

**Chair:** Ms Elizabeth Alexander

Remuneration and Employment Conditions Committee exercises governance responsibilities in the oversight of remuneration, staff conditions and benefits, and other matters relating to employment policy. Within its delegated authority, the Committee acts on behalf of Council in those matters.

### University of Melbourne Foundation

**Chair:** The Hon Justice John Middleton

The University of Melbourne Foundation assists the Council in exercising due care, diligence and skill in managing and administering philanthropic funding from donors. Its main functions are to ensure effective use of gifts, bequests and pledges received and to support the work of existing foundations, funds, boards and advisory groups associated with gifts received by the University. The Gift Acceptance and Review Sub-Committee reports to The University of Melbourne Foundation on gift acceptance issues that affect philanthropic funding.

### University Risk Committee

**Chair:** Mr Tony Peake

University Risk Committee supports Council in carrying out its accountability for overseeing and monitoring assessment and management of risk across the University. The Committee advises on the format of the risk management framework appropriate for the University and monitors and reviews implementation of risk management practices within that framework. The Committee advises Council, and other committees as appropriate, on significant risks and their management.

### VCA Integration Committee

**Chair:** Mr Ian Wilcock

VCA Integration Committee was established by a Heads of Agreement in January 2007. The Committee reviews and advises Council at least annually on whether integration between the University and the Victorian College of the Arts is proceeding in accordance with the Heads of Agreement. The Committee is chaired in alternate years by a member of Council and a member of the VCA Advisory Board.

## ACADEMIC GOVERNANCE

### Academic Board

Academic Board is established by Council under the Act and in Statute 4.1 – Academic Board. Reporting directly to Council, its primary functions are the supervision and development of all academic activities of the University, including maintenance of high standards of teaching and research. The Board is also responsible for development of academic and research policy. President of Academic Board is an annually elected position and is supported by a Vice-President and Deputy Vice-President.

#### President of Academic Board

Professor Rachel Webster  
BSc *Monash* MSc *Sus.* PhD *Cant.* IAU ASA AAS

#### Vice-President of Academic Board

Professor Nilss Olekalns  
BEc *Adelaide* MA *UWO* MEc *ANU* PhD *La Trobe*

#### Deputy Vice-President of Academic Board

Professor Pip Nicholson

BA *Melb.* LLB *Melb.* MPP *ANU* PhD *Melb.*

Standing committees of Academic Board report to the Board after every meeting on matters within their terms of reference. Academic Board meets regularly and in 2015 met eight times, from February to December.

### Faculties, Schools and Other Academic Units

In December 2015, the University of Melbourne comprised 10 faculties (including two graduate schools established as faculties). Other academic units are: Australia India Institute, Bio21 Molecular Science and Biotechnology Institute, The Nossal Institute for Global Health, and the School of Melbourne Custom Programs.

#### Faculty of Architecture, Building and Planning

Faculty of Architecture, Building and Planning is structured as a single-department faculty, comprising one graduate school:  
Melbourne School of Design.

### Faculty of Arts

Faculty of Arts comprises the following graduate schools, schools and institute:  
Graduate School of Humanities and Social Sciences (graduate school)  
Melbourne School of Government (graduate school)  
School of Culture and Communication  
School of Historical and Philosophical Studies  
School of Languages and Linguistics  
School of Social and Political Sciences  
Asia Institute.

### Faculty of Business and Economics

Faculty of Business and Economics consists of the following graduate school, departments and institute:  
Melbourne Business School (graduate school)  
Department of Accounting  
Department of Business Administration  
Department of Economics  
Department of Finance  
Department of Management and Marketing  
Melbourne Institute of Applied Economic and Social Research.

### Faculty of Medicine, Dentistry and Health Sciences (MDHS)

Faculty of Medicine, Dentistry and Health Sciences consists of the following graduate schools, departments and other academic units:

#### Graduate Schools

Melbourne Dental School  
Melbourne Medical School  
Melbourne School of Health Sciences  
Melbourne School of Population and Global Health  
Melbourne School of Psychological Sciences  
School of Biomedical Sciences.

### Departments – Faculty

Department of Medical Biology (Walter and Eliza Hall Institute of Medical Research)  
Florey Department of Neuroscience and Mental Health  
Medical Bionics Department  
The Sir Peter MacCallum Department of Oncology.

### Departments – Melbourne Medical School

General Practice  
Medical Education  
Medicine and Radiology  
Obstetrics and Gynaecology  
Ophthalmology  
Otolaryngology  
Paediatrics  
Psychiatry  
Rural Health  
Surgery.

### Departments – Melbourne School of Health Sciences

Audiology and Speech Pathology  
Nursing  
Optometry and Vision Sciences  
Physiotherapy  
Social Work.

### Departments – School of Biomedical Sciences

Anatomy and Neuroscience  
Biochemistry and Molecular Biology  
Microbiology and Immunology  
Pathology  
Pharmacology and Therapeutics  
Physiology.

### Melbourne Medical School – Clinical Schools

Austin Clinical School  
Ballarat Clinical School  
Bendigo Clinical School  
Northern Clinical School  
Royal Melbourne Clinical School  
Shepparton Clinical School  
St Vincent's Clinical School  
Wangaratta Clinical School  
Western Clinical School.

### Melbourne Medical School – Sites

Eastern Hill  
Heidelberg  
Northern and Western  
Parkville  
Royal Children's  
Royal Melbourne  
Rural.

### Faculty of Science

Faculty of Science includes the following graduate school, schools and other academic units:

Melbourne Graduate School of Science (graduate school)  
School of BioSciences  
School of Chemistry  
School of Earth Sciences  
School of Ecosystem and Forest Sciences  
School of Geography  
School of Mathematics and Statistics  
School of Physics  
Office for Environmental Programs  
Bio 21 Molecular Science and Biotechnology Institute.

### Faculty of Veterinary and Agricultural Sciences

Faculty of Veterinary and Agricultural Sciences is structured as a single-department faculty.



**Faculty of the Victorian College of the Arts and Melbourne Conservatorium of Music (VCA&MCM)**

Faculty of the Victorian College of the Arts and Melbourne Conservatorium of Music is a single faculty comprising the following two divisions, each headed by a Director. The faculty also has three specialist centres.

**DIVISIONS**

- Melbourne Conservatorium of Music
- Victorian College of the Arts

**SPECIALIST CENTRES**

- Centre for Cultural Partnerships
- Centre for Ideas
- Wilin Centre for Indigenous Arts.

**Melbourne Graduate School of Education (MGSE)**

Melbourne Graduate School of Education is a graduate school established as a faculty.

**Melbourne School of Engineering (MSE)**

Melbourne School of Engineering consists of the following graduate school, departments and institute:

- Melbourne School of Information (graduate school)
- Department of Biomedical Engineering
- Department of Chemical and Biomolecular Engineering
- Department of Computing and Information Systems
- Department of Electrical and Electronic Engineering
- Department of Infrastructure Engineering
- Department of Mechanical Engineering.

**Melbourne Law School (MLS)**

Melbourne Law School is a graduate school established as a faculty.

**Other Academic Units**

**Australia India Institute**

The objectives of the Australia India Institute are to facilitate coordination and development of studies in Australia of Indian culture and its social, scientific and economic dimensions, and to enhance understanding and cooperation between Australia and India in these matters.

**Bio21 Molecular Science and Biotechnology Institute**

Bio21 Molecular Science and Biotechnology Institute (Bio21 Institute) is a multidisciplinary research centre specialising in medical, agricultural, and environmental biotechnology.

**School of Melbourne Custom Programs**

School of Melbourne Custom Programs provides consultancy services, professional education and custom programs to the corporate and government sectors and staff of the University.

**The Nossal Institute for Global Health**

The Nossal Institute for Global Health contributes to the improvement of global health through research, education, inclusive development practice, and training of future leaders in the fields of health sciences.

**Inter-Disciplinary Research Institutes**

- Melbourne Energy Institute
- Melbourne Networked Society Institute
- Melbourne Neuroscience Institute
- Melbourne Social Equity Institute
- Melbourne Sustainable Society Institute.

In addition to the particular objectives and functions related to their respective fields of operation, institutes have the following objectives in common:

1. Respond to societal concerns which require interdisciplinary research approaches
2. Increase public awareness of, and debate on, critical issues in their field
3. Raise the profile of University research as the basis for various forms of partnerships
4. Develop relationships with relevant government departments and instrumentalities, educational institutions, and government and private research agencies, both within Australia and internationally
5. Promote, and attract funding for, interdisciplinary research in a recognised area of strength of the University
6. Encourage, design and consider proposals for research projects, particularly collaborative research projects across the University
7. Support research activities in selected priority areas, specific to their respective fields of operation
8. Provide a point of contact for University and external parties interested in their field of operation
9. Provide advice to the University on any matter which it considers appropriate relating to the field of operation of the Institute.

# STATUTORY REPORTING

## 1: OCCUPATIONAL HEALTH AND SAFETY (OHS) MATTERS

The University of Melbourne has a broad OHS risk profile, including specific risks associated with laboratory operations, workshop operations, chemical storage, handling and use, and manual handling.

Supported by the Health and Safety Management Plan 2014–2019, the Health and Safety Policy requires the University to provide a safe and healthy working and learning environment for all staff,

contractors, students and visitors. The plan sets out OHS goals against four strategic objectives.

### OCCUPATIONAL HEALTH AND SAFETY STRATEGIC PLAN, 2015 OUTCOMES SUMMARY

Objective	Key Performance Indicators	2015 Outcome
Reduce occurrence or re-occurrence of workplace injuries and illnesses.	a) Zero Lost Time Injuries Frequency Rate (LTIFR) with an unacceptable tolerance of 1.55 b) 5% reduction in injuries/illnesses resulting in five days or more of lost time. c) 5% reduction in musculoskeletal disorders injuries resulting in five days or more of lost time. d) 5% reduction in the injuries/illnesses resulting in 100 days or more of lost time. e) 5% increase in reported injuries/illness (to reduce under reporting of incidents).	a) LTIFR 1.51 (within tolerance of 1.55) b) 23% increase in claims >5 days lost. c) 85.7% increase in MSD claims >5 days lost. d) No 2015 claims >100 days lost. e) 7.4% decrease in incidents reported.
Continually improve compliance with OHS legislation and effective implementation of the University's OHSMS.	a) Zero non-conformance findings in external audits. b) Zero WorkSafe Improvement Notices c) Zero WorkSafe Prohibition Notices	a) 8 non-conformances issued b) One improvement notice issued by WorkSafe c) Target achieved Nil prohibition notices issued by WorkSafe
Improve OHS leadership and culture throughout the University.	a) Implement revised Executive OHS Training Program.	a) 9 participants completed the revised program 2015.
Provide high-quality, consistent and practical OHS information and advice to the University community.	a) Minimum average score of 3.5/5 in OHS sections of quality performance surveys. b) Zero non-conformances to University-wide systems criteria in external OHSMS audits i.e. OHS policies and procedures.	a) Not measured in 2015 b) No University-wide systems non-conformance finding issued during external audit of OHSMS.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS)

The University of Melbourne’s OHSMS was subject to minor review in 2015. A small number of OHS policies, procedures, guidance materials and templates were reviewed to meet new internal policy requirements and changes in legislation.

HEALTH AND SAFETY RESOURCES

In 2015, each division appointed local staff to provide health and safety support services. Higher-risk budget divisions appointed local health and safety managers, and moderate and lower-risk budget divisions appointed part-time local health and safety advisory staff.

Complementing the local staff, specialist health and safety advisory services continued to be provided to all budget divisions through the University Services Finance and Employee Services Department.

CONSULTATIVE FRAMEWORK

Employees continue to be represented by elected and trained employee health and safety representatives. There were approximately 50 elected employee health and safety representatives holding office in 2015. Each budget division has a Health and Safety Committee. Membership of these committees includes both employer and employee representatives.

Membership of the University-wide Occupational Health and Safety Committee (OHSC) includes equal numbers of employer

and employee representatives. The employee representatives are elected from the pool of University employee health and safety representatives. The OHSC met three times during 2015, with minutes of the meetings published on the University’s safety website.

TRAINING

Over 13 000 attendees undertook OHS-related training throughout 2015.

OCCUPATIONAL HEALTH AND SAFETY TRAINING PROVIDED: 2013–2015

TRAINING COURSE TYPE	ATTENDEES		
	2013	2014	2015
Roles and Responsibilities – Supervisory and non-supervisory staff	3419	3437	4750
Health and Wellbeing, Change Management and Psychosocial	1887	4054	3310
Risk Management and Emergency Management	1853	2698	3745
Chemical Safety, Radiation Safety and Compressed Gas Safety	1019	682	689
Manual Handling and Ergonomics	1027	863	680
First Aid	455	483	576
Personal Protective Equipment	259	250	178
Health and Safety Representative	5	5	6

EMERGENCY PREPAREDNESS AND RESPONSE

The University of Melbourne’s emergency preparedness and response procedures are based on the requirements of AS3745 *Planning for Emergencies in Facilities*. The University continued to implement its campus-wide and local building emergency plans. Bushfire response plans have also been developed for the University’s rural campuses at Dookie and Creswick.

In 2015 over 450 evacuation diagrams were reviewed, published and posted in University buildings.

In 2015, building evacuation drills were undertaken in each occupied building. A review of the effectiveness of each evacuation is undertaken by the building Chief Warden.

RADIATION MANAGEMENT

During 2015 the University’s Electromagnetic Radiation Committee met on four occasions and monitored the implementation of the University’s radiation safety initiatives and management licence.

OCCUPATIONAL HEALTH SURVEILLANCE AND PROGRAMS

The University of Melbourne has an established health monitoring and vaccination programs. These include regulatory health surveillance and vaccination programs to support the University’s compliance obligations, and voluntary vaccination programs to reduce the incidence of staff illness.

During 2015, approximately 900 Health and Hazard Assessment Questionnaires were reviewed by an Occupational Health Nurse, resulting in 250 face-to-face appointments and 150 screening reviews with staff and students.

OCCUPATIONAL HEALTH AND SERVICE – SERVICES PROVIDED/FACILITATED: 2013–2015

SERVICE PROVIDED	2013	2014	2015
Influenza vaccinations	3274	3491	3468
Spirometry	177	84	172
Audiometry	82	66	97
Pathologies and biological screening	71	35	25
Q Fever vaccinations	148	156	126

WORKERS COMPENSATION AND INJURY MANAGEMENT

An early intervention approach has ensured that return-to-work plans were developed for all compensable injuries during 2015. The University’s Injury Management staff continued to assist staff with non-compensable injuries and other health-related conditions with the aim to ensure successful return-to-work outcomes.

SELF-INSURANCE APPROVAL AND WORKERS COMPENSATION COMPLIANCE

The annual claims management audit confirmed that 97.5 per cent of samples conformed to the requirements of the University’s self-insurance licence and the *Accident Compensation Act 1985* (Vic) and the *Workplace Injury, Rehabilitation and Compensation Act 2013* (Vic).

The University’s approval for worker’s compensation self-insurance is approved until 2017.

REGULATORY ACTIVITY

The University of Melbourne continued to work cooperatively with health and safety regulators, in particular WorkSafe Victoria, which was the most active health and safety regulator at the University throughout the year. WorkSafe activity consisted of visits following incident notifications to WorkSafe and two visits by WorkSafe return-to-work inspectors. One improvement notice was issued and was complied within the required timeframe.

WORKSAFE VICTORIA ACTIVITY: 2013–2015

ACTION	2013	2014	2015
Visits to the University’s workplaces by WorkSafe	12	6	7
Prohibition notices issued by WorkSafe	1	0	0
Improvement notices issued by WorkSafe	0	0	1
Occupational health and safety convictions	0	0	0

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

To ensure a safer work environment, health and safety performance reports are provided to the University’s Risk Management Committee. Local health and safety staff	provide health and safety performance reports to their respective division executives. All significant incidents are	reviewed in detail and, where appropriate, action plans put in place to minimise risk of recurrence.
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OCCUPATIONAL HEALTH AND SAFETY INCIDENT STATISTICS: 2013–2015

PERFORMANCE INDICATOR	2013	2014	2015
Reported incidents (including injury and illness)	1177	1319	1221
Reported incident incidence rate (per 100 FTE employees)	14.16	15.83	14.26
Days lost due to reported injuries	253	393	429
Number of workers’ compensation claims	86	80	96
Number of lost time incidents (LTI)	18	18	23
LTI incidence rate (per 100 FTE employees)	0.22	0.22	0.27
Lost time injury frequency rate (per 1 million hours worked)	1.22	1.28	1.51
Average cost per claim (including estimate of future costs)	\$4,496	\$4,998	\$12,152
Work-related fatalities	0	0	0

The significant variation in the average cost per claim in 2015 when compared to prior years relates to conclusion of one claim	in 2015 from an injury occurring prior to 2013–2015 period reported in this table. The average cost per claim is expected	to return to the normal long term average in 2016.
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INCIDENTS REQUIRING NOTIFICATION TO WORKSAFE

<i>The Occupational Health and Safety Act 2004</i> (Vic) requires the University to notify WorkSafe Victoria of all serious injuries, dangerous occurrences and deaths at the	workplace. A breakdown of these incidents is outlined in the table below. An investigation of each incident has either commenced or been completed. Corrective	and preventative actions were instigated to prevent or reduce the risk of recurrence.
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NOTIFICATIONS TO WORKSAFE: 2013–2015

TYPE	EVENT	2013	2014	2015
Serious Injury or Illness	Immediate medical treatment resulting from a laceration	7	9	6
Serious Injury or Illness	Immediate medical treatment resulting from temporary loss of bodily function	3	0	4
Serious Injury or Illness	Admission as an inpatient in a hospital	0	1	3
Serious Injury or Illness	Medical treatment within 48 hours of exposure to a substance	1	1	5
Dangerous Occurrence	Uncontrolled implosion, explosion or fire	3	2	2
Dangerous Occurrence	Escape, spillage or leakage of any substance, including dangerous goods	0	0	0
Dangerous Occurrence	Fall or release from a height of any plant, substance or object	3	2	6
Death at a workplace	Non-work-related fatalities	1	0	0
TOTAL	ALL INCIDENTS	18	15	26

EXTERNAL OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS) AUDITS

Conformance of the University of Melbourne’s OHSMS to the National Self-Insurers Audit Tool (NAT) is one of the requirements of the University’s Workers Compensation Self-Insurance approval. During 2015, external auditors conducted a surveillance audit against the criteria of the NAT and AS4801 *Occupational Health and Safety Management Systems*.

The audits included the management of central OHSMS, four academic divisions, two

University Services portfolios, one semi-autonomous body and two wholly-owned subsidiaries. Twenty-one non-conformances were identified within the areas audited. All audited areas with non-conformances were required to develop action plans to address adverse audit findings. Non-conformances were addressed in 90 per cent of the cases, and subsequently reviewed by the external auditors confirming the ongoing certification of the University’s OHSMS to both the NAT and AS4801. The remaining 10 per cent of non-conformance findings required longer-term actions and will be reviewed in the 2016 audit program.

INTERNAL OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS) AUDITS

A program of internal audits against the NAT criteria continued throughout 2015. Over 670 individual criteria were audited across the University’s divisions, semi-autonomous bodies and wholly-owned subsidiaries. Overall, the University had 3.4 per cent of the audit criteria in non-conformance and 14.9 per cent requiring correction.

INTERNAL AUDIT RESULTS: 2013–2015

AUDIT FINDING	PERCENTAGE OF TOTAL AUDITED SAMPLE		
	2013	2014	2015
Conformance	77.8%	67.9%	71.8%
Non conformance	1.9%	2.0%	3.4%
Requires correction	12.5%	21.1%	14.9%
Area for improvement	7.9%	8.9%	10.0%
Total number of samples audited	1347	786	673

In 2014 a change in the audit methodology was introduced, removing criteria commonly found to be in conformance. This has the effect of distorting the comparison between 2013 and later years.



## 2: UNIVERSITY'S RISK MANAGEMENT STRATEGY

Identifying and managing risk is a core component of the University's Accountability and Performance Management Cycle. Risk management is separately addressed at a governance and management level to reflect the University's commitment to achieving its strategic goals.

At a governance level, a risk management framework (based on International Standard ISO/FDIS 31000:2009) was approved by Council with several Council committees exercising a governance role on behalf of Council to ensure that designated risk accountabilities were being properly exercised. The University Compliance Officer also reports regularly to Council on compliance issues.

Membership of Council committees comprises external members of Council and other external appointees with relevant expertise in business and commerce, audit and compliance, risk management, financial management, and the law.

### Attestation

I, Professor Glyn Davis, certify that the University of Melbourne has risk management processes in place to enable the University to manage its key risk exposures. The University Risk Committee and Audit Committee verifies this assurance and that the risk profile of the University of Melbourne has been reviewed within the last 12 months.



Professor Glyn Davis AC  
Vice Chancellor, University of Melbourne  
March 2016

### COUNCIL COMMITTEES

#### Audit Committee

Oversees the University's external audit program, recommends the annual financial statements for approval, monitors University response to the annual audit and jointly with the University Risk Committee oversees the annual internal audit program. The Audit Committee reports to Council.

#### Finance Committee

Oversees the University's financial performance, position and risks, assuring that due financial processes and probity are carried out and that the University is fully compliant with legislative and government requirements. The Committee monitors financial and major project risk management processes, as well as audit management letters to ensure that control weaknesses identified in the financial audit process are appropriately managed. The Investment Management Committee reports to Council through the Finance Committee, and has oversight of the University's investment portfolio.

#### Legislation and Trusts Committee

Oversees trusts policies and processes.

#### University Risk Committee

Supports Council in carrying out its accountability for overseeing and monitoring the assessment and management of risk across the University. The Committee advises on the adequacy of the risk management framework and monitors and reviews implementation of risk management practices within that framework. The Committee advises Council, and other committees as appropriate, on significant risks and their management.

At management level, risk is monitored and managed through the Risk Management Committee. Within the University's administration, the Vice Principal, Policy and Projects has delegated accountability for the development of the risk management framework and coordination of attendant risk management programs. Implementation is overseen by the Head of University Services.

Academic and administrative divisions undertake annual strategic risk assessments as part of the business planning process, with mitigation a core responsibility of all senior managers. In addition, the University has a dedicated program for managing specialist risk in the areas of Occupational Health and Safety, Biosafety, Insurance, WorkCover, IT and Information Services, Fraud, Business Continuity Planning, and Crisis Management and Emergency Management Planning. Quarterly reports are received by the Risk Management Committee.

### MAINTAINING REGISTER OF COMMERCIAL AND CORPORATE ACTIVITIES

The Commercial and Corporate Activities Register is required for the purposes of compliance by the University with its Commercial Activities Guidelines, as approved by the Victorian Government and mandated under the terms of the *University of Melbourne Act 2009* (the Act).

The University Secretary is responsible for maintaining the register, and the Chief Financial Officer for submitting proposals for University participation in a company or involvement in a commercial activity to Finance Committee, in accordance with the terms of a compliance framework first approved by Council in December 2010.

In relation to investments or other activities coming within the terms of the Commercial Activities Guidelines, Finance Committee has determined that the University use the following as a guideline for 'significant':

- activities that comprise in excess of 2.5 per cent of University revenue (approximately \$37.5 million) or net assets (approximately \$87.5 million), or
- activities involving third party relationships and that have the potential to pose significant reputational risk to the University, or
- commercial activities coming within section 8(3)(h) of the Act, or activities which the University otherwise 'considers sufficiently important or of interest to list', that is as per the requirement in paragraph 8(a)(i) of the Commercial Activities Guidelines.

The guideline as to the meaning of 'significant' is therefore used by each of the University controlled entities, and entities under Section D of the Register are made on that basis. However, for ease of administration, an amount of \$10 million (cash) in committed or likely expenditure over the life of the project is used as a mandatory threshold above which full

details need to be brought to the attention of Finance Committee, in addition to activities that may otherwise qualify as 'significant' by reference to the criteria outlined by Finance Committee.

In relation to Paragraph B(a)(iv) of Guideline 4, no specific assessments were undertaken in 2015, beyond normal oversight responsibilities of Finance Committee, to determine whether any commercial activity was meeting its purposes and objectives.

SECTION A. UNIVERSITY-CONTROLLED ENTITIES

(All bodies below are ongoing entities with no anticipated termination date. University of Melbourne appointments to the boards of its controlled entities are covered by its Directors and Officers Liability Policy.)

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Australian Music Examinations Board (Vic) Ltd	To represent in Victoria the Australian Music Examinations Board as the State Committee for the purposes of music examinations  To aid, promote and assist music, music education and the appreciation of music	Professor Barry Conyngham (Chair) Dr Joel Brennan (Deputy Chair) Ms Colleen Pearson Professor Susan Wright	Ms Elizabeth Mitchell Ms Alison Sewell	Low	Low
Australian National Academy of Music Ltd and its subsidiary, ANAM Foundation Ltd	To operate as a national centre of excellence in practical music education and training  To provide practical music education and training for outstandingly talented music students	Mr Adrian Collette Professor Barry Conyngham Professor Barry Sheehan	Ms Alison Beare Ms Janet Holmes a Court, AC Mr Ian McRae (Chair) Mr Kim Williams, AM Mr David Mackintosh	Low	Low
Melbourne Business School Ltd (not a <i>Corporations Act</i> subsidiary) and its subsidiaries, MBS Foundation Ltd and Mt Eliza Graduate School of Business and Government Ltd	To undertake the education of University graduates and others in management studies  To conduct post-experience courses for practising managers  To conduct postgraduate research programs into management and related areas, and to promote licence, develop and apply the results of research activities	Professor Glyn Davis Professor Zeger Degraeve Associate Professor Douglas Dow Professor Paul Kofman	Mr Ross Barker (Chairman) Mr Tony Burgess Dr Jacinth Kincaid Fairley Ms Jacqueline Hey Mr Dean Ireland Ms Antoinette Kimmitt Mr Graeme Liebelt Mr Geoff Lord Mr Ari Mervis Ms Naomi Milgrom, AO Mr David Peever Mr Scott Tanner Mr Frank Zipfinger	Medium	Low
Melbourne Dental Clinic Ltd	To provide students with world-class clinical training as a core component of their studies  To provide continuing professional development training to persons working in the area of oral health and to facilitate research into oral health  To allow students to be exposed to direct patient contact in a private clinical environment	Professor Geoff McColl (Chair) Mr Ian Marshman Professor Mike Morgan	Mr Timothy Hogan Associate Professor John Matthews	Medium	Medium

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Melbourne University Publishing Ltd	To publish the best scholarly writing from Australia and overseas, both within and independent of the tertiary sector  To develop and disseminate text and image-based intellectual property in a variety of formats and media  To retain and develop Melbourne University Press and the Miegunyah Press as imprints of the company	Professor Peter McPhee (Chair) Mr Tony Peake Mr Allan Tait	Ms Louise Adler, AM Mr Daniel Gorog Mr Laurence Muller (Deputy Chair) Ms Jacyl Shaw	Low	Low
Melbourne University Student Union Ltd	To advance the educational experience of students of the University by providing amenities, services and facilities for the benefit of students	Mr Robert Baker Ms Elizabeth Capp Mr Ross McPherson (Chair) Mr Christopher White	Mr Steven Connolly Mr Graham Dennehy Mr James Smith Mr Stephen Smith	Low	Low
Nossal Institute Ltd	To undertake or provide research, development, education, training, consultancies or other activities in the medical or related areas  To provide facilities for study, research and education	Professor James McCluskey (Chair) Mr Allan Tait	Dr Krishna Hort	Low	Low
UoM Commercial Ltd (formerly UMEE Ltd) and its subsidiary, UM Commercialisation Pty Ltd	To commercialise educational services	Professor Mark Considine Professor James McCluskey Professor Margaret Sheil Mr Allan Tait (Chair)	Mr Geoffrey Rees	Low	Low



SECTION B. UNIVERSITY BUSINESS OPERATIONS

Section B1 – Semi-Autonomous Bodies (Statute 8.1)

(The entities below are ongoing semi-autonomous bodies within the University, where control and management are exercised by or under the direction of a board on behalf of Council. They are staffed by University employees, although the composition of the boards is as set out below, all of whom are covered by the University’s Directors and Officers Policy.)

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Asialink  (Regulation 8.1.R5)	To work with business, government, philanthropic and cultural partners to initiate and strengthen Australia Asia engagement.	Professor Barry Conyngham (Chair) Ms Colleen Pearson Professor Glyn Davis	Mr Rob Bazzani Mr Louise Chiam Mr John Denton, AO Sir Rod Eddington, AO Ms Lindley Edwards Ms Nicola Wakefield Evans Mr Mark Johnson, AO Dr Marlene Kanga, AM Mr Mark Laurie Mr Stephen Menzies Professor Tony Milner, AM Mr Sid Myer, AM (Chair) Mr Will Randall Mrs Heather Ridout, AO Mr Kee Wong (Deputy Chair) Ms Alice Wong	Low	Low
Carlton Connect  (Regulation 8.1.R9)  (Established 9/12/13 and disestablished 10/8/2015)	To combine a large-scale infrastructure development with a research and innovation agenda that places explicit emphasis on external engagement and impact generation  To foster wholly new ways of working with industry that will add a valuable new dimension to the University’s capabilities and reputation	Dr Charles Day Professor Karen Day Mr Robert Johanson (Chair) Professor Jim McCluskey Professor Iven Mareels Mr Ian Marshman		Low	Low
International House (Regulation 8.1.R2)	To be a place of residence, education and corporate life for students and to encourage international understanding and friendship among students	Professor Susan Elliott Emeritus Professor Frank Larkins (Chair) Dr Deborah Seifert Ms Alice Wong	Mr Garry Fowler Mr Peter Godfrey Mr Howard Khoo Ms Cindy Nguyen Ms Vi Peterson Mr David Prest Mr Joshua Wilson, SC	Low	Low
Melbourne Theatre Company  (Regulation 8.1.R1)	To enrich lives with understanding and empathy through the storytelling power of the finest theatre imaginable  To produce classic and contemporary Australian and international theatre with style, passion and excellence in order to entertain, challenge and enrich audiences	Mr Adrian Collette, AM Professor Barry Conyngham Professor Glyn Davis Mr Ian Marshman Mr Martyn Myer, AO	Mr Anthony Burgess Ms Patricia Faulkner, AO Mr Jonathan Feder Ms Gillian Franklin Ms Jane Hansen Ms Janette Kendall Mr Terry Moran, AC Ms Maureen Wheeler, AO	Low	Low

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Melbourne University Sport  (Regulation 8.1.R7)	To promote the benefits of healthy exercise  To provide a wide range of sporting opportunities for all staff and students, including competition at the highest level  To provide professional management of sport and recreation at the University  To develop and maintain sporting and recreational facilities consistent with the University’s aspiration of being one of the finest universities in the world  To enable sporting clubs to maintain and develop their historical contribution to University life  To provide opportunity for engagement with alumni and the wider community	Professor Margaret Abernethy Mr Andrew Gillies Professor Richard James Mr Timothy Lee	Mr Mitchell Anderson Mr Geoff Rees (Chair) Mr James Sutherland Dr Lynne Williams	Low	Low
The Ian Potter Museum of Art  (Regulation 8.1.R4)	To promote and display art works including the University’s collection	Mr Adrian Collette, AM Professor Anne Dunlop Ms Kelly Gellatly Ms Katerina Kapobassis Professor Jon Cattapan	Ms Julie-Ann Cox (Chair) Mr Nick Edwards Mr Mark Fraser Mr Fred Grimwade Mrs Barbara Hammon Mr Peter Jopling, QC Ms Aneta Trajkoski Mr John Wardle	Low	Low
The Medley Hall of Residence  (Regulation 8.1.R3)	To be a place of residence, education and corporate life for students and to encourage understanding and friendship among students	Ms Philippa Connelly Ms Jennifer Fraser (Chair) Mr Daniel Persaud Ms Julie Wells	Mr Gary MacKenzie Ms Lin Martin	Low	Low
The University of Melbourne Veterinary Hospital  (Regulation 8.1.R8)	To enable students in the courses for the degrees and diplomas of the Faculty to receive clinical instruction and training and to conduct research under the supervision of the school  To promote and encourage research in a hospital environment into diseases and disabilities affecting animals and to provide the facilities for such research  To provide veterinary services of a medical, surgical and pathological consultative nature to the community on a commercial basis	Professor Eleanor Mackie Associate Professor Caroline Mansfield Ted Whittem Mr John Demagistris Professor James Gilkerson Professor Brian Leung Ms Elizabeth Capp	Mr Bryan Woodford	High	Low

SECTION B2 – OTHER SIGNIFICANT BUSINESS OPERATIONS CONDUCTED BY THE UNIVERSITY

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Nil					

SECTION C. SIGNIFICANT INVOLVEMENTS WITH EXTERNAL CORPORATIONS

Appointments made by the University to the boards of other corporations are covered by its Directors and Officers Liability Policy. As this section only lists ‘significant involvements’, the University (and its controlled entities) is a member of other external corporations, details of which are maintained by the University Secretary.

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as directors or officers	Status – ongoing or anticipated termination date	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Australian Synchrotron Holding Company Pty Ltd	The Australian Synchrotron is a world-class national research facility that uses accelerator technology to produce a powerful source of light – x-rays and infrared radiation – a million times brighter than the sun.  The Australian Synchrotron’s mission is to enable science for the benefit of the community, by providing world-class synchrotron expertise and facilities.	N/A	N/A	Ongoing	Low	Low
Bio21	To develop and enhance the reputation of Victoria as a leading academic centre for the advancement of knowledge in fundamental areas of biology, medicine, science and technology  In cooperation with other universities, educational and scientific institutions and other persons, to conduct world-class training, financially viable biotechnology research, and to facilitate the development and commercialisation of the results of that research	Professor Ian Gust (Chair) Professor Douglas Hilton Mrs Sally Campbell Professor David Copolov Professor Jack Findlay Professor Peter Rathjen Dr Graeme Woodrow Professor Katherine McGrath Professor Malcolm McConville Professor Jeffrey Zajac	N/A	Ongoing	Low	Low
UIIT Pty Ltd	To provide seed funding to further develop promising research outcomes  To assist with the commercialisation of such research outcomes	Mr Allan Tait	N/A	Ongoing	Low	Low

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as directors or officers	Status – ongoing or anticipated termination date	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
UniSeed Management Pty Ltd	To provide management services to UIIT Pty Ltd	Mr Allan Tait	Mr David Miles, AO (Chair) Professor Les Field Professor Duncan Ivison Dr Jack Steele My Grey Pringle	Ongoing	Low	Low
Universitas 21 Equity Ltd	To hold part of the issued share capital of Universitas 21 Global	Mr Ian Marshman	N/A	Ongoing	Low	Low
Universitas 21 Global Pte Ltd (Joint venture between Universitas Equity and MULI (Mampal)	To be an on-line graduate school that provides leading-edge access to educational programs designed to meet the needs of the individuals and corporations in the information economy of the 21st century  To build academic programs that incorporate the traditions and strengths of its founders and add the value of the internet as a powerful educational medium	Mr Ian Marshman	N/A	Ongoing	Low	Low
Universitas 21 LBG	To provide a pre-eminent brand for educational services supported by a strong quality assurance framework  To allow member universities to pursue significant global initiatives that would be beyond their individual capabilities	Professor Glyn Davis	N/A	Ongoing	Low	Low

SECTION D. SIGNIFICANT COMMERCIAL ACTIVITIES OF UNIVERSITY-CONTROLLED ENTITIES

The boards of University-controlled entities monitor compliance with the University Commercial Activities Guidelines to the extent relevant to each such entity, and report to the University for inclusion in this section of the Register details of:

- Subsidiaries (also appearing in Section A)
- Commercial activities (where ‘significant’ or otherwise considered by the relevant board to be ‘sufficiently important or of sufficient interest to list on the Register’), and
- ‘Significant’ involvements with external corporations.

Appointments made by a University-controlled entity to the boards of other corporations are covered by the University’s Directors and Officers Liability Policy.

University controlled entity	Significant commercial activity or external involvement	Principal objectives of such activity / involvement	Members of University staff / Council serving as directors / officers	Other University controlled entity appointees serving as directors / officers	Status - ongoing or anticipated termination date	Level of financial risk	Level of reputational risk
Nil							



### 3. CONFORMITY WITH THE BUILDING ACT 1993

#### MAJOR PROJECTS (NEW AND EXISTING BUILDING WORKS)

The following mechanisms have been implemented to ensure that new buildings and works on existing buildings conform to building standards:

- Project Services closely examines each major project prior to the selection of a project team
- Selected design consultants for each project are University-registered or Department of Infrastructure-registered consultants and are required to ensure compliance with University design requirements and statutory planning requirements
- All design and management of project works are undertaken in accordance with the University of Melbourne's Project Management Procedures Manual and Design Standards
- The University has promulgated procedures similar to those required by the private sector for the issuing of building permits
- All projects are monitored by University project managers and appointed consultants in order to ensure that projects comply with current building regulations and statutory requirements
- Where required by the Building Code of Australia, an external building surveyor is appointed for each project to provide advice regarding building permits, certification of final inspection and occupancy permits
- The University ensures that an asbestos audit is carried out for each project prior to the commencement of construction work
- The Project Management Procedures Manual is used by University project managers to ensure that University policy and procedures are followed in relation to works
- A total of 111 projects, each with a value of more than \$50 000, were issued with building permits. Of those, 73 projects were completed throughout 2015 and certificates of final inspection issued. The remaining 38 projects are still under construction, due for completion in 2016. In addition, 223 projects were not subject to certification of plans or building surveyor involvement during construction. None of these projects come within the jurisdiction of the *Building Act 1993* or required structural change necessitating building surveyor inspections

### 4. NATIONAL COMPETITION POLICY AND COMPETITIVE NEUTRALITY REQUIREMENTS

The University has established guidelines and policies to practise competitive neutrality in relation to relevant business activities and has prepared resources including a Compliance Guide and staff bulletins to promote adherence to its obligations under the *Competition and Consumer Act 2010* (Cth).

### 5. COMPLIANCE WITH THE *EDUCATIONAL SERVICES FOR OVERSEAS STUDENT ACT (ESOS ACT) 2000*

The University of Melbourne maintained compliance with the requirements under the *Educational Services for Overseas Student Act 2000 (Cth)*. Implementation of system enhancements resulted in a more streamlined enrolment process for those student visa holders who were required to demonstrate their onshore status. The University continued the established practice to inform staff about the University's obligations under the ESOS Act through ongoing communications, website publications and regular ESOS network meetings.

The 2014 external audit of the University's compliance with the ESOS Act returned a positive report on the University's policies and procedures supporting international students. An ESOS Coordination Framework is in development following a recommendation of the audit report and is designed to minimise risk and enable

continued compliance with future ESOS Act requirements.

The University welcomed Federal Parliament's recent passing of the ESOS Amendment (Streamlining Regulation) Bill 2015 and the ESOS (Registration Charges) Amendment (Streamlining Regulation) Bill 2015. The bills introduce measures designed to reduce the regulatory burden on education institutions and simplify assessment and registration processes. Three key measures are the removal of the study period, changes to student default reporting, and the ability for students to choose to pay more than 50 per cent of their tuition fees upfront. The amendments will also provide greater alignment between the ESOS Act and other higher education and vocation education regulatory frameworks.

### 6. STATUTES AND REGULATIONS

The University of Melbourne administers Statutes and Regulations of the University and Standing Resolutions of Council, in accordance with provisions of the *University of Melbourne Act 2009*. The Statutes, Regulations and Council resolutions are recorded in three volumes of University publications, which may be inspected in the Baillieu Library. No Statutes were enacted, repealed or amended by the Minister during 2015.

During 2015, the University undertook an extensive review of its Statutes and Regulations. A revised suite of University Statutes and Regulations will be published in 2016.

## 7. COMPLIANCE WITH THE *PROTECTED DISCLOSURE ACT 2012*

The Victorian Government introduced a new whistleblowers protection regime under the *Protected Disclosure Act 2012* (Vic) which commenced in February 2013 (replacing the *Whistleblowers Protection Act 2001* (Vic)).

The *Protected Disclosure Act 2012* (Vic) ('Act') enables people to make disclosures about improper conduct by public bodies, their staff and officers, or about detrimental action taken in reprisal for a disclosure, without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures, and by ensuring their protection from detrimental action when they do.

As the University of Melbourne has not been prescribed as a public body that can receive

disclosures under the Act, disclosures of improper conduct and detrimental action must be made to the Independent Broad-based Anti-corruption Commission (IBAC) or to the Victorian Ombudsman.

Under the Act, the IBAC has a key role in receiving, assessing and investigating disclosures about improper conduct or detrimental action.

It is an offence to reveal information about the content of a protected disclosure including the identity of the person who made the disclosure, except in limited circumstances. A breach of confidentiality constitutes a criminal offence punishable by a financial penalty and/or up to two years imprisonment. It is also a criminal offence

to harass, intimidate, disadvantage or discriminate against another person because they have made a protected disclosure.

In addition, where the University becomes aware that a matter is being handled under the Act, the University must protect the person(s) who made the protected disclosure from detrimental action in reprisal for that disclosure. The University's policy on protection from detrimental action can be found in the Whistleblowers and Protected Disclosure Procedure: <http://policy.unimelb.edu.au/MPF1217>.

## 8. COMPLIANCE WITH THE *CARERS RECOGNITION ACT 2012*

Through a range of policies, programs and training initiatives, the University of Melbourne demonstrates its commitment to ensuring full compliance with the aims, objectives and care relationship principles designed to recognise carers under the *Carers Recognition Act 2012* (Vic). In particular, this year the University took all practicable measures to:

- Maintain and promote optimal carer's leave and flexible working policies enabling carers to balance work and their carer role. Staff may access up to 20 days' paid carers leave (cumulative per annum) and various flexible work arrangements (48/52, work from home, job share, flexi-time etc);
- Promote compliance with the *Carers Act*. The University underpins carers' leave and flexible working procedures and guidelines with training, clear policy statements and supportive online resources on a dedicated family and carers web page for all staff, supervisors and carers;
- Ensure staff promote, understand and are aware of the care relationship principles in dealing with colleagues who are carers or being cared for. All staff receive orientation and ongoing training in appropriate, respectful and non-discriminatory workplace conduct;

- Reflect the care relationships principles and ensure staff reflect the principles in developing, providing and evaluating support and assistance for those in care relationships. All staff, and family of staff, are offered counselling services through the Employee Assistance Program. Annual surveys are conducted to gain feedback on these programs.

## 9. FREEDOM OF INFORMATION

### ACTIVITY REPORT

In the period from 1 July 2014 to 30 June 2015, 35 new requests for documents under the provisions of the *Freedom of Information Act 1982* (Vic) ('Act') were received. There were 19 requests for personal documents and 16 for non-personal documents. Access in full was given to eight requests, partial access to five requests, and access denied in full to four requests. There were six requests where no documents were found, three requests were withdrawn, and eight requests were not proceeded with.

The Principal Officer of the University of Melbourne is the Chancellor. The University Secretary is authorised by the Chancellor to make decisions and exercise statutory power on behalf of the University in accordance with the Act.

All formal requests for access to documents of the University, under the provisions of the Act, should be made in writing via email to [foi-officer@unimelb.edu.au](mailto:foi-officer@unimelb.edu.au) and addressed to the University Secretary.

Enquiries on any aspect of the freedom of information legislation, or for assistance that may be required to identify documents of the University available under the Act, should be directed to the Education and Regulatory Compliance team within Legal and Risk via email to [foi-officer@unimelb.edu.au](mailto:foi-officer@unimelb.edu.au).

Where access is granted to inspect or obtain material, arrangements will be made during normal office hours, Monday to Friday, 8.45am to 5.00pm.

A request for access to a document of the University should include sufficient information about that document to enable it to be identified. Assistance will be provided by an officer of the University in cases where details supplied about a document are not sufficiently clear to identify that document.

Charges for access to documents of the University under the provisions of the Act are in accordance with the standard provisions of the Freedom of Information (Access Charges) Regulations 2004.

### CATEGORIES OF DOCUMENTS

The University of Melbourne Enterprise Classification Scheme includes the following document categories: Academic Programs, Alumni Relations, Collection Management, External Relations, Financial Management, Governance, Human Resources, Information Management, Legal Services, Occupational Health and Safety, Property Assets and Equipment, Research, Student Administration, and Student Services.



10. STATEMENT CONCERNING COMPULSORY  
NON-ACADEMIC FEES AND CHARGES

Following the Federal Government’s amendment of the *Higher Education Support Act through the Higher Education Legislation Amendment (Student Services and Amenities) Act 2010*, the University of Melbourne introduced an amenities and services fee in 2012. The fee for 2015 was \$286 for full-time students and \$210 for part-time students.

11. FURTHER INFORMATION

The University has the following information available on request:

- Declarations of pecuniary interests
- Details of shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- Details of publications produced
- Details of major promotional, public relations and marketing activities
- Details of changes in prices, fees, charges, rates and levies charged
- Details of major external reviews
- Occupational health and safety assessments and measures
- List of major committees
- Details of major research and development activities undertaken by the entity
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- Details of all consultancies and contractors including:
  - » Consultants/contractors engaged;
  - » Services provided; and
  - » Expenditure committed to for each engagement.

Enquiries should be addressed to:  
University Secretary  
The University of Melbourne Vic 3010

DISCLOSURE INDEX

Item No.	Source reference	Disclosure	Volume	Page No./s
Standing directions of the minister for finance				
1	SD 4.2(g)	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.	1	1-109
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	1	3
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	1	3
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"><li>• Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements;</li><li>• Financial Reporting Directions; and</li><li>• Business Rules.</li></ul>	2	17, 65
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"><li>• Balance Sheet and income statement;</li><li>• Statement of Recognised Income and Expense;</li><li>• Cash Flows Statement; and</li><li>• Notes to the financial statements.</li></ul>	2	12-64
6	SD 4.2(c) 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"><li>• Present fairly the financial transactions during reporting period and the financial position at end of the period;</li><li>• Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and</li><li>• Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements.</li></ul>	2	65
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"><li>• \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and</li><li>• \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li></ul>	2	4-10, 12-16, 23, 25-64
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	1	85
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	1	96-97
10	FRD 03A	Accounting for Dividends	NA	NA
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	2	24
12	FRD 10	Disclosure Index	1 2	109-111 71-73
13	FRD 11	Disclosure of Ex-gratia Payments	NA	NA
14	FRD 17B	Long Service leave and annual leave for employees	2	22, 29, 40
15	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	2	44-46

## DISCLOSURE INDEX (CONTINUED)

Item No.	Source reference	Disclosure	Volume	Page No./s
Standing directions of the minister for finance				
16	FRD 22G	<p>Consultants: Report of Operations must include a statement disclosing each of the following</p> <ol style="list-style-type: none"> <li>1. Total number of consultancies of \$10,000 or more (excluding GST)</li> <li>2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available</li> <li>3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</li> </ol> <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"> <li>• Consultant engaged</li> <li>• Brief summary of project</li> <li>• Total project fees approved (excluding GST)</li> <li>• Expenditure for reporting period (excluding GST)</li> <li>• Any future expenditure committed to the consultant for the project</li> </ul>	2	10
17	FRD 22G	Manner of establishment and the relevant Minister	2	46
18	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	1	1-109
19	FRD 22G	Nature and range of services provided including communities served	1	1-109
20	FRD 22G	Organisational structure and chart, including responsibilities	1	80-81
21	FRD 22G	Names of Council members	1	78-79
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	1	1-109
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at (a) to (e) in the FRD	1	91-95
24	FRD 22G	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	1	11, 68-69
25	FRD 22G	Summary of the financial results for the year including previous 4 year comparisons	1	11
26	FRD 22G	Significant changes in financial position during the year	2	5-6
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	1	1-109
28	FRD 22G	Major changes or factors affecting performance	2	4
29	FRD 22G	Discussion and analysis of operating results and financial results	1	1-109
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods	2	50
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	1	68-69
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	NA	NA
33	FRD 22G	Summary of application and operation of the Freedom of Information Act 1982	1	107
34	FRD 22G	Statement of compliance with building and maintenance provisions of the Building Act 1993	1	104

## DISCLOSURE INDEX (CONTINUED)

Item No.	Source reference	Disclosure	Volume	Page No./s
Standing directions of the minister for finance				
35	FRD 22G	Statement where applicable on the implementation and compliance with the National Competition Policy	1	104
36	FRD 22G	Summary of application and operation of the Protected Disclosure Act 2012	1	106
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	1	106
38	FRD 22G and 24C	Summary of Environmental Performance including a report on office based environmental impacts	1	70-77
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 (a) – (l) in the FRD))	1	108
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	NA	NA
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	NA	NA
42	FRD 102	Inventories	NA	NA
43	FRD 103F	Non-current physical assets	2	20-21, 34-37
44	FRD 104	Foreign currency	2	51
45	FRD 105A	Borrowing Costs	2	21, 29
46	FRD 106	Impairment of assets	2	17-19
47	FRD 107A	Investment properties	2	NA
48	FRD 109	Intangible assets	2	21, 38
49	FRD 110	Cash Flow Statements	2	16
50	FRD 112D	Defined benefit superannuation obligations	2	22, 29, 31-32, 40
51	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	2	17-18, 49
52	FRD 119A	Transfers through contributed capital	NA	NA
53	FRD 120I	Accounting and reporting pronouncements applicable to the reporting period	2	23
54	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	1	108
55	PAEC	Financial and other information relating to the university's international operations	1	11, 26, 36, 56-57
56	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"> <li>• Summary of the university commercial activities</li> <li>• If the university has a controlled entity, include the accounts of that entity in the university's Annual Report</li> </ul>	1	98-103





THE UNIVERSITY OF  
MELBOURNE

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THE UNIVERSITY OF  
MELBOURNE

# BUILDING STRENGTH

ANNUAL REPORT 2015  
VOL 2



# FINANCIAL REPORT INDEX

▶	Financial Statement Overview	4	17.	Property, plant and equipment	34
▶	Five Year Financial Summary	5	18.	Intangible assets	38
▶	Income Statement	12	19.	Trade and other payables	38
▶	Comprehensive Income Statement	13	20.	Borrowings	39
▶	Statement of Financial Position	14	21.	Provisions	40
▶	Statement of Changes in Equity	15	22.	Other liabilities	41
▶	Statement of Cash Flows	16	23.	Other financial liabilities	41
▶	Notes to and Forming Part of the Financial Statements	17	24.	Reserves and retained surplus	42
	1. Statement of significant accounting policies	17	25.	Key management personnel disclosures	44
	2. Australian Government financial assistance	25	26.	Remuneration of auditors	46
	3. State and Local Government financial Assistance	27	27.	Contingent assets and liabilities	46
	4. Fees and charges	27	28.	Commitments	47
	5. Investment revenue and income	28	29.	Related party transactions	48
	6. Other revenue	28	30.	Subsidiaries	49
	7. Employee related expenses	29	31.	Subsequent events	50
	8. Finance costs	29	32.	Reconciliation of cash flows from operating activities	50
	9. Impairment of assets	30	33.	Financial risk management	51
	10. Loss / (gain) on disposal of assets	30	34.	Fair value measurements	53
	11. Other expenses	30	35.	Acquittal of Australian Government financial assistance (University only)	56
	12. Cash and cash equivalents	31	▶	Statement by University officers	65
	13. Receivables	31	▶	Victorian Auditor-General's report	67
	14. Other financial assets	33	▶	Compliance index to disclosure requirements	71
	15. Other non-financial assets	33			
	16. Investments accounted for using the equity method	33			

## FINANCIAL STATEMENTS OVERVIEW

The University’s strategic plan, *Growing Esteem 2015-2020* highlights financial sustainability and resilience as a strategic priority, noting in particular the need to diversify revenue, manage costs and leverage balance sheet strength. On the operational front, 2015 saw the commencement of the Melbourne Operating Model and was marked by uncertain government policy and funding outcomes, volatile global economic conditions, and increased competition across the board.

This environment requires efficient resource allocation to ensure that the University’s core activities, particularly teaching and research, are properly supported and that there is sufficient flexibility to accommodate the investments required to achieve its strategic goals.

The financial performance for the year ended 31 December 2015 achieved this and provides a sound base on which to build the longer term sustainability of the University.

The University itself recorded an underlying operating surplus of \$32.5 million in 2015, compared to \$5.8 million in 2014. This was based on an accounting surplus of \$145.5 million (2014: \$182.9 million). The increase in the underlying result was mainly due to growth in student load and cost savings arising from the business improvement program, with the expectation that this will be reinvested in strategic teaching, student, research and engagement related activities in 2016 and beyond to support the achievement of *Growing Esteem*.

As previously reported, the underlying operating surplus reflects the University’s core operating performance and its capacity to live within its means, such that there is no reliance on financing income, infrastructure grants and endowment receipts. In contrast, the accounting result includes the impact of the University’s financing and investment activities, and represents the application of accounting standards and other regulatory requirements therefore encompassing income of a capital nature. A reconciliation of the University’s underlying operating surplus to the accounting result is provided below.

	2015 \$'000	2014 \$'000
<b>Underlying operating surplus</b>	32,451	5,752
Net discretionary financing income <sup>(1)</sup>	74,260	155,810
Infrastructure grants <sup>(2)</sup>	1,135	2,515
Endowment receipts <sup>(3)</sup>	37,618	18,865
Accounting surplus <sup>(4)</sup>	145,464	182,942
<b>Underlying operating margin</b>	<b>1.6%</b>	<b>0.3%</b>

Notes:

1. Net discretionary financing income comprises total investment income (2015 \$128.9 million) less that relating to endowments and government grants (2015 \$30.6 million). Impairment of investments (\$10.0 million 2015) and interest expense (2015 \$14.0 million) is also deducted. Further details of the individual amounts for each of these categories, is provided in the five year financial summary section below.
2. Infrastructure grants are grants received for capital expenditure projects.
3. Endowment receipts are capital donations where the principal is to remain intact for a defined time period and income is generated on that principal for utilisation in future years.
4. Accounting surplus equates to the University “Net Result for the Year” as per the audited Income Statement.

## FIVE YEAR FINANCIAL SUMMARY

The table below provides a summary of the University’s (or parent entity) financial results for the current reporting period and preceding four reporting periods. Where required, amounts have been restated to ensure consistent accounting treatment as a result of changes to accounting policy.

	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
<b>Income and Expense</b>					
Income	2,115,230	2,131,232	1,876,582	1,816,773	1,696,866
Expenses (excluding Impairment of Available-for-Sale Financial Assets)	1,959,787	1,924,689	1,757,760	1,695,831	1,566,780
<b>Surplus/(Deficit) Before Income Tax</b>	<b>155,443</b>	<b>206,543</b>	<b>118,822</b>	<b>120,942</b>	<b>130,086</b>
Income Tax (Expense) / Benefit	-	-	-	-	-
<b>Surplus/(Deficit) Before Impairment of Available-For-Sale Financial Assets</b>	<b>155,443</b>	<b>206,543</b>	<b>118,822</b>	<b>120,942</b>	<b>130,086</b>
Impairment Expense on Available-for-Sale Financial Assets	9,979	23,601	2,216	15,461	47,937
<b>Net Result for the Year</b>	<b>145,464</b>	<b>182,942</b>	<b>116,606</b>	<b>105,481</b>	<b>82,149</b>
Less: Net Discretionary Financing Income	74,260	155,810	70,204	33,383	27,188
Less: Infrastructure Grants	1,135	2,515	15,323	64,141	52,563
Less: Endowment Receipts	37,618	18,865	23,836	13,751	-
<b>Underlying Operating Result</b>	<b>32,451</b>	<b>5,752</b>	<b>7,243</b>	<b>(5,794)</b>	<b>2,399</b>
<b>Statement of Financial Position</b>					
Current Assets	397,402	296,145	289,023	255,013	266,079
Non-Current Assets	5,458,877	5,272,610	4,913,487	4,730,354	4,193,211
<b>Total Assets</b>	<b>5,856,279</b>	<b>5,568,755</b>	<b>5,202,510</b>	<b>4,985,367</b>	<b>4,459,290</b>
Current Liabilities	589,634	609,312	619,478	603,087	537,493
Non-Current Liabilities	577,247	514,115	393,131	459,163	428,724
<b>Total Liabilities</b>	<b>1,166,881</b>	<b>1,123,427</b>	<b>1,012,609</b>	<b>1,062,250</b>	<b>966,217</b>
Reserves	3,230,556	3,051,180	2,968,570	2,786,517	2,434,743
Retained Surplus/(Deficit)	1,458,842	1,394,148	1,221,331	1,136,600	1,058,330
<b>Total Equity</b>	<b>4,689,398</b>	<b>4,445,328</b>	<b>4,189,901</b>	<b>3,923,117</b>	<b>3,493,073</b>
<b>Operating Cash Flows</b>					
Inflows	2,116,238	1,955,511	1,833,597	1,804,229	1,665,401
Outflows	1,878,156	1,792,102	1,615,058	1,548,855	1,445,709
<b>Net Cash Inflow from Operating Activities</b>	<b>238,082</b>	<b>163,409</b>	<b>218,539</b>	<b>255,374</b>	<b>219,692</b>
	2015	2014	2013	2012	2011
<b>Underlying Operating Margin</b>	<b>1.6%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>-0.3%</b>	<b>0.2%</b>
<b>Current Ratio *</b>	<b>1.31</b>	<b>0.92</b>	<b>0.88</b>	<b>0.83</b>	<b>0.98</b>

*\* The University has in each of the years presented, an excess of current liabilities over current assets due to the classification of income in advance as a current liability while the related cash received is held in the University’s long-term investment fund, which is classified as a non-current asset. The Current Ratio has been adjusted to exclude income in advance.*

### In the 2015 financial year:

- » The reduction in total income from 2014 is mainly due to the significant investment gain recognised in 2014 as outlined below. On an underlying basis, income increased by \$86.4 million.
- » Significant changes in financial position during the year include:
  1. In 2015 the University completed its first offering in the US Private Placement market. This was made up of four tranches of senior notes totalling the equivalent of approximately \$275 million AUD. The first tranche of \$41.25 million AUD was issued on 15 December 2015 and recognised in borrowings (non-current liabilities) and cash (current assets) at 31 December 2015. Although not recognised in the 2015 year, three further tranches were issued on 17 February 2016, made up of \$30.0 million AUD for 20 years, \$20.0 million AUD for 25 years and \$131.0 million USD for 30 years.
  2. The University has hedged its foreign currency exposure arising from the 30 year USD denominated tranche by entering into two fixed to fixed cross currency interest rate swaps (CCIRS) with an aggregate notional amount equal to \$131.0 million USD. The CCIRS contracts were designated as cash flow hedges of a highly probable forecast transaction, being the drawdown of the USD denominated debt under the USPP on 17 February 2016. The fair value of the CCIRS contracts as at 31 December 2015 was \$21.9 million recognised in other financial liabilities and hedging reserves.
  3. An independent valuation of thirteen University collections was carried out at 31 December 2015 as part of the five year rolling valuation policy which commenced in 2012. The 2015 valuation increased works of art and other collections by \$101.0 million largely relating to the increase in the University’s archives of which major items include architectural plans, posters, photographs and digitised documents. Additional revaluation gains may be recognised in future years as a result of this policy.
- » There were no material changes in accounting policy in the year.



FIVE YEAR FINANCIAL SUMMARY (CONTINUED)

In the 2014 financial year:

- » The University restructured its investment portfolio during the year which resulted in approximately \$65 million in non-recurring non-cash gains on disposal of investments.
- » The decrease in the net cash inflow from operating activities predominantly relates to the costs of the Business Improvement Program restructure undertaken in the year and the termination of the interest rate swap in 2014.
- » Significant changes in financial position during the year include:
  - 1. In 2014, the University issued an Australian dollar medium term note (MTN) facility of \$250 million with a 7 year term.
  - 2. The University revalued its land during 2014 as a result of an independent valuation carried out as at 31 December 2014. The revaluations increased land by \$104.0 million.
- » There were no material changes in accounting policy in the year.

In the 2013 financial year:

- » There were no material changes in accounting policy in the year.

In the 2012 financial year:

- » The University's amortisation rate for electronic publications was revised effective 1 January 2012. This resulted in a \$6.475 million increase in amortisation expense in 2012. No adjustments were made to prior years.
- » Buildings were revalued in 2012 as a result of an independent valuation carried out as at 31 December 2012.

In the 2011 financial year:

- » Cash inflows from operating activities increased by \$101.4 million over 2010 predominantly as a result of rental income in advance relating to the Melbourne Brain Centre.
- » Endowment receipts were not used in the calculation of underlying operating result prior to 2012.

SOURCES OF INCOME AND EXPENDITURE

The table below provides a further breakdown of income and expenditure for the current reporting period and preceding four reporting periods with further analysis provided in subsequent sections.

	2015 \$'000	2014 \$'000	2013 <sup>2</sup> \$'000	2012 <sup>2</sup> \$'000	2011 <sup>2</sup> \$'000
<b>Sources of Income</b>					
Commonwealth Grants Scheme	283,697	276,030	272,639	269,752	247,700
Other Australian Government Financial Assistance <sup>(1)</sup>	480,459	497,602	503,503	547,690	514,198
HECS-HELP:					
- HECS-HELP Australian Government Payments	150,493	140,165	132,256	109,500	100,659
- HECS-HELP Student Payments	30,864	33,030	34,850	34,429	34,498
FEE-HELP	100,893	92,734	77,185	56,455	46,148
State and Local Government Financial Assistance	38,647	53,182	56,074	81,771	44,329
Fees and Charges	675,372	574,167	490,481	439,668	412,174
Investment Income <sup>(3)</sup>	30,628	29,954	32,480	31,804	32,724
Other Income	187,185	194,938	151,539	103,983	122,244
<b>Total Underlying Operating Income <sup>(4)</sup></b>	<b>1,978,238</b>	<b>1,891,802</b>	<b>1,751,007</b>	<b>1,675,052</b>	<b>1,554,674</b>
Discretionary financing income	74,114	53,361	34,875	34,047	71,176
Gains from disposals of investments	24,124	99,689	51,541	29,782	18,453
Non-cash gain from investment portfolio restructure <sup>(5)</sup>	-	65,000	-	-	-
Infrastructure grants	1,135	2,515	15,323	64,141	52,563
Endowment receipts <sup>(6)</sup>	37,619	18,865	23,836	13,751	-
<b>Total Income</b>	<b>2,115,230</b>	<b>2,131,232</b>	<b>1,876,582</b>	<b>1,816,773</b>	<b>1,696,866</b>
<b>Expenditures</b>					
Employee Related Expenses	1,030,288	1,041,567	946,725	922,412	837,024
Depreciation and Amortisation	135,794	132,719	112,719	118,906	100,017
Other Expenses	779,706	711,764	684,320	639,528	615,235
<b>Total Underlying Operating Expenditure</b>	<b>1,945,787</b>	<b>1,886,050</b>	<b>1,743,764</b>	<b>1,680,846</b>	<b>1,552,276</b>
Interest expense	14,000	13,334	13,996	14,985	14,504
Termination of interest rate swap	-	25,305	-	-	-
Impairment Expense on Available-for-Sale Financial Assets	9,979	23,601	2,216	15,461	47,937
<b>Total Expenditure</b>	<b>1,969,766</b>	<b>1,948,290</b>	<b>1,759,976</b>	<b>1,711,292</b>	<b>1,614,717</b>

SOURCES OF INCOME AND EXPENDITURE (CONTINUED)

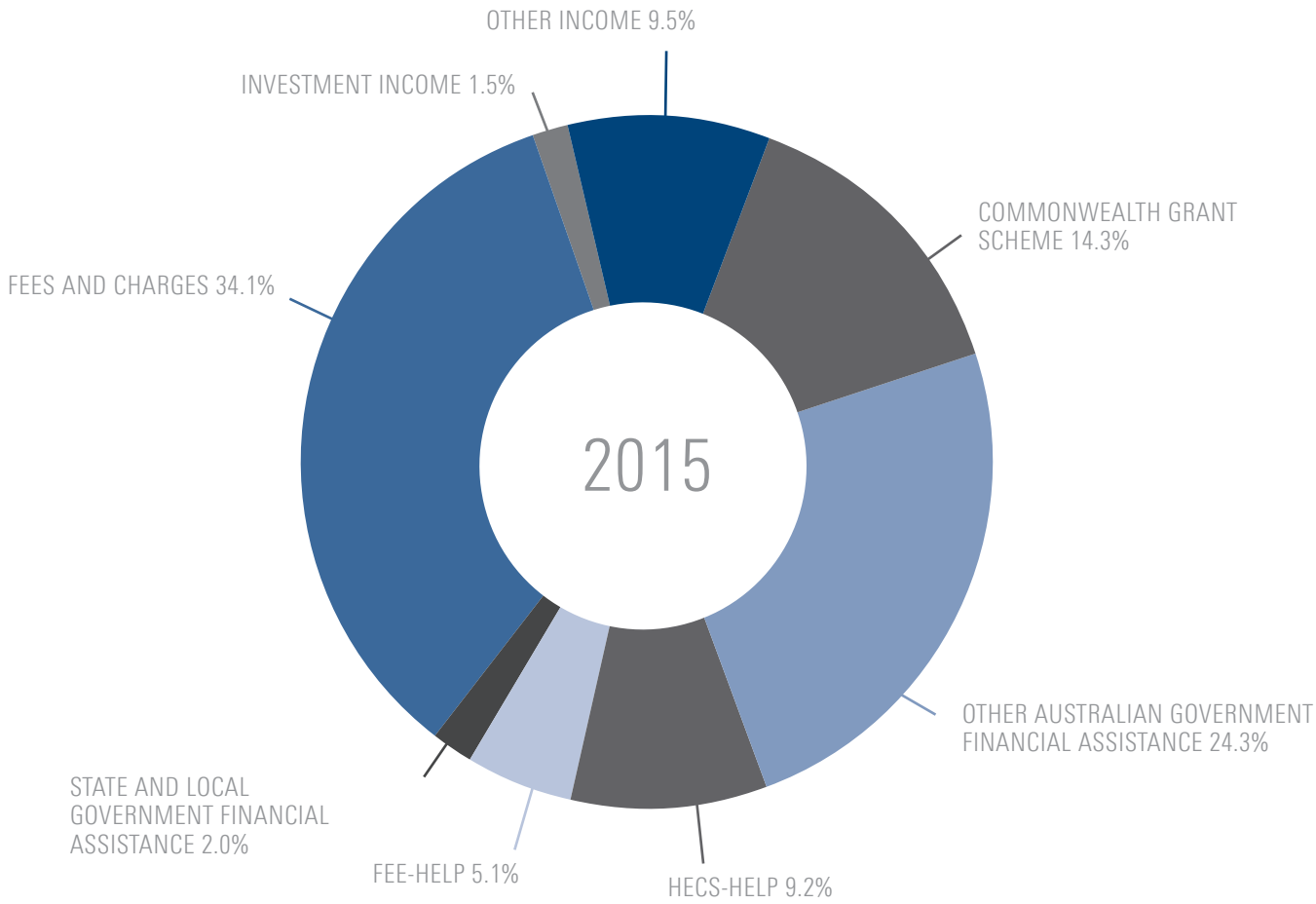
Notes:

1. Includes SA-HELP, Scholarships, Education Research Grants, Capital funding, Australian Research Council funding and other Australian Government financial assistance.
2. Deferred Superannuation Contributions are now reported in the Comprehensive Income Statement. 2011-2013 results have been restated to reflect this.
3. Comprises of investment income on endowments and government grants. The remainder of investment income is included in the discretionary financing income line item.
4. Although in aggregate, income items agree to the audited Income Statement, there are several items where disclosures are split in this table. For example State and Local Government Financial Assistance will have a component of Infrastructure grants which are disclosed separately. As such, not all items can be directly matched to the audited Income Statement.
5. In 2014, the investment portfolio was restructured and included an off market transfer of directly held underlying investments into pooled funds. This did not result in any change in the value of the investment portfolio, or cash gain, at the time of execution.
6. The Underlying Operating Result calculation was amended in 2013 to include endowment receipts. The 2011 amount relating to endowments is not available.

UNDERLYING OPERATING INCOME

Underlying operating income at \$1,978.2 million has increased by \$86.4 million or 4.6% on 2014 due to a combination of factors. The most significant increase related to student revenue as a result of growth in student load, with student fee revenue (including FEE-HELP) increasing by \$111.4 million or 19.0% from 2014 to \$697.4 million. International student fee revenue increased to \$526.9 million, a rise of 20.8%. The below charts include a breakdown by percentage of underlying operating income for the 2014 and 2015 years.

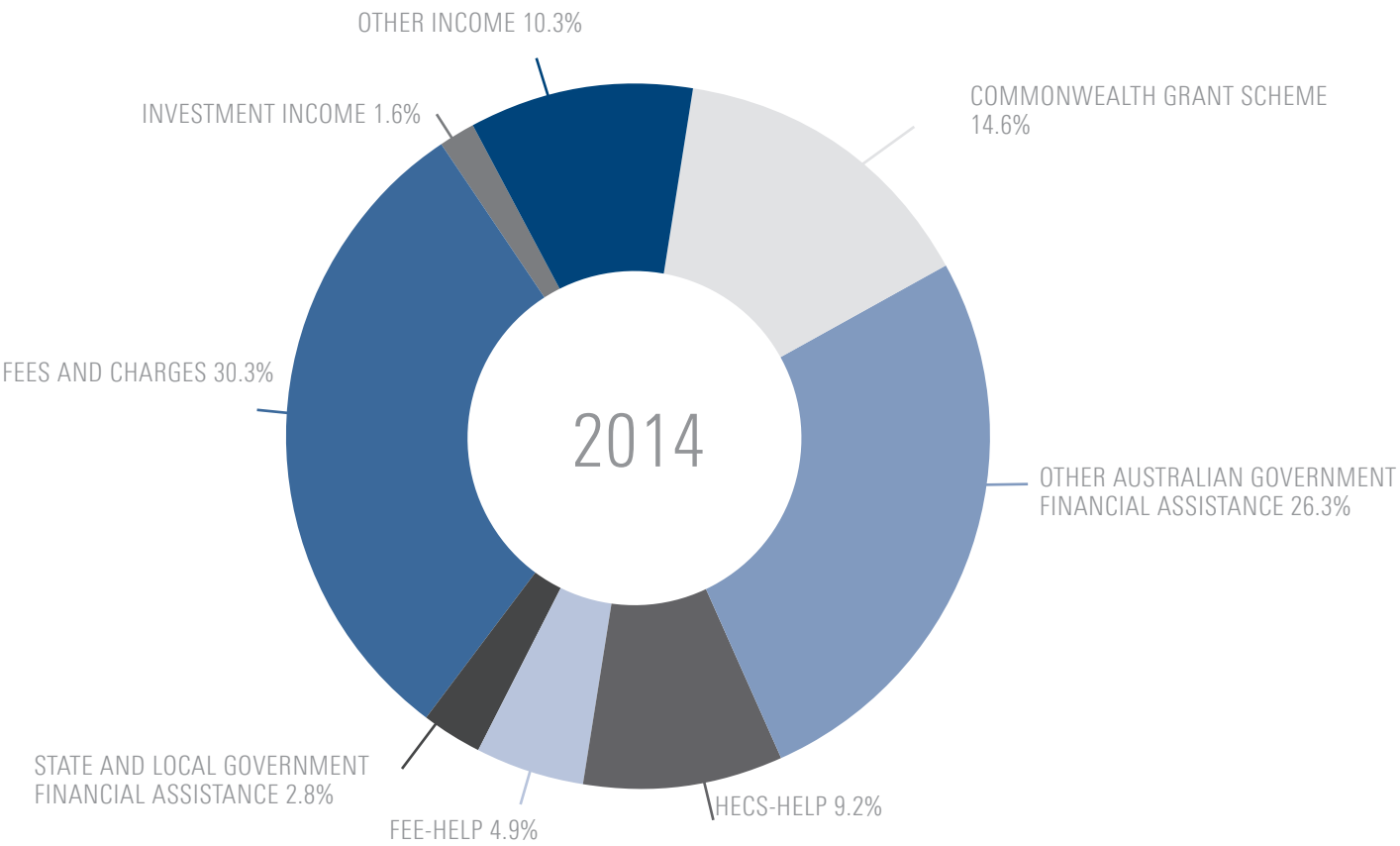
SOURCES OF UNDERLYING OPERATING INCOME



Note: Investment income shown above relates only to the portion that was earned on government grants and endowments. These amounts are included in underlying operating income as they must be expended on operating activities.

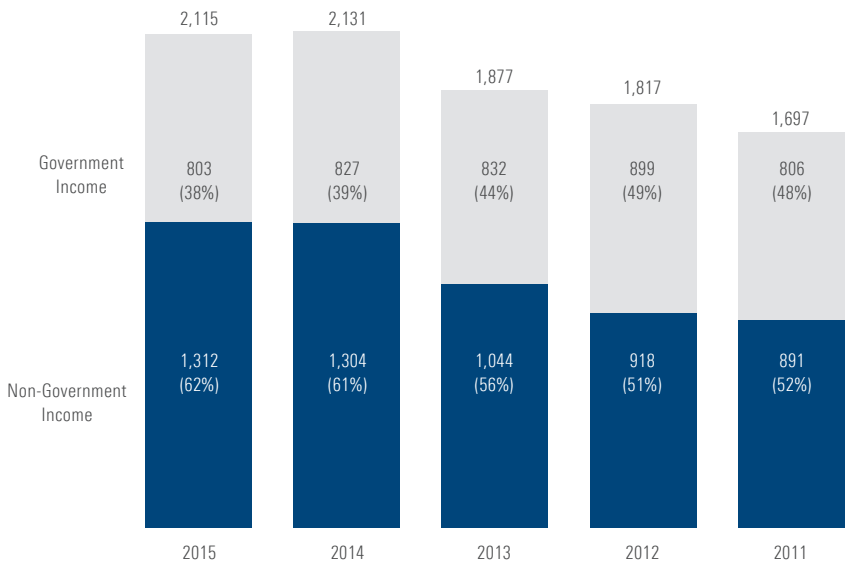
UNDERLYING OPERATING INCOME (CONTINUED)

SOURCES OF UNDERLYING OPERATING INCOME



Note: Investment income shown above relates only to the portion that was earned on government grants and endowments. These amounts are included in underlying operating income as they must be expended on operating activities.

The University receives income from a range of sources, including both government and non-government, with the proportion from government continuing to decline in relative terms. As illustrated below, government funding has over the past five years decreased as a proportion of total income, falling from 48% in 2011 to 38% in 2015. While government income growth was flat over the period, non-government sourced income returned a compound annual growth of 10.2%.



Note: Government income includes Commonwealth Grants Scheme, Other Australian Government Financial Assistance and State and Local Government Financial Assistance as shown in the Sources of Income and Expenditure table above.

STUDENT REVENUE MIX

The single largest proportion of income is generated from teaching and learning activities. Over the five year period 2011 to 2015, in line with the objectives of the Melbourne Curriculum the mix of undergraduate to postgraduate student revenue has moved from 70%/30% in 2011 to 50%/50% in 2015. In dollar terms postgraduate revenue has increased from \$222 million in 2011 to \$559 million in 2015 representing a 25.9% compound annual growth rate. This compares to a \$36 million increase or 1.8% compound annual growth rate over the same period for undergraduate student revenue.

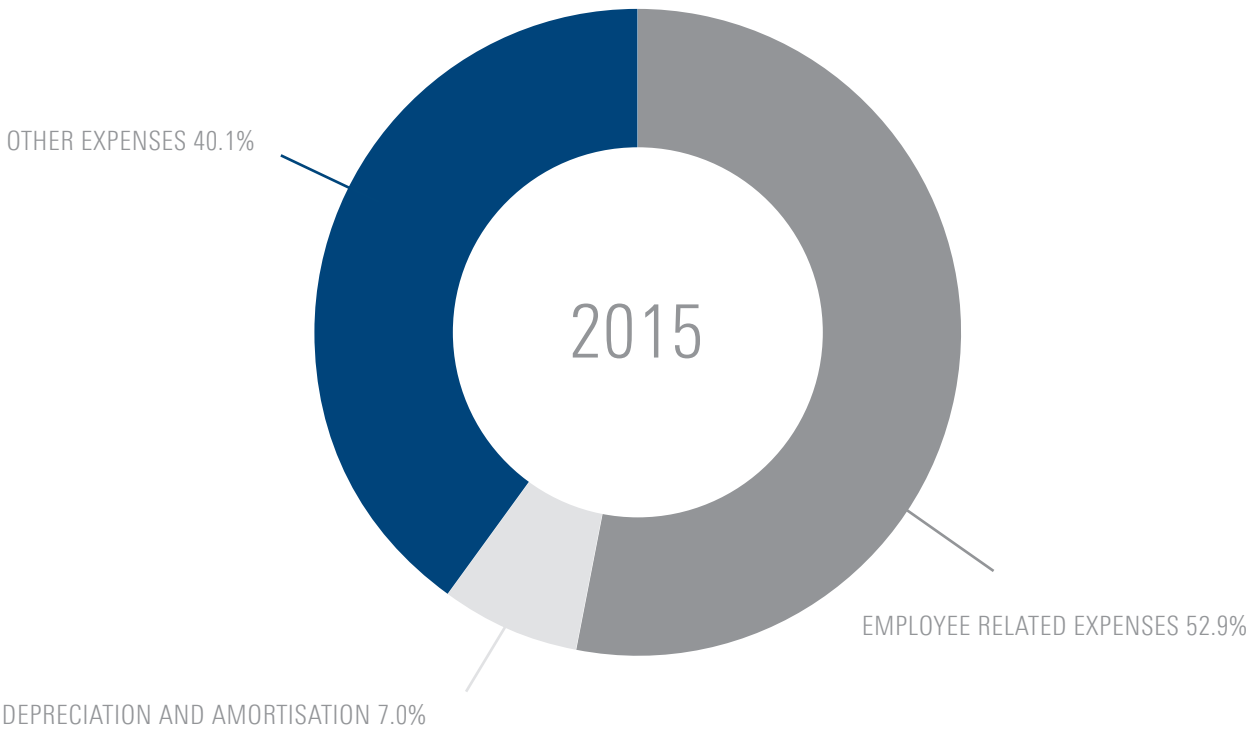
In addition, the mix of domestic to international student revenue has over the same period changed from 59%/41% in 2011 to 52%/48% in 2015, reflecting the increasingly global nature of the University’s activities. In dollar terms international revenue has increased from \$305 million in 2011 to \$521 million in 2015 representing a 14.3% compound annual growth rate. This compares to a \$156 million increase or 8.2% compound annual growth rate over the same period for domestic student revenue.

UNDERLYING OPERATING EXPENDITURE

Underlying operating expenditure for 2015 amounted to \$1,945.8 million, which was \$59.7 million or 3.2% higher than in 2014. The below charts include a breakdown by percentage of underlying operating expenditure for the 2014 and 2015 years.

Employee related expenses as a percentage of total underlying expenditure decreased in 2015 primarily due to the 2014 year including costs related to the implementation of the business improvement program. Excluding costs associated with this program, employee related expenditure increased by 3%. The increase in other expenditure of \$67.9 million (or 9.5%) from 2014 is mainly due to activities relating to impacts from increased student load.

SOURCES OF UNDERLYING OPERATING EXPENDITURE

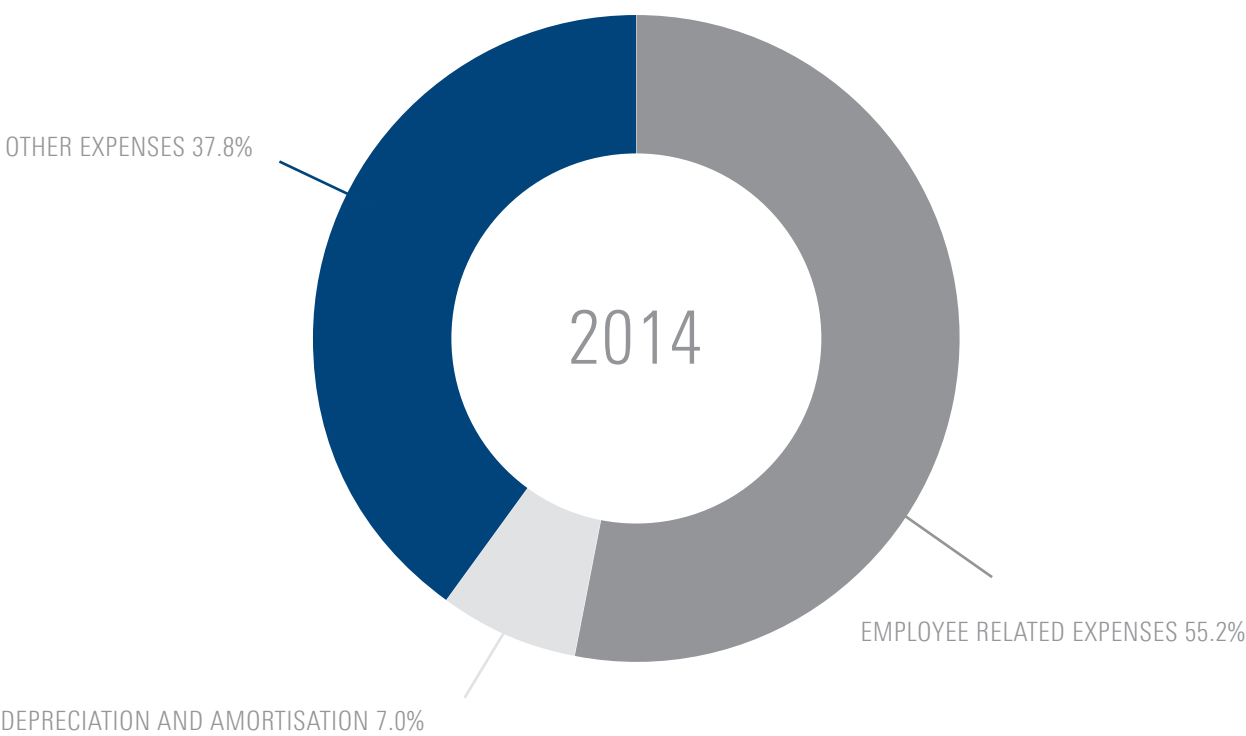


Note: Excluding costs associated with the Business Improvement program in 2014, Employee Related expenses were 54.0% of total Underlying Operating Expenditure. This compares with 52.9% in 2015.



UNDERLYING OPERATING EXPENDITURE (CONTINUED)

SOURCES OF UNDERLYING OPERATING EXPENDITURE



Note: Excluding costs associated with the Business Improvement program in 2014, Employee Related expenses were 54.0% of total Underlying Operating Expenditure. This compares with 52.9% in 2015.

In accordance with the requirements of the *Financial Management Act 1994* and associated Financial Reporting Directions, the University is required to provide details of expenditure on consultancies.

In 2015, there were 38 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015 in relation to these consultancies is \$18.2 million (excl. GST). Details of individual consultancies can be viewed at <http://www.unimelb.edu.au/publications/>. In 2015, there were 3 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2015 in relation to these consultancies is \$17,723 (excl. GST).

A detailed breakdown of expenditure is available in the notes to the financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant change to the state of affairs of the consolidated University group occurred in the year ended 31 December 2015:

Australia India Institute Private Limited was incorporated in India on 19 February 2015. This entity was established to provide programs on public health, energy, food, security skills and higher education, and to facilitate research partnerships between the countries.

There were no other significant changes in the state of affairs of the consolidated group in the year or the prior year.

EVENTS OCCURRING AFTER REPORTING DATE

On 17 February 2016, the University group issued the balance of its US Private Placement bonds amounting to AUD \$233 million. The financial effects of these transactions have not been brought to account at balance date.

There are no other matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the University or its subsidiaries.

AUDITOR-GENERAL’S QUALIFICATION

The Victorian Auditor-General has again qualified the University’s financial report on the grounds that unspent grants provided by the Federal and State governments received in advance as at 31 December 2015 have been treated as income in advance and recognised as a liability in the Statement of Financial Position. The University’s treatment of these payments is in accordance with Australian Accounting Standard AASB 118 Revenue. The University regards the receipt of these payments as a reciprocal transfer where the grants have outstanding performance or return conditions. Under these conditions the payment received in advance is not recognised until the University meets its obligations in the relevant year. The Auditor-General has again taken the view that these payments should be treated as income in the year of receipt and for that reason has qualified the University’s financial report. The University does not agree with the interpretation of the nature of the income.

## THE UNIVERSITY OF MELBOURNE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED		UNIVERSITY	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	764,382	773,703	760,795	770,234
HELP - Australian Government payments	2	254,746	236,297	254,746	236,297
State and Local Government financial assistance	3	39,898	53,267	39,783	53,182
HECS-HELP - student payments		30,864	33,030	30,864	33,030
Fees and charges	4	746,188	644,304	675,372	574,167
Investment revenue	5	110,200	88,649	104,743	83,315
Consultancy and contracts		55,879	83,105	69,931	78,232
Other revenue	6	159,448	133,886	154,872	138,086
Total income from continuing operations		2,161,605	2,046,241	2,091,106	1,966,543
Share of profit / (loss) of equity accounted investments		-	(3)	-	-
Other investment income	5	24,670	167,787	24,124	164,689
Total income from continuing operations		2,186,275	2,214,025	2,115,230	2,131,232
Expenses from continuing operations					
Employee related expenses	7	1,086,021	1,097,940	1,030,288	1,041,567
Depreciation and amortisation	17, 18	140,421	137,734	135,794	132,719
Repairs and maintenance		54,147	42,856	52,386	41,326
Finance costs	8	14,208	38,440	14,000	38,253
Impairment of assets (excluding available-for-sale financial assets)	9	354	2,820	515	(437)
Loss / (gain) on disposal of assets	10	(2,506)	3,771	(2,468)	521
Other expenses	11	738,917	690,438	729,272	670,740
Total expenses from continuing operations		2,031,562	2,013,999	1,959,787	1,924,689
Net result before impairment of available-for-sale financial assets		154,713	200,026	155,443	206,543
Impairment expense on available-for-sale financial assets	9	12,430	23,603	9,979	23,601
Net result for the year		142,283	176,423	145,464	182,942

The above Income Statement should be read in conjunction with the accompanying notes.

## THE UNIVERSITY OF MELBOURNE COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Net result for the year</b>		<b>142,283</b>	<b>176,423</b>	<b>145,464</b>	<b>182,942</b>
<b>Items that may be reclassified to profit or loss</b>					
Available-for-sale financial assets:					
- Valuation gain / (loss) taken to equity	24(a)	47,560	80,838	45,233	80,037
- Transferred to profit or loss on sale	24(a)	(26,007)	(158,255)	(25,736)	(158,255)
Valuation gain / (loss) on cash flow hedge	24(a)	(21,921)	-	(21,921)	-
Transfer of cash flow hedge to profit or loss on termination	24(a)	-	23,171	-	23,171
<b>Items that will not be reclassified to profit or loss</b>					
Gain / (loss) on revaluation of land and buildings	24(a)	25,060	108,090	-	104,025
Impairment losses on revalued land and buildings	24(a)	-	(21,796)	-	(21,796)
Gain / (loss) on revaluation of works of art	24(a)	44	-	44	-
Gain / (loss) on revaluation of other collections	24(a)	100,986	45,310	100,986	45,310
Increase / (decrease) deferred government contribution for superannuation	13(a)	(1,668)	(2,250)	(1,668)	(2,250)
(Increase) / decrease deferred government employee benefits for superannuation	13(a)	1,668	2,250	1,668	2,250
Other		(28)	(5)	-	(7)
<b>Total comprehensive income for the year</b>		<b>267,977</b>	<b>253,776</b>	<b>244,070</b>	<b>255,427</b>

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.



## THE UNIVERSITY OF MELBOURNE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		CONSOLIDATED		UNIVERSITY	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	295,119	208,034	250,174	163,541
Receivables	13	131,938	129,362	122,695	113,875
Other financial assets	14	8	115	-	
Other non-financial assets	15	24,617	21,423	24,533	18,729
Total current assets		451,682	358,934	397,402	296,145
Non-current assets					
Receivables	13	103,029	105,735	103,189	104,471
Other financial assets	14	1,537,689	1,473,414	1,479,212	1,417,890
Other non-financial assets	15	41,297	35,998	41,297	35,998
Investments accounted for using the equity method	16	7	7	-	-
Property, plant and equipment	17	3,955,010	3,804,251	3,792,338	3,666,483
Intangible assets	18	43,761	48,585	42,841	47,768
Total non-current assets		5,680,793	5,467,990	5,458,877	5,272,610
TOTAL ASSETS		6,132,475	5,826,924	5,856,279	5,568,755
LIABILITIES					
Current liabilities					
Trade and other payables	19	114,950	125,805	89,282	95,673
Borrowings	20	4,560	12,371	3,824	11,771
Provisions	21	197,983	223,936	190,218	215,560
Other liabilities	22	316,587	297,752	306,310	286,308
Total current liabilities		634,080	659,864	589,634	609,312
Non-current liabilities					
Borrowings	20	325,065	287,558	324,190	286,562
Provisions	21	134,393	134,967	133,283	134,090
Other liabilities	22	97,967	93,463	97,853	93,463
Other financial liabilities	23	21,921	-	21,921	-
Total non-current liabilities		579,346	515,988	577,247	514,115
TOTAL LIABILITIES		1,213,426	1,175,852	1,166,881	1,123,427
NET ASSETS		4,919,049	4,651,072	4,689,398	4,445,328
EQUITY					
Reserves	24(a)	3,401,514	3,195,251	3,230,556	3,051,180
Retained surplus	24(b)	1,517,535	1,455,821	1,458,842	1,394,148
TOTAL EQUITY		4,919,049	4,651,072	4,689,398	4,445,328

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## THE UNIVERSITY OF MELBOURNE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Reserves \$'000	Retained Surplus \$'000	Total \$'000
<b>Consolidated</b>			
<b>Balance at 1 January 2014</b>	<b>3,108,264</b>	<b>1,289,032</b>	<b>4,397,296</b>
Net result for the year	-	176,423	176,423
Other comprehensive income			
Gain/(loss) on revalued land and buildings	108,090	-	108,090
Impairment losses on revalued land and buildings	(21,796)	-	(21,796)
Gain/(loss) on revaluation of other collections	45,310	-	45,310
Available-for-sale financial assets:			
- Valuation gains/(losses) taken to equity	80,838	-	80,838
- Transferred to profit or loss on sale	(158,255)	-	(158,255)
Transfer of cash flow hedge to profit or loss on termination	23,171	-	23,171
Other transfers to profit or loss	(5)	-	(5)
<b>Total comprehensive income</b>	<b>77,353</b>	<b>176,423</b>	<b>253,776</b>
Net transfers	9,634	(9,634)	-
<b>Balance at 31 December 2014</b>	<b>3,195,251</b>	<b>1,455,821</b>	<b>4,651,072</b>
<b>Balance at 1 January 2015</b>			
<b>Balance at 1 January 2015</b>	<b>3,195,251</b>	<b>1,455,821</b>	<b>4,651,072</b>
Net result for the year	-	142,283	142,283
Other comprehensive income			
Gain/(loss) on revalued land and buildings	25,060	-	25,060
Gain / (loss) on revaluation of works of art	44	-	44
Gain/(loss) on revaluation of other collections	100,986	-	100,986
Available-for-sale financial assets:			
- Valuation gains/(losses) taken to equity	47,560	-	47,560
- Transferred to profit or loss on sale	(26,007)	-	(26,007)
Valuation gain / (loss) on cash flow hedge	(21,921)	-	(21,921)
Other transfers to profit or loss	(28)	-	(28)
<b>Total comprehensive income</b>	<b>125,694</b>	<b>142,283</b>	<b>267,977</b>
Net transfers	80,569	(80,569)	-
<b>Balance at 31 December 2015</b>	<b>3,401,514</b>	<b>1,517,535</b>	<b>4,919,049</b>
<b>University</b>			
<b>Balance at 1 January 2014</b>	<b>2,968,570</b>	<b>1,221,331</b>	<b>4,189,901</b>
Net result for the year	-	182,942	182,942
Other comprehensive income			
Gain/(loss) on revalued land and buildings	104,025	-	104,025
Impairment losses on revalued land and buildings	(21,796)	-	(21,796)
Gain/(loss) on revaluation of other collections	45,310	-	45,310
Available-for-sale financial assets:			
- Valuation gains/(losses) taken to equity	80,037	-	80,037
- Transferred to profit or loss on sale	(158,255)	-	(158,255)
Transfer of cash flow hedge to profit or loss on termination	23,171	-	23,171
Other transfers to profit or loss	(7)	-	(7)
<b>Total comprehensive income</b>	<b>72,485</b>	<b>182,942</b>	<b>255,427</b>
Net transfers	10,125	(10,125)	-
<b>Balance at 31 December 2014</b>	<b>3,051,180</b>	<b>1,394,148</b>	<b>4,445,328</b>
<b>Balance at 1 January 2015</b>			
<b>Balance at 1 January 2015</b>	<b>3,051,180</b>	<b>1,394,148</b>	<b>4,445,328</b>
Net result for the year	-	145,464	145,464
Other comprehensive income			
Gain / (loss) on revaluation of works of art	44	-	44
Gain/(loss) on revaluation of other collections	100,986	-	100,986
Available-for-sale financial assets:			
- Valuation gains/(losses) taken to equity	45,233	-	45,233
- Transferred to profit or loss on sale	(25,736)	-	(25,736)
Valuation gain / (loss) on cash flow hedge	(21,921)	-	(21,921)
<b>Total comprehensive income</b>	<b>98,606</b>	<b>145,464</b>	<b>244,070</b>
Net transfers	80,770	(80,770)	-
<b>Balance at 31 December 2015</b>	<b>3,230,556</b>	<b>1,458,842</b>	<b>4,689,398</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

THE UNIVERSITY OF MELBOURNE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

Note	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>				
Australian Government grants	978,983	982,971	978,983	982,971
OS-HELP	2,767	3,073	2,767	3,073
State and Local Government grants	45,311	57,105	45,195	57,019
HECS-HELP student payments	30,879	33,030	30,879	33,030
Dividends received	100,895	73,385	96,498	69,258
Interest received	8,644	10,029	7,584	8,780
Receipts of student and other fee-for-service activities	816,182	648,851	745,829	578,730
Other operating inflows	199,225	223,002	208,503	222,650
Payments to employees	(1,077,602)	(1,078,901)	(1,022,668)	(1,022,911)
Payments to suppliers (inclusive of GST)	(637,051)	(553,322)	(596,214)	(503,695)
Interest and other cost of finance paid	(14,102)	(13,135)	(13,894)	(12,948)
Termination of interest rate swap	-	(25,305)	-	(25,305)
GST recovered / (paid)	(6,678)	258	(6,568)	419
Other operating outflows	(205,922)	(205,256)	(238,812)	(227,662)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>32</b>	<b>241,531</b>	<b>238,082</b>	<b>163,409</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of assets	13,873	10,427	13,816	10,425
Proceeds from sale of other financial assets	163,357	1,065,649	162,841	1,054,940
Other investing inflows	4,472	4,206	-	-
Payments for property, plant and equipment	(155,745)	(174,438)	(151,579)	(171,443)
Payments for other financial assets	(193,059)	(1,176,473)	(190,472)	(1,169,641)
Payments for intangible assets	(15,909)	(16,145)	(15,475)	(15,516)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(183,011)</b>	<b>(286,774)</b>	<b>(180,869)</b>	<b>(291,235)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	42,931	249,478	42,971	249,478
Other financing inflows	-	699	-	-
Loans granted	(2,119)	(2,142)	(2,159)	(2,498)
Repayment of borrowings	(3,236)	(121,666)	(3,196)	(121,666)
Repayment of finance leases	(815)	(3,053)	-	(2,123)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>36,761</b>	<b>123,316</b>	<b>37,616</b>	<b>123,191</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>95,281</b>	<b>(7,673)</b>	<b>94,829</b>	<b>(4,635)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>199,838</b>	<b>207,511</b>	<b>155,345</b>	<b>159,980</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	<b>295,119</b>	<b>199,838</b>	<b>155,345</b>

The above Cashflow Statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the University of Melbourne in the preparation of the financial report for the year ended 31 December 2015 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 an individual 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: Grattan Street, Parkville, Victoria 3010, Australia.

1.1 BASIS OF PREPARATION

The annual financial statements represent the audited general purpose financial statements of the University of Melbourne. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

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

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

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

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.

Functional currency

The Group financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Critical accounting estimates

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 the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described below:

(i) Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The Group's impairment policies are set out in Note 1.9 for financial assets and Note 1.14 for non-financial assets.

(ii) Key estimates – determination of fair values

Financial assets and liabilities

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

The fair value of financial instruments traded in active markets is based on quoted market prices. The quoted market price used for financial assets held by the Group is the closing market price at balance sheet date. The determination of fair values for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Property, plant and equipment

Land and buildings are valued by an external valuer on a cyclical basis, or earlier if there is a material movement. Works of art and other collections are valued by management on a cyclical basis based on a combination of internal and external expert advice.

(iii) Key estimates – useful lives of physical and intangible assets

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(iv) Key judgements – asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- a) In designating financial assets at fair value through profit or loss, the Group has determined that it has met one of the criteria for this designation set out in Note 1.8 (i).
- b) The Group classifies financial assets as held-to-maturity where it has determined that it has both the positive intention and ability to hold the assets until their maturity date, as required in Note 1.8 (iii).
- c) In determining whether income is reciprocal in nature the Group has determined it has met the criteria set out in Note 1.4 (i).
- d) In determining the treatment of the service concession arrangement the Group has determined the lease over the land to be an operating lease.

1.2 PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power exists when the Group has existing rights that give it the current ability to direct the relevant activities of the entity. The financial



## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**(ii) Transactions eliminated on consolidation**

Intercompany transactions and balances, and any unrealised income and expenses arising from transactions between consolidated entities are eliminated. Unrealised gains on transactions between the Group and its associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**1.3 FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency differences from such transactions and from the translation at year end exchange rates of monetary assets and liabilities are recognised in profit or loss.

Foreign currency differences arising from qualifying cash flow hedges are recognised in equity to the extent that the hedges are effective. See Note 33 for the Group's foreign currency risk management policies.

**1.4 REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

**(i) Government financial assistance**

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group has complied with the attached conditions. Such grants are treated as non-reciprocal transfers in accordance with AASB 1004 Contributions.

Government grants which have outstanding performance or return conditions are recognised in accordance with AASB 118 *Revenue* with reference to the percentage of completion method. The stage of

completion is measured by reference to total expenditure incurred to date compared with the funding provided. The University regards the receipt of such revenue as a reciprocal transfer as the University is required to provide the necessary services in return for grant funding. A liability is recognised in the Statement of Financial Position in respect of grant revenue which is unearned at the balance date.

**(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 assessment date of the student.

**(iii) Fees and charges**

Fee-for-service revenue is recognised upon the delivery of the service. Where 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 income in advance in accordance with AASB 118 *Revenue*.

**(iv) Investment revenue**

Dividend revenue from investments is recognised when the Group's right to receive payment has been established. Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

**(v) Other**

Revenue in the form of endowments and bequests is brought to account when received.

All revenue is stated net of Goods and Services Tax (GST).

**1.5 INCOME TAX**

The University of Melbourne and its subsidiaries are exempt from income tax pursuant to Part 50.1 of the *Income Tax Assessment Act 1997*.

**1.6 CASH AND CASH EQUIVALENTS**

In the Statement of Cash Flows, cash and cash equivalents include cash on hand and at bank, at-call deposits, bank bills

with a maturity of 90 days or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 TRADE RECEIVABLES**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less any provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

**(i) Impaired trade receivables**

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impaired receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. There is objective evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation; and
- default or delinquency in payments (more than 90 days overdue).

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial. Movements in the balance of the allowance are recognised in profit or loss. Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

**1.8 FINANCIAL ASSETS**

The Group classifies financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification of investments depends on the purpose for which they were acquired. The classification of investments is determined by management at initial recognition and is re-evaluated at each reporting date, where applicable.

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the Income Statement in the period in which they arise.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when an entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where management has the positive intention and ability to hold to maturity. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets, comprising principally marketable equity

securities, are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless either management intends to dispose of the investment or the settlement date of the investment is within twelve months of the balance sheet date.

Purchases and sales of investments are recognised on the trade date i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets 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.

Unrealised gains and losses arising from changes in the fair value are recognised in equity in the available-for-sale financial assets revaluation reserve. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the Income Statement.

**(v) Other investments**

Investments in other unlisted entities are carried at fair value. Where a fair value is not readily available, investments are carried at the lower of cost or recoverable amount.

**1.9 IMPAIRMENT OF FINANCIAL ASSETS**

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Financial assets measured at amortised cost are assessed for impairment at both an individual asset and a collective level. Impairment losses are recognised in the income statement.

In the case of available-for-sale financial assets, a significant or prolonged decline

in the fair value of an asset below its cost is considered to indicate impairment. The University has assumed in its impairment assessment that a significant decline in fair value occurs when market value has declined by greater than 20% below historical cost, and a prolonged decline occurs when market value remains below historical cost for more than nine months.

If any such evidence of impairment exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

**1.10 FAIR VALUE MEASUREMENT**

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

The fair value of assets or liabilities traded in active markets (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 most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The level in the fair value hierarchy shall be 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 price 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 fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar asset or liabilities.

Assets and liabilities are classified using a fair value hierarchy reflecting the significance of inputs used in making the measurements, as outlined above in this note.

Refer to Note 34(b) fair value hierarchy levels.

**1.11 PROPERTY, PLANT AND EQUIPMENT**  
Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The University has a policy of capitalising property, plant and equipment costing \$10,000 or more. Items under \$10,000 are expensed, with exception to Works of Art, Library and Other Collections which are capitalised. Some subsidiaries have lower capitalisation thresholds, however the overall effect of these is considered to be not significant. There has been no change to the capitalisation threshold from the prior year.

**(i) Land and buildings**  
Land and buildings are initially recorded in the Statement of Financial Position at cost, which is considered to equate to fair value.

Subsequent to initial recognition, land and buildings are valued by an external valuer

on a cyclical basis unless there is a material movement between valuations. At the date of revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset. The net value is then restated to the revalued amount of the asset.

Fair value for the purposes of the Group’s buildings is depreciated replacement cost unless specific circumstances dictate otherwise.

Formal revaluations are performed every five years by independent valuers. The carrying value of land and building is reviewed to assess whether there has been a material change in the valuation of land and buildings that is required to be recorded in the financial statements.

**(ii) Works of Art & Other Collections**  
The University’s works of art and other collections are measured on a fair value basis and are valued on a cyclical basis unless there is a material movement between valuations. A five year rolling valuation plan is in place for valuing these collections.

**(iii) Library collection**  
The University’s general library collection, which excludes the rare book collection and electronic publications, is recorded at cost less any accumulated depreciation and, where applicable, any impairment losses.

**(iv) Plant and equipment**  
The University’s plant and equipment, which includes motor vehicles, furniture and all equipment with exception to leased equipment is recorded in the Statement of Financial Position at cost less depreciation and, where applicable, any impairment losses.

**(v) Leasehold improvements**  
Leasehold improvements are recorded in the Statement of Financial Position at cost less amortisation and, where applicable, any impairment losses.

**(vi) Leased plant and equipment**  
Plant and equipment held under a finance lease arrangement is initially recorded in the Statement of Financial Position at the

lower of the fair value of the leased plant and equipment and the present value of minimum lease payments, and is depreciated over the shorter of the asset’s useful life and the lease term.

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

**(viii) Subsequent costs**  
Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the Income Statement in the period in which they are incurred.

**(ix) Depreciation**  
Depreciation is provided on a straight line basis on all tangible fixed assets other than land, construction in progress, works of art and other collections, none of which are depreciated.

The University’s depreciation rates are:  
Buildings  
» Structure/shell/building fabric 2.5%  
» Site engineering services and central plant 4%  
» Fit out 8%  
» Trunk reticulated building systems 5%

Plant and equipment  
» Motor vehicles 20%  
» Furniture 10%  
» General equipment 25%  
» Scientific equipment  
- Large research equipment 20%  
- Other scientific equipment 33.33%  
» Computing equipment 33.33%

Leasehold improvements (amortised over the term of the lease)  
» Leased plant and equipment 25%

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Library collection  
» Monographs 5%  
» Periodicals 3.33%  
» Audio-visual materials 20%

There were no changes to depreciation rates in 2015. Depreciation rates used by some subsidiaries vary slightly from the rates stated above, however the effect of these differences is considered to be not significant.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Acquisitions are depreciated from the date of purchase; disposals are depreciated up to the date of sale or when classified as held-for-sale.

**1.12 INTANGIBLE ASSETS**  
**(i) Research**  
Expenditure on research activities is recognised in the Income Statement as an expense when it is incurred.

**(ii) Software**  
Major computer software is recorded in the Statement of Financial Position at cost less amortisation and, where applicable, any impairment losses. With exception to the research phase of development, all allowable costs are capitalised in the year they are incurred. Amortisation is provided on a straight line basis at rates between 14.29% and 33.33% (2014: between 14.29% and 33.33%).

**(iii) Electronic Publications**  
Electronic publications are acquired from third parties and capitalised and amortised on a straight line basis. The amortisation rate for electronic publications is 25% (2014: 25%).

**1.13 REVALUATION OF NON-CURRENT ASSETS**  
Subsequent to initial recognition, non-current physical assets, other than plant and equipment, leasehold improvements, the library collection and intangible assets are measured at fair value. In accordance with the not-for-profit requirements of AASB 116, revaluation increments are credited directly to the asset revaluation

reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised as income in the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to retained earnings on de-recognition of the relevant asset but retained within the asset revaluation reserve.

**1.14 IMPAIRMENT OF NON-FINANCIAL ASSETS**  
At each reporting date, all assets except for those held at fair value including inventories, assets arising from employee benefits and financial instrument assets are assessed to determine whether there is any indication of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying amount exceeds the recoverable amount, and the difference is written-off by a charge to the Income Statement except to the extent that the write-down can be debited to an asset revaluation reserve applicable to that class of asset.

At each reporting date, assets previously determined to be impaired are assessed for circumstances indicating that an impairment loss recognised in prior periods no longer exists or may have decreased. If there is an indication that the impairment loss has been reversed, the assets concerned are tested as to whether the recoverable amount exceeds the carrying amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1.15 TRADE AND OTHER PAYABLES**  
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days commencing from the month following recognition.

**1.16 BORROWINGS**  
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 removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

**1.17 BORROWING COSTS**  
Borrowing costs including those incurred for the construction of any qualifying asset are expensed during the period of time that is required to complete and prepare the asset for its intended use or sale.

**1.18 EMPLOYEE BENEFITS**  
**(i) Short-term obligations**  
Provision is made for the liability for employee benefits, including wages, annual leave and long service leave, arising from services rendered by employees at the reporting date. Employee benefits which are expected to be wholly settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

**(ii) Other long-term obligations**  
Employee benefits not expected to be wholly settled within 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. Liabilities for long service leave are measured using the projected unit credit



NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

method which measures the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The discount rate of 2.5% (2014: 2.92%) is based on the average Indicative Mid Rates of Commonwealth Government Securities. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Superannuation

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

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date. The group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of termination benefits.

1.19 PROVISIONS

(i) WorkCover Provision

The University is a Self Insurer for Workers’ Compensation and WorkCover. A provision is recognised representing an estimate of the total outstanding liability for workers’ compensation claims. The value of the provision is based on an actuarial assessment carried out at balance date.

(ii) Other Provisions

Other provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the balance sheet date.

1.20 DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the Income Statement as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Refer to Note 23 for derivatives recognised.

1.21 CAPITAL CONTRIBUTIONS TO BUILDINGS

(i) Contributions received

Contributions from third parties towards the construction of buildings in exchange for the right to occupy space are netted against expenditure in construction in progress. Upon completion contributions received are recognised as rental in advance, classified as a current and non-current liability and amortised over the period of the lease .

(ii) Contributions made

Contributions made by the Group to third parties towards the construction of buildings in exchange for the right to occupy space are included in prepayments. Upon completion the rental prepayment is classified as current and non-current and amortised over the period of the lease.

1.22 SERVICE CONCESSION ARRANGEMENTS

The University entered into an arrangement where student accommodation will be constructed and operated by a private sector body on University land under a 38 year lease. The 648 bed student accommodation facility is due to open in early 2016. Under the terms of the project deed, ownership of the student accommodation facility will be acquired by the University on expiry of the 38 year lease.

The student accommodation facility will not be recognised as an asset until ownership passes to the University at the expiry of the 38 year lease. The lease for the land is classified as an operating lease as lessor in accordance with AASB 117 Leases.

1.23 GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented on a net basis in the Statement of Cash Flows with the net cash inflow/ (outflow) to/from the ATO being recorded separately. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.24 LEASES

(i) Operating leases as lessee

The Group leases certain land and buildings. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

(ii) Operating leases as lessor

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

(iii) Finance leases

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 inception of the lease 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 Current and Non-Current Borrowings. Each lease payment is allocated between the liability and the 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. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset’s useful life and the lease term.

1.25 ROUNDING

All amounts shown in the financial statements are expressed by reference to the nearest thousand dollars unless otherwise specified.

1.26 CHANGES IN COMPARATIVES

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in

presentation adopted in the current year.

1.27 CHANGES TO ACCOUNTING POLICY AND ESTIMATES

There were no changes to the University’s accounting policies and / or estimates during the year.

1.28 APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Amendments to AASBs and new Interpretations that are mandatorily effective for the current year

There are no new and revised Standards and Interpretations adopted in these financial statements materially affecting the reporting results or financial position, that were effective for the current annual reporting period.

New and revised AASBs and Interpretations effective for the current annual reporting year are set out below.

New standards or amendments	Effective date
Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	1 July 2014
Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 Cycle – various standards	1 July 2014
Amendments to Australian Accounting Standards – Annual Improvements 2011-2013 Cycle – various standards	1 July 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<b>Standards and Interpretations in issue not yet adopted</b>	2015. They are available for early adoption, but have not been applied in preparing this financial report. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. Application may result	in material changes to the Group’s future financial reports, however the quantitative effects of the Group adopting these standards has not yet been determined.
At the date of this report certain new Accounting Standards and Interpretations have been published that are not mandatory for the financial year ending 31 December		

Standard or Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Withdrawal of AASB 1031 Materiality	1 July 2015	31 December 2016
IFRS 14 Regulatory Accounts	1 January 2016	31 December 2016
Clarification of Acceptable methods of Depreciation and Amortisation (AASB 2014-4 Amendments to Australian Accounting Standards)	1 January 2016	31 December 2016
Annual Improvements to Australian Accounting Standards 2012-2014 Cycle – various standards	1 January 2016	31 December 2016
Disclosure Initiative: Amendments to AASB 101	1 January 2016	31 December 2016
AASB 9 Financial Instruments replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139.	1 January 2018	31 December 2018
AASB 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance.	1 January 2018	31 December 2018

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 9 and AASB 15.

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

NOTE 2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP

		CONSOLIDATED		UNIVERSITY	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(a) Commonwealth Grants Scheme (CGS) and Other Grants</b>					
Commonwealth Grant Scheme *		265,939	255,259	265,939	255,259
Partnership and Participation Program **		2,003	2,570	2,003	2,570
Superannuation Supplementation		8,244	9,189	8,244	9,189
National Institutes		5,377	5,349	5,377	5,349
Improving the Quality of Maths & Science Teaching		897	1,189	897	1,189
Other		1,237	2,475	1,237	2,475
<b>Total Commonwealth Grant Scheme and Other Grants</b>	<b>35.1</b>	<b>283,697</b>	<b>276,031</b>	<b>283,697</b>	<b>276,031</b>
<b>(b) Higher Education Loan Programs</b>					
HECS-HELP		150,493	140,165	150,493	140,165
FEE-HELP		100,893	92,734	100,893	92,734
SA-HELP	<b>35.8</b>	3,360	3,398	3,360	3,398
<b>Total Higher Education Loan Programs</b>	<b>35.2</b>	<b>254,746</b>	<b>236,297</b>	<b>254,746</b>	<b>236,297</b>
<b>(c) Scholarships</b>					
Australian Postgraduate Awards		27,634	28,153	27,634	28,153
International Postgraduate Research Scholarships		2,211	2,318	2,211	2,318
Other		214	265	214	265
<b>Total scholarships</b>	<b>35.3</b>	<b>30,059</b>	<b>30,736</b>	<b>30,059</b>	<b>30,736</b>
<b>(d) Education research grants</b>					
Joint Research Engagement Program		33,091	33,826	33,091	33,826
Research Training Scheme		68,081	70,923	68,081	70,923
JRE Engineering Cadetship		-	403	-	403
Research Infrastructure Block Grants		30,564	30,688	30,564	30,688
Sustainable Research Excellence in Universities		24,612	22,922	24,612	22,922
<b>Total Education research grants</b>	<b>35.4</b>	<b>156,348</b>	<b>158,762</b>	<b>156,348</b>	<b>158,762</b>
<b>(e) Capital funding</b>					
Education Investment Fund		3,974	13,673	3,974	13,673
<b>Total capital funding</b>	<b>35.5</b>	<b>3,974</b>	<b>13,673</b>	<b>3,974</b>	<b>13,673</b>

\* Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.  
\*\* Includes Equity Support Program.



NOTE 2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP (CONT.)

		CONSOLIDATED		UNIVERSITY	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(f) Australian Research Council (ARC) funding</b>					
<b>(f)(i) Discovery</b>					
Project		24,478	32,341	24,478	32,341
Fellowships #		24,036	20,299	24,036	20,299
Indigenous Researchers Development		321	228	321	228
<b>Total Discovery</b>	<b>35.6(a)</b>	<b>48,835</b>	<b>52,868</b>	<b>48,835</b>	<b>52,868</b>
<b>(f)(ii) Linkages</b>					
Projects		11,373	3,165	11,373	3,165
Other		5,921	922	5,921	922
<b>Total Linkages</b>	<b>35.6(b)</b>	<b>17,294</b>	<b>4,087</b>	<b>17,294</b>	<b>4,087</b>
<b>(f)(iii) Networks and Centres</b>					
Centres		5,884	978	5,884	978
<b>Total networks and centres</b>	<b>35.6(c)</b>	<b>5,884</b>	<b>978</b>	<b>5,884</b>	<b>978</b>
<b>Special research initiatives</b>		<b>7,874</b>	<b>10,108</b>	<b>7,874</b>	<b>10,108</b>
<b>Total ARC funding</b>		<b>79,887</b>	<b>68,041</b>	<b>79,887</b>	<b>68,041</b>
<b>(g) Other Australian Government financial assistance</b>					
National Health & Medical Research Council		102,101	100,791	102,101	100,791
Other Commonwealth research funding		58,507	59,760	58,507	59,760
Other Commonwealth non-research funding		49,809	65,909	46,222	62,440
<b>Total other Australian Government financial assistance</b>		<b>210,417</b>	<b>226,460</b>	<b>206,830</b>	<b>222,991</b>
<b>Total Australian Government Financial Assistance</b>		<b>1,019,128</b>	<b>1,010,000</b>	<b>1,015,541</b>	<b>1,006,531</b>
<b>Reconciliation</b>					
Australian Government grants [a + c + d + e + f + g]		764,382	773,703	760,795	770,234
HECS-HELP payments		150,493	140,165	150,493	140,165
FEE-HELP payments		100,893	92,734	100,893	92,734
SA-HELP payments		3,360	3,398	3,360	3,398
<b>Total Australian Government financial assistance</b>		<b>1,019,128</b>	<b>1,010,000</b>	<b>1,015,541</b>	<b>1,006,531</b>
<b>h) Australian Government grants received - cash basis</b>					
CGS and Other Education Grants	35.1	284,197	276,031	284,197	276,031
Higher Education Loan Programs	35.2	260,202	234,580	260,202	234,580
Scholarships	35.3	29,830	30,387	29,830	30,387
Education research	35.4	156,883	158,762	156,883	158,762
ARC grants - Special Research Initiatives	35.6(c)	3,446	12,601	3,446	12,601
ARC grants - Discovery	35.6(a)	48,293	56,778	48,293	56,778
ARC grants - Linkages	35.6(b)	16,448	14,905	16,448	14,905
ARC grants - Networks and centres	35.6(c)	7,132	7,006	7,132	7,006
Other Australian Government grants		172,552	191,921	172,552	191,921
<b>Total Australian Government grants received - cash basis</b>		<b>978,983</b>	<b>982,971</b>	<b>978,983</b>	<b>982,971</b>
OS-Help	35.7	2,767	3,073	2,767	3,073
<b>Total Australian Government funding received - cash basis</b>		<b>981,750</b>	<b>986,044</b>	<b>981,750</b>	<b>986,044</b>

# Includes Early Career Research Award

NOTE 3 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

		CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Non-Capital Research funding		26,735	36,152	26,735	36,152
Non-Capital Other non-research funding		12,108	14,276	12,097	14,277
Capital funding		1,055	2,839	951	2,753
<b>Total State and Local Government financial assistance</b>		<b>39,898</b>	<b>53,267</b>	<b>39,783</b>	<b>53,182</b>

NOTE 4 FEES AND CHARGES

		CONSOLIDATED		UNIVERSITY	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		530,148	440,621	526,899	436,041
Continuing education *		6,688	8,051	2,249	2,209
Fee-paying domestic postgraduate students *		49,968	47,668	40,995	39,045
Fee-paying domestic undergraduate students *		2,027	2,252	2,027	2,252
Other domestic course fees and charges		46,146	39,029	6,581	2,995
Sundry fees		16,270	10,284	15,780	8,777
<b>Total course fees and charges</b>		<b>651,247</b>	<b>547,905</b>	<b>594,531</b>	<b>491,319</b>
<b>Other non-course fees and charges</b>					
Student services and amenities fees from students	35.8	4,995	6,641	4,983	6,641
Hospital shared services fees		3,958	7,431	3,958	7,431
Parking fees		8,007	6,476	8,007	6,476
Rent / Use of facilities charges		18,737	21,132	13,612	15,556
Student accommodation charges		8,970	8,341	8,970	8,341
Testing services		6,737	8,028	6,737	8,028
Veterinary Hospital services		11,545	10,502	11,545	10,502
Other		31,992	27,848	23,029	19,873
<b>Total other non-course fees and charges</b>		<b>94,941</b>	<b>96,399</b>	<b>80,841</b>	<b>82,848</b>
<b>Total fees and charges</b>		<b>746,188</b>	<b>644,304</b>	<b>675,372</b>	<b>574,167</b>

\* Course fees and charges are net of FEE-HELP payments which are disclosed in Note 2(b).

## NOTE 5 INVESTMENT REVENUE AND INCOME

Note	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Investment revenue</b>				
Interest	7,017	8,219	5,957	7,035
Dividends	101,523	78,382	97,126	74,254
Other investment revenue	1,660	2,048	1,660	2,026
<b>Total investment revenue</b>	<b>110,200</b>	<b>88,649</b>	<b>104,743</b>	<b>83,315</b>
<b>Other investment income</b>				
Realised gains / (losses) on disposal of investments	(1,562)	9,336	(1,612)	6,434
Transfer of gains / (losses) from equity on disposal of available-for-sale financial assets **	24(a) 26,007	158,255	25,736	158,255
Other investment income	225	196	-	-
<b>Total other investment income</b>	<b>24,670</b>	<b>167,787</b>	<b>24,124</b>	<b>164,689</b>
<b>Total investment revenue and income</b>	<b>134,870</b>	<b>256,436</b>	<b>128,867</b>	<b>248,004</b>

\*\* In 2014 the University restructured its investment portfolio, which resulted in a non-recurring increase in gains realised in the 2014 financial year, transferred from equity through the capture of gains built up over a number of years. This gain is recognised in line with accounting standards; however it did not have any impact on the value of the portfolio or cash flow at the time of execution. There were no such restructures in 2015.

## NOTE 6 OTHER REVENUE

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Donations and bequests	52,802	47,496	51,637	46,368
Non-government grants	58,067	51,982	57,384	51,862
Commercial sales	30,984	21,332	27,112	17,627
Other revenue	17,595	13,076	18,739	22,229
<b>Total other revenue</b>	<b>159,448</b>	<b>133,886</b>	<b>154,872</b>	<b>138,086</b>

## NOTE 7 EMPLOYEE RELATED EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Academic</b>				
Salaries	453,976	429,679	445,217	420,583
Contributions to superannuation and pension schemes	67,669	63,966	66,881	63,121
Payroll tax	24,690	23,038	24,165	22,431
Workers' compensation	2,468	2,326	2,461	2,319
Long service leave expense	10,546	14,076	10,410	13,931
Annual leave	34,413	34,736	34,266	34,243
Other	1,966	380	1,497	316
<b>Total academic</b>	<b>595,728</b>	<b>568,201</b>	<b>584,897</b>	<b>556,944</b>
<b>Non-academic</b>				
Salaries	370,860	361,451	337,412	329,679
Contributions to superannuation and pension schemes	49,138	49,192	45,677	45,878
Payroll tax	19,365	19,382	17,595	17,633
Workers' compensation	1,813	2,116	1,726	1,934
Long service leave expense	9,668	12,627	8,885	11,869
Annual leave	28,216	30,242	27,536	28,667
Other*	11,233	54,729	6,560	48,963
<b>Total non-academic</b>	<b>490,293</b>	<b>529,739</b>	<b>445,391</b>	<b>484,623</b>
<b>Total employee related expenses</b>	<b>1,086,021</b>	<b>1,097,940</b>	<b>1,030,288</b>	<b>1,041,567</b>
<b>Employee numbers</b>				
<b>Full-time equivalent staff numbers</b>	<b>7,338</b>	<b>7,163</b>	<b>6,796</b>	<b>6,714</b>

\* Other employee related expenses in 2014 included significant restructure costs. Restructure costs provided for at balance date are disclosed in Note 21.

## NOTE 8 FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest expense	14,106	12,846	14,000	12,757
Termination of interest rate swap	-	25,305	-	25,305
Finance charges in respect of finance leases	102	289	-	191
<b>Total finance costs</b>	<b>14,208</b>	<b>38,440</b>	<b>14,000</b>	<b>38,253</b>

## NOTE 9 IMPAIRMENT OF ASSETS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Bad and doubtful debts	279	(116)	227	(492)
Impairment of other investments	73	(242)	286	116
Other impairment losses	2	3,178	2	(61)
<b>Impairment of assets excl. available-for-sale financial assets</b>	<b>354</b>	<b>2,820</b>	<b>515</b>	<b>(437)</b>
Impairment of available-for-sale financial assets	12,430	23,603	9,979	23,601
<b>Total impairment of assets</b>	<b>12,784</b>	<b>26,423</b>	<b>10,494</b>	<b>23,164</b>

## NOTE 10 LOSS / (GAIN) ON DISPOSAL OF ASSETS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Carrying amount of disposed assets	11,497	14,067	11,478	10,816
Proceeds from sale of assets	(14,003)	(10,296)	(13,946)	(10,295)
<b>Net loss / (gain) on disposal of assets</b>	<b>(2,506)</b>	<b>3,771</b>	<b>(2,468)</b>	<b>521</b>

## NOTE 11 OTHER EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Scholarships, grants and prizes	159,985	161,978	182,231	183,019
Non-capitalised equipment	18,080	15,723	18,046	15,650
Advertising, marketing and promotional expenses	12,186	13,001	7,826	7,615
Computer software and services	34,238	35,713	32,530	33,560
Consumable materials	54,684	44,752	53,785	43,997
Contracted and professional services	206,495	176,023	209,714	174,505
Course fees paid	58,404	49,157	58,397	49,155
Program and course development, preparation and delivery services	7,250	28,142	-	-
Rent and leasing payments	25,432	20,821	24,405	18,655
Travel, staff development and training	56,603	48,662	52,605	44,784
Utilities and services	49,038	54,283	47,444	52,108
Other expenses	56,522	42,183	42,289	47,692
<b>Total other expenses</b>	<b>738,917</b>	<b>690,438</b>	<b>729,272</b>	<b>670,740</b>

## NOTE 12 CASH AND CASH EQUIVALENTS

	Note	CONSOLIDATED		UNIVERSITY	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank		262,363	173,607	246,100	153,628
Petty cash floats		114	181	74	145
Deposits at call / term deposits		32,642	34,246	4,000	9,768
<b>Cash and cash equivalents in the statement of financial position</b>		<b>295,119</b>	<b>208,034</b>	<b>250,174</b>	<b>163,541</b>
Bank overdraft	20	-	(8,196)	-	(8,196)
<b>Total cash and cash equivalents in the statement of cashflows</b>		<b>295,119</b>	<b>199,838</b>	<b>250,174</b>	<b>155,345</b>

## (a) Cash at Bank and Petty Cash Floats

Cash at bank generally earns interest in line with the Reserve Bank of Australia cash rate. During the year, interest was earned at rates between 2.0% and 2.6% (2014: 2.5% and 2.6%). Petty Cash Floats are non-interest bearing.

## (b) Deposits at Call / Term Deposits

Deposits at Call and Term Deposits are bearing floating interest rates between 2.0% and 3.0% (2014: 2.4% and 3.6%). These deposits have an average maturity of 127 days (2014: 90 days).

## NOTE 13 RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current receivables</b>				
Trade receivables	66,533	70,888	57,880	55,406
Sundry debtors	57,405	50,678	57,522	50,730
Less allowance for impaired receivables	(489)	(1,133)	(1,157)	(1,146)
Deferred government contribution for superannuation	8,450	8,870	8,450	8,870
Other	39	59	-	15
<b>Total current receivables</b>	<b>131,938</b>	<b>129,362</b>	<b>122,695</b>	<b>113,875</b>
<b>Non-current receivables</b>				
Deferred government contribution for superannuation	103,020	104,268	103,020	104,268
Other	9	1,467	4,625	4,659
Less allowance for impaired receivables	-	-	(4,456)	(4,456)
<b>Total non-current receivables</b>	<b>103,029</b>	<b>105,735</b>	<b>103,189</b>	<b>104,471</b>
<b>Total receivables</b>	<b>234,967</b>	<b>235,097</b>	<b>225,884</b>	<b>218,346</b>



## NOTE 13 RECEIVABLES (CONT.)

### (a) Deferred Government Contributions to Superannuation

The University has a number of employees who are members of the State Employees Retirement Benefits Scheme and the State Superannuation Fund administered by the Government Superannuation Office. These schemes are state super schemes and are closed to future University employees.

At 30 June 2015, the State Superannuation Fund was carrying total liabilities for member benefits greater than the value of the net market value of the plan's assets. As a result an unfunded superannuation liability exists and is recognised in the financial statements of the Scheme. The University's portion of the unfunded liability comprises of employees who transferred to the University from the former Melbourne College of Advanced Education, together with those employees of the former subsidiaries Hawthorn Institute of Education Ltd, Victorian College of Agriculture and Horticulture Ltd and the Victorian College of the Arts.

The University recognises a receivable for the amount receivable from the Australian Government in respect of unfunded superannuation schemes operated by the State Government. The total consolidated amount owing in respect of these schemes at 30 June 2015 is recorded at \$111.470 million (2014: \$113.138 million).

As at 30 June 2015 the University's unfunded superannuation liability determined by the Victorian Government Superannuation Office amounted to \$111.470 million (2014: \$113.138 million). The values as at 30 June 2015 are the values that have been included in the accounts, the value of the liability can increase or decrease depending on the actuarial valuation. Funding to meet payments incurred will be provided to the University of Melbourne by the Australian Government. The cost is shared between the State of Victoria and the Australian Government under the States Grants (General Revenue) Amendment Act 1987. Refer to Note 21(a) for the liability incurred.

### (b) Allowance for impaired receivables

The movement in the allowance for impaired receivables during the year was as follows:

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Movement in allowance for impaired receivables</b>				
Balance at 1 January	1,133	1,345	5,602	5,652
Impairment loss / (reversal gain) recognised	157	(20)	306	(37)
Receivables written off during the year as uncollectible	(569)	(187)	(76)	(13)
Unused amount reversed	(232)	(5)	(219)	-
<b>Balance at 31 December</b>	<b>489</b>	<b>1,133</b>	<b>5,613</b>	<b>5,602</b>

### (c) Interest Rates and Credit Risk

The Group's receivables are non-interest bearing. Information concerning the credit risk of the Group's receivables is set out in Note 33.

### (d) Ageing of Receivables

Included in the Group's Receivables balance are \$0.489 million (2014: \$1.133 million) of debtors which are considered to be impaired and for which a provision has been provided. Of the Group's impaired receivables in 2015, 3% were between one and three months past due (2014: 7%), 28% were between three and six months past due (2014: 6%) and 69% were more than six months overdue (2014: 87%).

Also included in the Group's Receivables balance are debtors that are past due at the reporting date which are not considered to be impaired. 11% percent of total receivables were past due but not impaired in 2015 (2014: 7%). The Group has not provided for these receivables as it is considered that these amounts are recoverable.

## NOTE 14 OTHER FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current</b>				
Financial assets at fair value through profit or loss	8	115	-	-
<b>Total current other financial assets</b>	<b>8</b>	<b>115</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Available-for-sale financial assets	1,529,924	1,463,291	1,455,389	1,394,067
Investments in subsidiaries and other companies	7,765	10,123	23,823	23,823
<b>Total non-current other financial assets</b>	<b>1,537,689</b>	<b>1,473,414</b>	<b>1,479,212</b>	<b>1,417,890</b>
<b>Total other financial assets</b>	<b>1,537,697</b>	<b>1,473,529</b>	<b>1,479,212</b>	<b>1,417,890</b>

## NOTE 15 OTHER NON-FINANCIAL ASSETS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current</b>				
Prepayments	15,601	16,167	14,385	15,067
Accrued income	5,996	2,807	8,499	1,929
Other	3,020	2,449	1,649	1,733
<b>Total current other non-financial assets</b>	<b>24,617</b>	<b>21,423</b>	<b>24,533</b>	<b>18,729</b>
<b>Non-current</b>				
Prepayments	41,297	35,998	41,297	35,998
<b>Total non current other non-financial assets</b>	<b>41,297</b>	<b>35,998</b>	<b>41,297</b>	<b>35,998</b>
<b>Total other non-financial assets</b>	<b>65,914</b>	<b>57,421</b>	<b>65,830</b>	<b>54,727</b>

## NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Reconciliation</b>				
Balance at 1 January	7	10	-	-
Share of profit / (loss) for the year	-	(3)	-	-
<b>Balance at 31 December</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>-</b>

The Group has a 33% interest in Uniseed Management Pty Ltd, the only associate of the Group. The associate is not material to the Group.

## NOTE 17 PROPERTY, PLANT AND EQUIPMENT

Consolidated	Land \$'000	Buildings \$'000	Library collection \$'000
<b>At 1 January 2014</b>			
- At cost	-	-	118,152
- At valuation	991,355	2,297,516	-
Accumulated depreciation	-	(65,187)	(46,986)
<b>Net book amount</b>	<b>991,355</b>	<b>2,232,329</b>	<b>71,166</b>
<b>Year ended 31 December 2014</b>			
Opening net book amount	991,355	2,232,329	71,166
Additions	2,932	367	6,615
Disposals	(9,890)	(136)	(421)
Revaluation increment / (decrement)	108,020	-	-
Depreciation	-	(80,110)	(5,947)
Impairment gains / (losses)	-	(25,035)	-
Transfer from construction in progress	-	185,319	-
Write-ups / transfers / (write-offs)	-	-	-
<b>Closing net book amount</b>	<b>1,092,417</b>	<b>2,312,734</b>	<b>71,413</b>
<b>At 31 December 2014</b>			
- At cost	-	-	124,008
- At valuation	1,092,417	2,455,646	-
Accumulated depreciation	-	(142,912)	(52,595)
<b>Net book amount</b>	<b>1,092,417</b>	<b>2,312,734</b>	<b>71,413</b>
<b>Year ended 31 December 2015</b>			
Opening net book amount	1,092,417	2,312,734	71,413
Reclassification	-	-	-
Additions	24,331	8,438	3,284
Disposals	(10,080)	(1,102)	(110)
Revaluation increment / (decrement)	24,345	714	-
Depreciation	-	(79,755)	(6,206)
Impairment gains / (losses)	-	-	-
Transfer from construction in progress	-	41,247	-
Write-ups / transfers / (write-offs)	-	-	-
<b>Closing net book amount</b>	<b>1,131,013</b>	<b>2,282,276</b>	<b>68,381</b>
<b>At 31 December 2015</b>			
- At cost	-	-	127,059
- At valuation	1,131,013	2,503,758	-
Accumulated depreciation	-	(221,482)	(58,678)
<b>Net book amount</b>	<b>1,131,013</b>	<b>2,282,276</b>	<b>68,381</b>

The valuation techniques and significant unobservable inputs used in measuring the fair value of Property, Plant and Equipment are disclosed in Note 34.

Works of art & other collections \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Leased plant and equipment \$'000	Construction in progress \$'000	Total \$'000
-	285,634	26,306	25,919	92,269	548,280
170,653	-	-	-	-	3,459,524
(26)	(243,920)	(6,488)	(12,421)	-	(375,028)
<b>170,627</b>	<b>41,714</b>	<b>19,818</b>	<b>13,498</b>	<b>92,269</b>	<b>3,632,776</b>
170,627	41,714	19,818	13,498	92,269	3,632,776
2,299	36,921	19	1,189	124,096	174,438
-	(875)	12	(2,757)	-	(14,067)
45,310	-	-	-	-	153,330
-	(25,934)	(1,444)	(6,180)	-	(119,615)
-	-	-	-	-	(25,035)
-	3,522	57	-	(188,898)	-
-	317	-	2,757	(650)	2,424
<b>218,236</b>	<b>55,665</b>	<b>18,462</b>	<b>8,507</b>	<b>26,817</b>	<b>3,804,251</b>
-	318,184	26,386	24,351	26,817	519,746
218,262	-	-	-	-	3,766,325
(26)	(262,519)	(7,924)	(15,844)	-	(481,820)
<b>218,236</b>	<b>55,665</b>	<b>18,462</b>	<b>8,507</b>	<b>26,817</b>	<b>3,804,251</b>
218,236	55,665	18,462	8,507	26,817	3,804,251
-	15	(15)	-	-	-
378	29,543	658	727	92,945	160,304
-	(207)	-	-	-	(11,499)
101,031	-	-	-	-	126,090
-	(26,438)	(1,873)	(5,425)	-	(119,697)
-	(7)	-	-	-	(7)
-	2,367	1,715	-	(45,329)	-
-	-	-	-	(4,432)	(4,432)
<b>319,645</b>	<b>60,938</b>	<b>18,947</b>	<b>3,809</b>	<b>70,001</b>	<b>3,955,010</b>
-	346,051	28,769	25,078	70,001	596,958
319,670	-	-	-	-	3,954,441
(25)	(285,113)	(9,822)	(21,269)	-	(596,389)
<b>319,645</b>	<b>60,938</b>	<b>18,947</b>	<b>3,809</b>	<b>70,001</b>	<b>3,955,010</b>

## NOTE 17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

University	Land \$'000	Buildings \$'000	Library collection \$'000
<b>At 1 January 2014</b>			
- At cost	-	-	117,671
- At valuation	921,249	2,236,222	-
Accumulated depreciation	-	(61,818)	(46,534)
<b>Net book amount</b>	<b>921,249</b>	<b>2,174,404</b>	<b>71,137</b>
<b>Year ended 31 December 2014</b>			
Opening net book amount	921,249	2,174,404	71,137
Additions	2,933	367	6,583
Disposals	(9,890)	(136)	(421)
Revaluation increment / (decrement)	103,950	-	-
Depreciation	-	(78,182)	(5,928)
Impairment gains / (losses)	-	(21,796)	-
Transfer from construction in progress	-	185,311	-
Write-ups / transfers / (write-offs)	-	-	-
<b>Closing net book amount</b>	<b>1,018,242</b>	<b>2,259,968</b>	<b>71,371</b>
<b>At 31 December 2014</b>			
- At cost	-	-	123,494
- At valuation	1,018,242	2,399,093	-
Accumulated depreciation	-	(139,125)	(52,123)
<b>Net book amount</b>	<b>1,018,242</b>	<b>2,259,968</b>	<b>71,371</b>
<b>Year ended 31 December 2015</b>			
Opening net book amount	1,018,242	2,259,968	71,371
Additions	24,331	8,438	3,246
Disposals	(10,080)	(1,101)	(108)
Revaluation increment / (decrement)	-	-	-
Depreciation	-	(77,937)	(6,184)
Transfer from construction in progress	-	40,617	-
Write-ups / transfers / (write-offs)	-	-	-
<b>Closing net book amount</b>	<b>1,032,493</b>	<b>2,229,985</b>	<b>68,325</b>
<b>At 31 December 2015</b>			
- At cost	-	-	126,535
- At valuation	1,032,493	2,446,974	-
Accumulated depreciation	-	(216,989)	(58,210)
<b>Net book amount</b>	<b>1,032,493</b>	<b>2,229,985</b>	<b>68,325</b>

The valuation techniques and significant unobservable inputs used in measuring the fair value of Property, Plant and Equipment are disclosed in Note 34.

Works of art & other collections \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Leased plant and equipment \$'000	Construction in progress \$'000	Total \$'000
-	267,327	21,501	21,349	91,513	519,361
170,317	-	-	-	-	3,327,788
-	(230,795)	(4,172)	(9,335)	-	(352,654)
<b>170,317</b>	<b>36,532</b>	<b>17,329</b>	<b>12,014</b>	<b>91,513</b>	<b>3,494,495</b>
170,317	36,532	17,329	12,014	91,513	3,494,495
2,298	36,508	-	-	122,755	171,444
-	(369)	-	-	-	(10,816)
45,310	-	-	-	-	149,260
-	(24,850)	(1,164)	(5,330)	-	(115,454)
-	-	-	-	-	(21,796)
-	2,316	57	-	(187,684)	-
-	-	-	-	(650)	(650)
<b>217,925</b>	<b>50,137</b>	<b>16,222</b>	<b>6,684</b>	<b>25,934</b>	<b>3,666,483</b>
-	299,050	21,563	21,349	25,934	491,390
217,925	-	-	-	-	3,635,260
-	(248,913)	(5,341)	(14,665)	-	(460,167)
<b>217,925</b>	<b>50,137</b>	<b>16,222</b>	<b>6,684</b>	<b>25,934</b>	<b>3,666,483</b>
217,925	50,137	16,222	6,684	25,934	3,666,483
378	28,506	-	-	91,238	156,137
-	(189)	-	-	-	(11,478)
101,031	-	-	-	-	101,031
-	(25,340)	(1,248)	(4,693)	-	(115,402)
-	1,456	1,629	-	(43,702)	-
-	-	-	(1)	(4,432)	(4,433)
<b>319,334</b>	<b>54,570</b>	<b>16,603</b>	<b>1,990</b>	<b>69,038</b>	<b>3,792,338</b>
-	325,180	23,215	21,349	69,038	565,317
319,334	-	-	-	-	3,798,801
-	(270,610)	(6,612)	(19,359)	-	(571,780)
<b>319,334</b>	<b>54,570</b>	<b>16,603</b>	<b>1,990</b>	<b>69,038</b>	<b>3,792,338</b>



## NOTE 18 INTANGIBLE ASSETS

	CONSOLIDATED			UNIVERSITY		
	Electronic Library Materials \$'000	Software \$'000	Total \$'000	Electronic Library Materials \$'000	Software \$'000	Total \$'000
<b>At 1 January 2014</b>						
Cost	55,029	27,692	82,721	55,029	23,058	78,087
Accumulated amortisation and impairment	(19,689)	(12,473)	(32,162)	(19,689)	(8,880)	(28,569)
<b>Net book amount</b>	<b>35,340</b>	<b>15,219</b>	<b>50,559</b>	<b>35,340</b>	<b>14,178</b>	<b>49,518</b>
<b>Year ended 31 December 2014</b>						
Opening net book amount	35,340	15,219	50,559	35,340	14,178	49,518
Additions	11,204	4,941	16,145	11,204	4,311	15,515
Amortisation expense	(13,991)	(4,128)	(18,119)	(13,991)	(3,274)	(17,265)
<b>Closing net book amount</b>	<b>32,553</b>	<b>16,032</b>	<b>48,585</b>	<b>32,553</b>	<b>15,215</b>	<b>47,768</b>
<b>At 31 December 2014</b>						
Cost	66,233	32,410	98,643	66,233	27,160	93,393
Accumulated amortisation and impairment	(33,680)	(16,378)	(50,058)	(33,680)	(11,945)	(45,625)
<b>Net book amount</b>	<b>32,553</b>	<b>16,032</b>	<b>48,585</b>	<b>32,553</b>	<b>15,215</b>	<b>47,768</b>
<b>Year ended 31 December 2015</b>						
Opening net book amount	32,553	16,032	48,585	32,553	15,215	47,768
Additions	15,475	434	15,909	15,475	-	15,475
Disposals	-	(9)	(9)	-	(10)	(10)
Amortisation expense	(16,880)	(3,844)	(20,724)	(16,880)	(3,512)	(20,392)
<b>Closing net book amount</b>	<b>31,148</b>	<b>12,613</b>	<b>43,761</b>	<b>31,148</b>	<b>11,693</b>	<b>42,841</b>
<b>At 31 December 2015</b>						
Cost	81,708	32,721	114,429	81,708	27,221	108,929
Accumulated amortisation and impairment	(50,560)	(20,108)	(70,668)	(50,560)	(15,528)	(66,088)
<b>Net book amount</b>	<b>31,148</b>	<b>12,613</b>	<b>43,761</b>	<b>31,148</b>	<b>11,693</b>	<b>42,841</b>

## NOTE 19 TRADE AND OTHER PAYABLES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current payables</b>				
Trade creditors	39,191	51,087	19,572	42,496
Sundry creditors	24,098	39,625	22,350	18,631
Accrued expenses	51,661	35,093	47,360	34,546
<b>Total current payables</b>	<b>114,950</b>	<b>125,805</b>	<b>89,282</b>	<b>95,673</b>

## NOTE 20 BORROWINGS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current borrowings</b>				
Unsecured bank borrowings	3,824	3,575	3,824	3,575
Finance lease liabilities	736	600	-	-
Bank overdraft	-	8,196	-	8,196
<b>Total current borrowings</b>	<b>4,560</b>	<b>12,371</b>	<b>3,824</b>	<b>11,771</b>
<b>Non-current borrowings</b>				
Unsecured bank borrowings	35,713	39,538	35,713	39,538
Unsecured bond issue	288,168	246,715	288,168	246,715
Finance lease liabilities	1,184	1,305	-	-
Other borrowings	-	-	309	309
<b>Total non-current borrowings</b>	<b>325,065</b>	<b>287,558</b>	<b>324,190</b>	<b>286,562</b>
<b>Total borrowings</b>	<b>329,625</b>	<b>299,929</b>	<b>328,014</b>	<b>298,333</b>

**(a) Unsecured Bank Borrowings**

In 2014 the University restructured its borrowings terminating the loan facility on the University Square buildings and entering into a bond issuance. The loan facility for the construction of a Business and Economics building remains, however the security has been released.

**(b) Bond Issuance**

In 2014 the University issued domestic Australian dollar Medium Term Notes (MTN) to the value of \$250 million. The bond coupon rate is 4.25% fixed for 7 years. The amortised cost at 31 December 2015 totals \$247.161 million (2014: \$246.715 million).

**(c) US Private Placement**

On 20 November 2015, the University priced its inaugural offering in the US Private Placement market. The University, rated AA+ by Standard & Poor's, priced an AUD \$274.300 million (USD \$196.689 million equivalent) senior notes offering. This comprised of an AUD \$41.250 million 20 year tranche at T+125 bps with 1 month delay, an AUD \$30.000 million 20 year tranche at T+130 bps with a 3 month delay, an AUD \$20.000 million 25 year tranche at T+140 bps with a 3 month delay and an USD \$131.000 million (A\$183.050 million equivalent) 30 year tranche at T+135 bps with a 3 month delay. The repayment date of these tranches is at the end of the respective tenures. Tranche 1 was the only tranche issued at 31 December 2015, the amortised cost of which was \$41.007 million (2014: nil).

**(d) Loan Covenant**

Borrowings are not subject to covenants apart from an annual requirement to supply the Group's audited financial statements and budget.

**(e) Financing Arrangements**

The University has no other financing arrangements in place at 31 December 2015 (2014: nil).

**(f) Finance Lease Liabilities**

Finance lease liabilities are payable as follows:

	CONSOLIDATED			UNIVERSITY		
	Minimum lease payments \$'000	Interest \$'000	Principal \$'000	Minimum lease payments \$'000	Interest \$'000	Principal \$'000
<b>2015</b>						
Less than one year	811	75	736	-	-	-
Between one and five years	1,242	58	1,184	-	-	-
More than five years	-	-	-	-	-	-
	<b>2,053</b>	<b>133</b>	<b>1,920</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2014</b>						
Less than one year	689	89	600	-	-	-
Between one and five years	1,397	92	1,305	-	-	-
More than five years	-	-	-	-	-	-
	<b>2,086</b>	<b>181</b>	<b>1,905</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 21 PROVISIONS

Note	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current provisions</b>				
<b>Current provisions expected to be settled within 12 months</b>				
Employee benefits -				
Annual leave	52,973	51,369	49,393	48,038
Long service leave	21,318	20,538	17,200	16,739
Deferred government superannuation obligation	8,450	8,870	8,450	8,870
WorkCover claims	1,458	1,286	1,458	1,286
Restructure	6,766	35,754	6,699	34,508
	<b>90,965</b>	<b>117,817</b>	<b>83,200</b>	<b>109,441</b>
<b>Current provision expected to be settled after more than 12 months</b>				
Employee benefits -				
Annual leave	17,031	16,483	17,031	16,483
Long service leave	89,987	89,636	89,987	89,636
	<b>107,018</b>	<b>106,119</b>	<b>107,018</b>	<b>106,119</b>
<b>Total current provisions</b>	<b>197,983</b>	<b>223,936</b>	<b>190,218</b>	<b>215,560</b>
<b>Non-current provisions</b>				
Employee benefits -				
Long service leave	25,162	25,195	24,052	24,318
Deferred government superannuation obligation	103,020	104,268	103,020	104,268
WorkCover claims	6,211	5,504	6,211	5,504
<b>Total non-current provisions</b>	<b>134,393</b>	<b>134,967</b>	<b>133,283</b>	<b>134,090</b>
<b>Total provisions</b>	<b>332,376</b>	<b>358,903</b>	<b>323,501</b>	<b>349,650</b>

**21(a) State Superannuation Fund**

AASB 119 *Employee Benefits* requires that the estimated present value of superannuation obligations recognised in the financial statements 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 30 June 2015. As there is no net impact on the Statement of Financial Position or Income Statement from these superannuation obligations, the costs of providing an actuarial assessment at balance date outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations are stated in the financial statements based on estimates prepared six months in arrears.

**21(b) Movements in provisions (other than employee benefits)**

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

Consolidated - 2015	WorkCover claims \$'000	Restructure \$'000	Total \$'000
Carrying amount at start of year	6,790	35,754	42,544
Additional provisions recognised	879	6,351	7,230
Amounts used	-	(35,310)	(35,310)
Unused amounts reversed	-	(29)	(29)
<b>Carrying amount at end of year</b>	<b>7,669</b>	<b>6,766</b>	<b>14,435</b>

## NOTE 22 OTHER LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Other current liabilities</b>				
Australian Government unspent financial assistance	137,480	145,796	136,975	145,030
Other unspent research project income	72,609	66,904	72,609	66,904
Student fees	78,684	56,237	71,081	48,093
Rental contributions in advance	3,385	3,227	3,385	3,227
Other	24,429	25,588	22,260	23,054
<b>Total other current liabilities</b>	<b>316,587</b>	<b>297,752</b>	<b>306,310</b>	<b>286,308</b>
<b>Other non-current liabilities</b>				
Rental contributions in advance	97,967	93,463	97,853	93,463
<b>Total other non current liabilities</b>	<b>97,967</b>	<b>93,463</b>	<b>97,853</b>	<b>93,463</b>

The Group has an excess of current liabilities over current assets at the end of the reporting period mainly due to the classification of income in advance as a current liability while the related cash received is held in the University's long-term investment fund, which is classified as a non-current asset, although such funds can be drawn upon as and when required. Excluding this the University's current ratio is 1.34.

## NOTE 23 OTHER FINANCIAL LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-current</b>				
Cross currency interest rate swap	21,921	-	21,921	-
<b>Total other financial liabilities</b>	<b>21,921</b>	<b>-</b>	<b>21,921</b>	<b>-</b>

As part of the US Private Placement (USPP), the University hedged its foreign currency exposure arising from the 30 year USD denominated tranche by entering into two fixed to fixed cross currency interest rate swaps (CCIRS) with an aggregate notional amount equal to the USD denominated debt of US\$131.000 million. The Group has designated the two CCIRS contracts as a cash flow hedge of a highly probable forecast transaction, being the drawdown of the USD denominated debt under the USPP on 17 February 2016. The fair value of the CCIRS contracts as at 31 December 2015 was \$21.921 million.

## NOTE 24 RESERVES AND RETAINED SURPLUS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>NOTE 24(a) RESERVES</b>				
Reserves at 31 December comprise -				
Trust Fund Reserve	535,836	456,105	535,836	456,105
General Reserve	31	31	-	-
Land and Buildings Asset Revaluation Reserve	2,353,172	2,328,112	2,243,085	2,243,085
Other Collections Asset Revaluation Reserve	237,144	136,158	237,144	136,158
Works of Art Asset Revaluation Reserve	76,663	76,619	76,544	76,500
Available-for-Sale Revaluation Reserve	154,613	133,060	137,038	117,541
Hedging Reserve	(21,921)	-	(21,921)	-
Special Purpose Reserve	23,260	22,422	22,830	21,791
Members Capital Reserve	30,405	30,405	-	-
Contributed Equity	12,339	12,339	-	-
Foreign Currency Translation Reserve	(28)	-	-	-
<b>Total Reserves</b>	<b>3,401,514</b>	<b>3,195,251</b>	<b>3,230,556</b>	<b>3,051,180</b>

### MOVEMENTS IN RESERVES

<b>Trust Fund Reserve</b>				
Balance Beginning of Year	456,105	408,919	456,105	408,919
Transfer from Retained Surplus	79,731	47,186	79,731	47,186
<b>Balance End of Year</b>	<b>535,836</b>	<b>456,105</b>	<b>535,836</b>	<b>456,105</b>

Trust Fund Reserve reflects net surpluses derived from endowments and bequests which can only be applied to restricted purposes.

<b>General Reserve</b>				
Balance Beginning of Year	31	39,344	-	39,312
Transfer from / (to) Retained Surplus	-	(39,313)	-	(39,312)
<b>Balance End of Year</b>	<b>31</b>	<b>31</b>	<b>-</b>	<b>-</b>

General Reserve is maintained to cover a range of general purposes.

<b>Land and Buildings Asset Revaluation Reserve</b>				
Balance Beginning of Year	2,328,112	2,241,818	2,243,085	2,160,856
Changes due to Revaluation	25,060	108,090	-	104,025
Impairment Losses on Revalued Assets	-	(21,796)	-	(21,796)
<b>Balance End of Year</b>	<b>2,353,172</b>	<b>2,328,112</b>	<b>2,243,085</b>	<b>2,243,085</b>

<b>Other Collections Asset Revaluation Reserve</b>				
Balance Beginning of Year	136,158	90,848	136,158	90,848
Changes due to Revaluation	100,986	45,310	100,986	45,310
<b>Balance End of Year</b>	<b>237,144</b>	<b>136,158</b>	<b>237,144</b>	<b>136,158</b>

<b>Works of Art Asset Revaluation Reserve</b>				
Balance Beginning of Year	76,619	76,619	76,500	76,500
Changes due to Revaluation	44	-	44	-
<b>Balance End of Year</b>	<b>76,663</b>	<b>76,619</b>	<b>76,544</b>	<b>76,500</b>

Asset Revaluation Reserves arise from the revaluation of the specific assets of Land, Buildings, Other Collections and Works of Art.

<b>Available-for-Sale Revaluation Reserve</b>				
Balance Beginning of Year	133,060	210,683	117,541	195,759
Transfer from / (to) Retained Surplus	-	(206)	-	-
Transfers to Profit or Loss on Sale	(26,007)	(158,255)	(25,736)	(158,255)
Changes due to Revaluation of Investments	47,560	80,838	45,233	80,037
<b>Balance End of Year</b>	<b>154,613</b>	<b>133,060</b>	<b>137,038</b>	<b>117,541</b>

Available-for-Sale Revaluation Reserve arises from the revaluation of Available-for-Sale Investments.

## NOTE 24 RESERVES AND RETAINED SURPLUS (CONTINUED)

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>NOTE 24(a) RESERVES (continued)</b>				
<b>Hedging Reserve</b>				
Balance Beginning of Year	-	(23,171)	-	(23,171)
Valuation gains / (losses)	(21,921)	-	(21,921)	-
Transfer to Profit or Loss on termination	-	23,171	-	23,171
<b>Balance End of Year</b>	<b>(21,921)</b>	<b>-</b>	<b>(21,921)</b>	<b>-</b>

Hedging Reserve arises from hedging gains and losses recognised on the effective portion of cash flow hedges.

<b>Special Purpose Reserve</b>				
Balance Beginning of Year	22,422	20,462	21,791	19,547
Transfer from / (to) Retained Surplus	838	1,967	1,039	2,251
Transfers to Profit or Loss	-	(7)	-	(7)
<b>Balance End of Year</b>	<b>23,260</b>	<b>22,422</b>	<b>22,830</b>	<b>21,791</b>

Special Purpose Reserve is maintained by the University against possible future claims that may arise under the University's self-insurance licence for WorkCover. This reserve is in addition to the University's statutory obligation.

<b>Foreign Currency Translation Reserve</b>				
Balance Beginning of Year	-	-	-	-
Translation losses	(28)	-	-	-
<b>Balance End of Year</b>	<b>(28)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### OTHER RESERVES

Members Capital Reserve is maintained by Melbourne Business School Limited, a deemed subsidiary, for the purpose of recording capital donations principally received from the University and other parties who have subscribed, or are invited to subscribe to the Memorandum of Association of the Company.

Contributed Equity represents the Net Fair Value of Assets identified upon acquisition of Mt Eliza Graduate School of Business and Government Limited by Melbourne Business School Limited as at 5 March 2004. These assets were donated by external parties to Mt Eliza Graduate School of Business.

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>NOTE 24(b) RETAINED SURPLUS</b>				
Balance Beginning of Year	1,455,821	1,289,032	1,394,148	1,221,331
Net result for the year	142,283	176,423	145,464	182,942
Transfers from / (to) Reserves	(80,569)	(9,634)	(80,770)	(10,125)
<b>Balance End of Year</b>	<b>1,517,535</b>	<b>1,455,821</b>	<b>1,458,842</b>	<b>1,394,148</b>



NOTE 25 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names of Responsible Persons

The names of each person holding the position of Member of Council or Council Fellows during the year were:

Ms E Alexander (Chancellor)	Mr D McGonigle (appointed 1 January 2015)
Prof R J Batterham	Mr R McPherson
Dr C Bird	The Hon Justice J E Middleton
Mr S Brown (until 31 May 2015)	Mr M Myer
Prof G C Davis (Vice-Chancellor)	Mr A Peake
Ms K Hadgraft (appointed 9 June 2015)	Dr F Vervaeet (re-appointed 1 January 2015)
Prof B Hughes (appointed 1 January 2015)	Prof R Webster (appointed 1 January 2015)
Mr R N Johanson	Mr J Wilson (until 31 December 2015)
The Hon Dr David Kemp (until 31 December 2015)	

The Consolidated comparatives in Note 25 have changed to exclude 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 Responsible Persons

Income paid or payable, or otherwise made available to, Members of University Council in connection with the management of affairs of the University for the year is outlined below.

CONSOLIDATED		
	2015 \$'000	2014 \$'000
Short-Term Employee Benefits	1,483	1,398
Post-Employment Benefits	225	220
<b>Total Remuneration of Council / Board Members</b>	<b>1,707</b>	<b>1,618</b>

The number of University Council Members and their total remuneration during the reporting period is shown in the table below in their relevant income bands:

CONSOLIDATED		
	2015 No.	2014 No.
Nil	3	7
\$1-\$9,999	4	-
\$10,000-\$19,999	3	7
\$30,000-\$39,999	3	1
\$40,000-\$49,999	1	-
\$70,000-\$79,999	1	-
\$80,000-\$89,999	-	1
\$280,000-\$289,999	1	1
\$1,080,000-\$1,089,999	-	1
\$1,110,000-\$1,119,999	1	-
<b>Total number</b>	<b>17</b>	<b>18</b>

As a responsibility of office, one executive included in the table on the left occupies a residence owned by the University. The residence is required to be available and used regularly for official University functions and promotional activities. The value of this benefit including associated costs is \$267,779 (2014: \$260,932), which is included in the remuneration reported in the table on the left.

Members of the University Council are remunerated for their service. Certain members elect to donate part or all of this remuneration to the University.

(c) Remuneration of Executive Officers

Total amounts received by, payable to, or otherwise made available to Executives of the Group, including Members of Council who are also Executives, are outlined below:

CONSOLIDATED		
	2015 \$'000	2014 \$'000
Short-Term Employee Benefits	8,889	8,783
Post-Employment Benefits	1,476	1,527
Other Long-Term Benefits	61	265
Termination Benefits	-	100
<b>Total Remuneration of Executive Officers</b>	<b>10,426</b>	<b>10,675</b>

NOTE 25 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

The number of Executive Officers, including Members of Council who are also Executives, and their base and total remuneration during the reporting period is shown in the table below in their relevant bands:

CONSOLIDATED				
	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$100,000-\$109,999	1	-	1	-
\$110,000-\$119,999	1	-	1	-
\$120,000-\$129,999	-	-	-	1
\$130,000-\$139,999	1	-	-	-
\$160,000-\$169,999	-	-	2	1
\$170,000-\$179,999	2	-	-	-
\$180,000-\$189,999	-	-	1	-
\$190,000-\$199,999	1	1	-	1
\$200,000-\$209,999	-	-	-	1
\$210,000-\$219,999	1	-	-	-
\$240,000-\$249,999	-	-	1	1
\$250,000-\$259,999	-	1	-	1
\$260,000-\$269,999	-	-	1	-
\$280,000-\$289,999	1	1	-	1
\$290,000-\$299,999	-	1	1	2
\$300,000-\$309,999	-	-	1	1
\$310,000-\$319,999	1	1	-	1
\$320,000-\$329,999	-	-	1	2
\$330,000-\$339,999	-	4	1	-
\$340,000-\$349,999	2	1	2	-
\$350,000-\$359,999	1	-	-	1
\$370,000-\$379,999	1	1	3	3
\$380,000-\$389,999	-	1	1	-
\$390,000-\$399,999	1	2	-	-
\$400,000-\$409,999	2	1	-	1
\$410,000-\$419,999	-	-	-	2
\$420,000-\$429,999	1	-	2	-
\$430,000-\$439,999	-	1	1	-
\$440,000-\$449,999	-	1	-	-
\$450,000-\$459,999	-	-	-	1
\$460,000-\$469,999	1	-	-	1
\$470,000-\$479,999	-	2	1	-
\$480,000-\$489,999	1	-	-	-
\$490,000-\$499,999	2	1	-	1
\$500,000-\$509,999	-	2	-	1
\$510,000-\$519,999	1	-	-	-
\$520,000-\$529,999	1	-	-	-
\$540,000-\$549,999	-	-	1	-
\$580,000-\$589,999	-	1	-	-
\$600,000-\$609,999	1	-	-	-
\$670,000-\$679,999	-	1	1	-
\$910,000-\$919,999	1	-	-	-
\$960,000-\$969,999	-	-	-	1
\$990,000-\$999,999	-	-	1	-
\$1,080,000-\$1,089,999	-	1	-	-
\$1,110,000-\$1,119,999	1	-	-	-
<b>Total number of executives *</b>	<b>26</b>	<b>25</b>	<b>24</b>	<b>25</b>
<b>Total annualised employee equivalent (AEE)</b>	<b>21.4</b>	<b>22.3</b>	<b>20.2</b>	<b>22.3</b>

\* Variance between base and total numbers is due to base remuneration being less than \$100,000 for two executives in 2015.

## NOTE 25 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

**(d) Minister**

The responsible Minister for the reporting period was the Hon. Steve Herbert, Minister for Training and Skills. Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests, which each Member of Parliament completes.

**(e) Loans to Key Management Personnel**

There were no loans made to any members of Council or Executive Directors in 2015 (2014: nil).

## NOTE 26 REMUNERATION OF AUDITORS

During the year, the following fees were paid for services provided by the University's auditor, its related practices and non-related audit firms:

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Audit of the financial statements</b>				
Fees paid or payable to the Victorian Auditor General's Office	386	297	280	250
Fees paid or payable to KPMG	102	98	-	-
Fees paid or payable to BDO	80	162	-	-
Fees paid or payable to other	32	31	-	-
<b>Total remuneration for audit services</b>	<b>600</b>	<b>588</b>	<b>280</b>	<b>250</b>
<b>Other audit and assurance services</b>				
Fees paid or payable to Deloitte	110	-	110	-
Fees paid or payable to other	14	-	14	-
<b>Total remuneration for other audit and assurance services</b>	<b>124</b>	<b>-</b>	<b>124</b>	<b>-</b>

## NOTE 27 CONTINGENT ASSETS AND LIABILITIES

The Group has the following contingent liabilities as at 31 December 2015:

(a) The University has issued Letters of indemnity to the National Australia Bank to cover the Bank's guarantee to the following:

- i. Victorian WorkCover Authority under the University's WorkCover Self Insurance Scheme. The amount of the guarantee in place is \$10.302 million (2014: \$10.232 million) and the actuarial assessment of claims liability as at 31 December 2015 is \$7.669 million (2014: \$6.790 million).
- ii. Melbourne City Council to provide financial security during the relocation of an Ombu tree as part of the Arts West Building Redevelopment. The amount of the guarantee in place is \$0.040 million (2014: Nil).

(b) 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.

## NOTE 28 COMMITMENTS

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>NOTE 28.1 Capital Commitments</b>				

Capital expenditure contracted for at the reporting date but not recognised as liabilities, payable:

<b>Property, Plant and Equipment</b>				
Within one year	170,173	166,316	170,158	165,648
Later than one year	28,490	76,700	28,490	76,700
Later than five years	-	-	-	-
<b>Total Property, Plant and Equipment commitments</b>	<b>198,663</b>	<b>243,016</b>	<b>198,648</b>	<b>242,348</b>

**NOTE 28.2 Lease Commitments - as Lessee**

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

Within one year	7,203	7,238	6,683	6,721
Later than one year but not later than five years	13,055	12,045	11,839	10,588
Later than five years	9,732	9,665	9,732	9,665
	<b>29,990</b>	<b>28,948</b>	<b>28,254</b>	<b>26,974</b>

**NOTE 28.3 Lease Commitments - as Lessor**

Future minimum rentals receivable under non-cancellable operating leases at the reporting date but not recognised as assets, receivable:

Within one year	7,563	8,458	5,531	5,348
Later than one year but not later than five years	7,769	14,594	4,677	7,549
Later than five years	-	540	-	362
<b>Total Lease Commitments - as Lessor</b>	<b>15,332</b>	<b>23,592</b>	<b>10,208</b>	<b>13,259</b>

The University has entered into operating leases with various businesses as lessor to lease retail space at Union House and other areas controlled by the University for the purpose of providing services to students. Included above is the rentals receivable from these properties.

**NOTE 28.4 Other Expenditure Commitments**

Within one year	2,912	3,455	2,863	3,455
Later than one year but not later than five years	10,065	7,676	10,040	7,676
Later than five years	8,125	3,858	8,125	3,858
<b>Total Other Expenditure Commitments</b>	<b>21,102</b>	<b>14,989</b>	<b>21,028</b>	<b>14,989</b>

NOTE 29 RELATED PARTY TRANSACTIONS

(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 30.1.

(c) Members of Council and Specified Executive Officers

Disclosures relating to Members of Council and specified executives are set out in Note 25.

(d) Transactions with Related Parties

The following transactions occurred with related parties:

	UNIVERSITY	
	2015 \$'000	2014 \$'000
Funding Provided to Subsidiaries	16,743	11,841
Rent in-kind provided to Subsidiaries	5,282	5,473
Sale of Goods and Services to Subsidiaries	32,364	19,444
Purchase of Goods from Subsidiaries	29,390	27,515
Loan Advanced to Subsidiaries	-	356
Loan from Subsidiary	-	108
Loan repayments from Subsidiaries	40	-
Interest Revenue from Subsidiaries	4	5
Interest Expense to Subsidiaries	103	145

(e) Outstanding Balances

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

	UNIVERSITY	
	2015 \$'000	2014 \$'000
Current Receivables (sale of goods and services)		
Subsidiaries	9,498	934
Non-Current Receivables (loans)		
Subsidiaries	4,616	4,656
Current Payables (purchases of goods)		
Subsidiaries	4,201	1,173
Non-current payables (loans)		
Subsidiaries	309	309

(f) Guarantees

No guarantees have been given to third parties in respect of related parties. The University has given a guarantee to support the Melbourne Dental Clinic until the signing of it's 2016 financial statements.

(g) Terms and Conditions

During the financial year, all transactions between the University and its subsidiaries were in the ordinary course of business and on normal arm's length commercial terms and conditions.

(h) Related Party Transactions

The following key management person holds a position in another entity that results in them having control or significant influence over the financial or operating policies of that entity. This entity transacted with the University in the reporting period on normal commercial terms and conditions.

- Mr A Peake, Managing Partner, Finance and Operations at PwC Australia.

Other related party transactions requiring disclosure under the directions of the Minister for Finance have been considered and there are no matters to report.

NOTE 30 SUBSIDIARIES

30.1 Subsidiary Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.2 (i).

Name of Entity	Principal Activities	Principle place of business	Ownership Interest	
			2015	2014
Australia India Institute Private Limited	Provides programs on public health, energy, food, security skills and higher education, including support to young professionals, establishing leadership programs and facilitating research partnerships.	India	100%	-
Australian Music Examinations Board (Victoria) Limited	Provides a system of graded examinations in relation to music and speech in Victoria.	Australia	100%	100%
Australian National Academy of Music Ltd Group	Provide a national centre of excellence with practical music education and training.	Australia	75%	75%
Melbourne Business School Limited Group	Provision of educational services.	Australia	45%	45%
Melbourne Dental Clinic Ltd	Operate and manage one or more dental clinics to provide students at the University with world class clinincal training.	Australia	100%	100%
Melbourne University Publishing Limited	To publish the best scholarly writing from Australia and Overseas, both within and independent of the tertiary sector.	Australia	100%	100%
MU Student Union Limited	Provision of amenities, services and facilities for the benefit of students.	Australia	100%	100%
Nossal Institute Limited	Undertake and provide research, development, education, training, consultancy and other activities in regard to medical and related areas.	Australia	100%	100%
UMELB Pte Ltd	Undertake University profiling, student recruitment, alumni support and donor relationship development.	Singapore	100%	100%
UOM Commercial Ltd Group	Commercialisation of research and teaching of the University of Melbourne.	Australia	100%	100%

Although the Group owns less than 50% of Melbourne Business School Limited Group, the Group has control because the remaining voting rights in the investee are widely dispersed and there is no indication all other members will exercise their votes collectively.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2015, and their results for the year then ended.

There are no restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

30.2 Non-controlling interests

There are no subsidiaries that have material non-controlling interests to the Group.

30.3 Changes to the Group Structure

Australia India Institute Private Limited was incorporated in India on 19 February 2015.



NOTE 31 SUBSEQUENT EVENTS

On 17 February 2016, the Group issued the balance of its US Private Placement bonds amounting to AUD \$233 million. The financial effects of these transactions have not been brought to account at balance date.

There are no other matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the University or its subsidiaries.

NOTE 32 RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED		UNIVERSITY	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Net result for the year</b>	<b>142,283</b>	<b>176,423</b>	<b>145,464</b>	<b>182,942</b>
<b>Add / (less) non-cash flows in net profit / (loss)</b>				
Depreciation and amortisation	140,421	137,734	135,794	132,719
Bad and doubtful debts written off	281	(262)	216	(443)
Impairment losses	12,505	26,539	10,267	23,656
Revaluation Gains on Other Financial Assets at Fair Value	(225)	(196)	-	-
Loss / (gain) on sale / redemption of investments	1,562	(9,336)	1,612	(6,434)
Transfer of (gain) / loss from equity on disposal of available-for-sale financial assets	(26,007)	(158,255)	(25,736)	(158,255)
Net (gain) / loss on sale of non-current assets	(2,506)	3,771	(2,468)	521
Other	(4,922)	(8,129)	(551)	(941)
<b>Changes in assets and liabilities</b>				
Decrease / (increase) in receivables	1,546	(17,237)	(6,130)	(14,108)
Decrease / (increase) in other non-financial assets	(8,493)	1,575	(11,103)	1,742
Increase / (decrease) in trade and other payables	(11,726)	(49,498)	(7,525)	(49,575)
Increase / (decrease) in provisions	(26,527)	42,400	(26,150)	40,825
Increase / (decrease) in other liabilities	23,339	10,256	24,392	10,760
<b>Net cash inflow from operating activities</b>	<b>241,531</b>	<b>155,785</b>	<b>238,082</b>	<b>163,409</b>

NOTE 33 FINANCIAL RISK MANAGEMENT

33.1 Financial Risk Management Objectives and Policies

The Group is exposed to key financial risks, including market risk, credit risk and liquidity risk. This note presents information about the Group’s exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

The University’s Council has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Council has established:

- the Finance Committee, which meets regularly to monitor and evaluate the University’s financial management strategies in the context of the most recent economic conditions and forecasts,
- the Investment Management Committee, which monitors and advises the Finance Committee on the University’s long term investments, and
- the Risk Committee, which is responsible for monitoring risk management policies.

33.2 Risk Exposures

The main risks the Group is exposed to through its financial instruments are as follows:

(a) Market Risk

Market risk is the risk that changes in market prices will affect the Group’s result or the value of its financial assets and liabilities. The key market risks the Group is exposed to are; interest rate risk, foreign currency risk and price risk, as discussed below.

(i) Interest Rate Risk

The Group’s exposure to market interest rates relates primarily to the Group’s long-term borrowings and funds invested on the money market. Borrowings for the Business and Economics building are fixed at 7.03%, the bond issue interest rate is fixed at 4.25% and the USD denominated debt is at a fixed rate of 4.36%. As the interest rates on borrowings for buildings and the USD debt are fixed, the Group is not exposed to material interest rate risk.

All borrowings are subject to approval by the University of Melbourne Council and the Treasurer of Victoria.

The Group has minimal exposure to interest rate risk through its holding of cash assets and other financial assets at fair value. At the reporting date, it was considered that a 1% decrease / increase in the interest rate is a reasonably possible movement in the next twelve months. If interest rates were 1% lower / higher than the year-end rates with all other variables held constant, the Group’s net result for the year would have been \$2.950 million lower / higher, reflecting the lower / higher interest income earned on affected balances. (2014: \$2.022 million lower / higher).

The Group manages its interest rate risk primarily through fixing its interest rate on long term borrowings and by maintaining a diversified investment portfolio.

(ii) Foreign Currency Risk

The Group’s main exposure to foreign currency risk arises from International Shares held as part of its long term investment portfolio. The Group is mainly exposed to US dollars and the Euro. At balance date, if the Australian Dollar weakened / strengthened by 10% against the relevant foreign currencies with all other variables held constant, the Group’s equity balance would have been \$21.908 million lower / higher (2014: \$24.474 million lower / higher), due to changes in the fair value of available-for-sale financial assets. There would have been no change to the net result for the year (2014: nil).

Foreign exchange risk on principal and interest payments on foreign-currency denominated long-term borrowings is managed through the use of cross currency interest rate swaps (fixed to fixed), whereby a foreign currency exposure is converted to a functional currency exposure. Refer to Note 23 for cross currency interest rate swaps at balance date.

The Group hedges large payments and receipts denominated in foreign currencies to manage foreign currency risk. At 31 December 2015, the University had the AUD equivalent of \$2.169

million of such hedges in place (2014: nil).

(iii) Price Risk

The University has a significant investment in marketable securities included within available-for-sale financial assets, which exposes the Group to price risk. To limit this risk, the University has invested its funds with Fund Managers and maintained a diversified investment portfolio. The majority of the equity investments are of a high quality and are publicly traded on equity exchanges. The investments are mainly included in the S&P/ ASX 200 Index.

Sensitivity analysis has been determined based on the Group’s exposure to equity prices. At the reporting date, if the value of marketable securities were 10% lower / higher with all other variables held constant, the Group’s equity would have been \$152.992 million lower / higher (2014: \$146.329 million lower / higher), due to changes in the fair value of available-for-sale financial assets. There would have been no change to the net result for the year (2014: nil).

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from derivative counterparties and the Group’s receivables from customers.

Derivative counterparties are limited to high-credit-quality financial institutions where internationally agreed standard form documentation exists. The credit ratings of these counterparties are monitored.

The Group does not have any material credit risk exposure to any single receivable or group of receivables. The Group’s exposure to credit risk is influenced mainly by the characteristics of each customer. Receivable balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

NOTE 33 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group has established an allowance for impaired receivables that represents their estimate of incurred losses in respect of receivables. An analysis of the ageing of the Group’s receivables at reporting date has been provided in Note 13.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Liquidity risk is managed by University management and overseen by the Finance Committee through the monitoring of current forecasts and key ratios. The University’s cash position and cash flows are also regularly monitored throughout the year.

*Maturity analysis – liquidity and interest rate risk tables*

The following tables disclose the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the

reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest that will be incurred on those liabilities that are interest-bearing. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability in the Statement of Financial Position.

	Non-Interest Bearing \$'000	1 year or less \$'000	Contracted cashflows Between 1 to 5 years \$'000	More than 5 years \$'000	Adjustment \$'000	Consolidated carrying amount per Statement of Financial Position \$'000	Weighted Average Effective Interest Rate %
<b>2015</b>							
<b>Financial Liabilities</b>							
Trade and other payables	114,950	-	-	-	-	114,950	-
Borrowings	-	6,438	25,690	310,460	(14,883)	327,705	4.81
Finance Lease Liabilities	-	811	1,242	-	(133)	1,920	5.13
Other Financial Liabilities	21,921	-	-	-	-	21,921	-
<b>Total Financial Liabilities</b>	<b>136,871</b>	<b>7,249</b>	<b>26,932</b>	<b>310,460</b>	<b>(15,016)</b>	<b>466,496</b>	
<b>2014</b>							
<b>Financial Liabilities</b>							
Trade and other payables	125,805	-	-	-	-	125,805	-
Borrowings	-	6,451	25,707	275,631	(9,765)	298,024	4.77
Finance Lease Liabilities	-	689	1,397	-	(181)	1,905	5.13
<b>Total Financial Liabilities</b>	<b>125,805</b>	<b>7,140</b>	<b>27,104</b>	<b>275,631</b>	<b>(9,946)</b>	<b>425,734</b>	

NOTE 34 FAIR VALUE MEASUREMENTS

(a) Fair value measurements

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

	Carrying Amount		Fair Value	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	295,119	208,034	295,119	208,034
Receivables	234,967	235,097	234,967	235,097
Other financial assets	1,537,697	1,473,529	1,537,697	1,473,529
<b>Total financial assets</b>	<b>2,067,783</b>	<b>1,916,660</b>	<b>2,067,783</b>	<b>1,916,660</b>
<b>Financial liabilities</b>				
Trade and other payables	114,950	125,805	114,950	125,805
Borrowings	327,705	298,024	342,588	307,788
Finance lease liabilities	1,920	1,905	2,053	2,086
Other financial liabilities	21,921	-	21,921	-
<b>Total financial liabilities</b>	<b>466,496</b>	<b>425,734</b>	<b>481,512</b>	<b>435,679</b>

The basis for determining fair values is disclosed in Note 1.10.

(b) Fair value hierarchy

The Group 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 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)

Fair value measurements at 31 December 2015

Recurring fair value measurements				
	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	8	8	-	-
Available-for-sale financial assets	1,529,924	1,219,741	310,183	-
Other financial assets	7,765	-	-	7,765
<b>Total financial assets</b>	<b>1,537,697</b>	<b>1,219,749</b>	<b>310,183</b>	<b>7,765</b>
<b>Non-financial assets</b>				
Property, plant and equipment	3,955,010	-	727,686	3,227,324
<b>Total non-financial assets</b>	<b>3,955,010</b>	<b>-</b>	<b>727,686</b>	<b>3,227,324</b>
<b>Financial liabilities</b>				
Borrowings	342,588	-	342,588	-
Finance lease liabilities	2,053	-	2,053	-
Other financial liabilities	21,921	-	21,921	-
<b>Total liabilities</b>	<b>366,562</b>	<b>-</b>	<b>366,562</b>	<b>-</b>

NOTE 34 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements at 31 December 2014

Recurring fair value measurements				
	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	115	115	-	-
Available-for-sale financial assets	1,463,291	1,153,067	310,224	-
Other financial assets	10,123	-	-	10,123
<b>Total financial assets</b>	<b>1,473,529</b>	<b>1,153,182</b>	<b>310,224</b>	<b>10,123</b>
<b>Non-financial assets</b>				
Property, plant and equipment	3,804,251	-	648,605	3,155,646
<b>Total non-financial assets</b>	<b>3,804,251</b>	<b>-</b>	<b>648,605</b>	<b>3,155,646</b>
<b>Financial liabilities</b>				
Borrowings	307,788	-	307,788	-
Finance lease liabilities	2,086	-	2,086	-
<b>Total liabilities</b>	<b>309,874</b>	<b>-</b>	<b>309,874</b>	<b>-</b>

There were no non-recurring fair value measurements. There were no transfers between levels during the period. Refer to note 1.10 for the fair value accounting policy.

(c) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of land and buildings was determined by independent property valuers, Colliers International Consultancy and Valuation Pty Limited, having appropriate recognised qualifications and experience. Given the nature and use of the education related buildings together with limited comparable sales on a ‘going concern’ basis it is an accepted valuation methodology to carry out a depreciated replacement cost (DRC) analysis of the buildings to which the market value of the land is added, based on its existing use. Transport, Services, Zoning, Heritage Registration, Environmental Issues and Condition and Repair were considered in valuing the buildings. This approach adopted for the building component is considered to utilise ‘Level 3 Inputs’. Land with a community

service obligation of greater than 10% is considered to use Level 3 inputs as the unobservable input is considered significant. The land valuation for other remaining land properties is categorised as Level 2 based on the inputs to the valuation using the market approach.

The fair value of works of art and other collections was determined by independent valuers, Simon Storey Valuers, having appropriate recognised qualifications and experience. Random statistical sampling is used to value the larger collections. The sample valuations are projected to estimates of total value using the number-raised estimation methodology. Given the nature and use of the collections, with limited comparable sales due to the unique nature of the collections, the valuation is considered to utilise ‘Level 3 Inputs’.

The fair value of available for sale financial assets that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Property trusts, private equity funds, and hedge funds are all considered to utilise ‘Level 2 Inputs’, the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

NOTE 34 FAIR VALUE MEASUREMENTS (CONTINUED)

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014:

Level 3 Fair Value Measurements 2015

	Other Financial Assets \$'000	Buildings \$'000	Works of art & other collections \$'000	Land \$'000	Total \$'000
<b>Opening balance</b>	<b>10,123</b>	<b>2,284,990</b>	<b>218,236</b>	<b>652,420</b>	<b>3,165,769</b>
Additions	500	8,439	378	-	9,317
Transfer from construction in progress	-	41,247	-	-	41,247
Disposals	(2,858)	(1,102)	-	-	(3,960)
Depreciation	-	(79,029)	-	-	(79,029)
Revaluation	-	714	101,031	-	101,745
<b>Closing balance</b>	<b>7,765</b>	<b>2,255,259</b>	<b>319,645</b>	<b>652,420</b>	<b>3,235,089</b>

Level 3 Fair Value Measurements 2014

<b>Opening balance</b>	<b>8,841</b>	<b>2,196,785</b>	<b>170,627</b>	<b>544,844</b>	<b>2,921,097</b>
Additions	840	367	2,299	-	3,506
Transfer from construction in progress	-	185,319	-	-	185,319
Disposals	-	(136)	-	-	(136)
Impairment	442	(25,035)	-	-	(24,593)
Depreciation	-	(72,310)	-	-	(72,310)
Revaluation	-	-	45,310	107,576	152,886
<b>Closing balance</b>	<b>10,123</b>	<b>2,284,990</b>	<b>218,236</b>	<b>652,420</b>	<b>3,165,769</b>

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair Value 2015 \$'000	Significant unobservable Inputs	Relationship of significant unobservable inputs to fair value
Buildings	2,255,259	Average cost per asset	A 5% increase in average cost would increase the fair value of buildings by \$112.763 million.
		Useful Life	An increase in the useful life of buildings by one year would decrease annual depreciation by \$1.928 million thereby increasing the fair value.
Works of art & other collections	319,645	Average value per item	A 5% increase in average value would increase the fair value of works of art and other collections by \$15.982 million.
Land	652,420	Community Service Obligation (CSO)	A 5% increase in CSO would decrease the fair value of land by \$40.018 million.
Other financial assets	7,765	Value of assets	A 5% increase in value would increase the fair value of other financial assets by \$0.388 million.



NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY)

NOTE 35.1 Education - CGS and Other Education Grants

		Commonwealth Grants Scheme*		Indigenous Support Program	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)					
		265,939	255,259	-	701
Net Accrual Adjustments					
		-	-	-	-
<b>Revenue for the Period</b>	<b>2(a)</b>	265,939	255,259	-	701
Surplus / (Deficit) from the Previous Year					
		-	-	-	-
Total Revenue Including Accrued Revenue					
		265,939	255,259	-	701
Less Expenses Including Accrued Expenses					
		(265,939)	(255,259)	-	(701)
<b>Surplus / (Deficit) for Reporting Period</b>		-	-	-	-

		Promotion of Excellence in Learning & Teaching		Superannuation Program	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)					
		715	805	8,244	9,189
Net Accrual Adjustments					
		-	-	-	-
<b>Revenue for the Period</b>	<b>2(a)</b>	715	805	8,244	9,189
Surplus / (Deficit) from the Previous Year					
		-	-	(131)	375
Total Revenue Including Accrued Revenue					
		715	805	8,113	9,564
Less Expenses Including Accrued Expenses					
		(715)	(805)	(8,241)	(9,695)
<b>Surplus / (Deficit) for Reporting Period</b>		-	-	(128)	(131)

		Partnership and Participation Program **		Disability Support Program		National Institutes	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
		2,003	2,570	279	242	5,377	5,349
		-	-	-	-	-	-
		2,003	2,570	279	242	5,377	5,349
		-	-	-	-	-	-
		2,003	2,570	279	242	5,377	5,349
		(2,003)	(2,570)	(279)	(242)	(5,377)	(5,349)
		-	-	-	-	-	-

		Australian Maths & Science Partnership Program		Reward Funding		Improving the Quality of Maths & Science Teaching	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
		243	243	-	-	897	1,189
		-	-	-	-	-	-
		243	243	-	-	897	1,189
		-	-	-	-	-	-
		243	243	-	-	897	1,189
		(243)	(243)	-	-	(897)	(1,189)
		-	-	-	-	-	-

\* Includes the basic CGS grant amount, CGS Regional Loading, CGS Enabling Loading, Maths and Science Transitional Loading and Full Fee Places Transition Loading

\*\* Includes Equity Support Program

NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

NOTE 35.1 Education - CGS and Other Education Grants (continued)

AMSI Vacation Schools				Total	
Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	500	484	284,197	276,031	
Net Accrual Adjustments	(500)	-	(500)	-	
<b>Revenue for the Period</b>	<b>2(a)</b>	484	283,697	276,031	
Surplus / (Deficit) from the Previous Year	-	-	(131)	375	
Total Revenue Including Accrued Revenue	-	484	283,566	276,406	
Less Expenses Including Accrued Expenses	-	(484)	(283,694)	(276,537)	
<b>Surplus / (Deficit) for Reporting Period</b>	-	-	(128)	(131)	

NOTE 35.2 Higher Education Loan Programmes (excl OS-HELP)

		HECS-HELP (Australian Govt payments only)		FEE-HELP		SA-HELP		Total	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		150,596	138,591	106,225	92,595	3,381	3,394	260,202	234,580
Net Accrual Adjustments		(103)	1,574	(5,332)	139	(21)	4	(5,456)	1,717
Revenue for the Period	2(b)	150,493	140,165	100,893	92,734	3,360	3,398	254,746	236,297
Surplus / (Deficit) from the Previous Year		-	-	-	-	-	-	-	-
Total Revenue Including Accrued Revenue		150,493	140,165	100,893	92,734	3,360	3,398	254,746	236,297
Less Expenses Including Accrued Expenses		(150,493)	(140,165)	(100,893)	(92,734)	(3,360)	(3,398)	(254,746)	(236,297)
Surplus / (Deficit) for Reporting Period		-	-	-	-	-	-	-	-

NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

NOTE 35.3 Scholarships

		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships #	
Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	27,634	28,153	2,211	2,318	(15)	(84)	
Net Accrual Adjustments	-	-	-	-	88	99	
Revenue for the Period 2(c)	27,634	28,153	2,211	2,318	73	15	
Surplus / (Deficit) from the Previous Year	(1,462)	796	1,035	-	(73)	45	
Total Revenue Including Accrued Revenue	26,172	28,949	3,246	2,318	-	60	
Less Expenses Including Accrued Expenses	(29,460)	(30,411)	(3,135)	(1,283)	(122)	(133)	
Surplus / (Deficit) for Reporting Period	(3,288)	(1,462)	111	1,035	(122)	(73)	

	Commonwealth Accommodation Scholarships #	Indigenous Access Scholarships		Total		
Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	-	-	-	-	29,830	30,387
Net Accrual Adjustments	59	165	82	85	229	349
<b>Revenue for the Period</b> 2(c)	59	165	82	85	30,059	30,736
Surplus / (Deficit) from the Previous Year	59	40	4	8	(437)	889
Total Revenue Including Accrued Revenue	118	205	86	93	29,622	31,625
Less Expenses Including Accrued Expenses	(84)	(146)	(82)	(89)	(32,883)	(32,062)
<b>Surplus / (Deficit) for Reporting Period</b>	34	59	4	4	(3,261)	(437)

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

NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

NOTE 35.4 Education Research

		Joint Research Engagement		JRE Engineering Cadetships #		Research Training Scheme		Research Infrastructure Block Grants	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	33,091	33,826	535	403	68,081	70,923	30,564	30,688	
Net Accrual Adjustments	-	-	(535)	-	-	-	-	-	-
<b>Revenue for the Period</b>	<b>2(d)</b>	33,091	33,826	-	403	68,081	70,923	30,564	30,688
Surplus / (Deficit) from the Previous Year	-	-	738	335	-	-	-	-	-
Total Revenue Including Accrued Revenue	33,091	33,826	738	738	68,081	70,923	30,564	30,688	
Less Expenses Including Accrued Expenses	(33,091)	(33,826)	535	-	(68,081)	(70,923)	(30,564)	(30,688)	
<b>Surplus / (Deficit) for Reporting Period</b>	-	-	1,273	738	-	-	-	-	-

		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	-	-	24,612	22,922	156,883	158,762	
Net Accrual Adjustments	-	-	-	-	(535)	-	
<b>Revenue for the Period</b>	<b>2(d)</b>	-	-	24,612	22,922	156,348	158,762
Surplus / (Deficit) from the Previous Year	-	574	-	-	738	909	
Total Revenue Including Accrued Revenue	-	574	24,612	22,922	157,086	159,671	
Less Expenses Including Accrued Expenses	-	(574)	(24,612)	(22,922)	(155,813)	(158,933)	
<b>Surplus / (Deficit) for Reporting Period</b>	-	-	-	-	1,273	738	

# The reported surplus for JRE Engineering Cadetships of \$1.273 million for 2015 are expected to be rolled over for future use by Education.

NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

NOTE 35.5 Other Capital Funding

Education Investment Fund				Total	
Note	2015 \$'000	2014 \$'000		2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	-	-		-	-
Net Accrual Adjustments	3,974	13,673		3,974	13,673
<b>Revenue for the Period</b>	<b>2(e)</b>	3,974	13,673	3,974	13,673
Surplus / (Deficit) from the Previous Year	4,505	7,012		4,505	7,012
Total Revenue Including Accrued Revenue	8,479	20,685		8,479	20,685
Less Expenses Including Accrued Expenses	(8,479)	(16,180)		(8,479)	(16,180)
<b>Surplus / (Deficit) for Reporting Period</b>	-	4,505	-	-	4,505

NOTE 35.6 Australian Research Council Grants

NOTE 35.6(a) Discovery

		Projects		Fellowships		Indigenous Researchers Development		Total	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)	24,002	28,193	23,983	28,303	308	282	48,293	56,778	
Net Accrual Adjustments	476	4,148	53	(8,004)	13	(54)	542	(3,910)	
<b>Revenue for the Period</b>	<b>2(f)(i)</b>	24,478	32,341	24,036	20,299	321	228	48,835	52,868
Surplus / (Deficit) from the Previous Year	629	11,696	-	12,856	-	65	629	24,617	
Total Revenue Including Accrued Revenue	25,107	44,037	24,036	33,155	321	293	49,464	77,485	
Less Expenses Including Accrued Expenses	(24,797)	(43,408)	(24,036)	(33,155)	(321)	(293)	(49,154)	(76,856)	
<b>Surplus / (Deficit) for Reporting Period</b>	310	629	-	-	-	-	310	629	



NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

NOTE 35.6 Australian Research Council Grants (continued)

NOTE 35.6(b) Linkages

		Infrastructure		International	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)					
		2,741	2,100	-	(10)
Net Accrual Adjustments		816	(1,525)	-	-
<b>Revenue for the Period</b>	<b>2(f)(ii)</b>	3,557	575	-	(10)
Surplus / (Deficit) from the Previous Year		(1,006)	3,638	-	23
Total Revenue Including Accrued Revenue		2,551	4,213	-	13
Less Expenses Including Accrued Expenses		(2,921)	(5,219)	-	(13)
<b>Surplus / (Deficit) for Reporting Period</b>		(370)	(1,006)	-	-

NOTE 35.6(c) Networks and Centres and Special Research Initiatives

		Research Networks		Centres	
Note		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)					
		-	-	7,132	7,006
Net Accrual Adjustments		-	-	(1,248)	(6,028)
<b>Revenue for the Period</b>	<b>2(f)(iii)</b>	-	-	5,884	978
Surplus / (Deficit) from the Previous Year		-	57	277	3,868
Total Revenue Including Accrued Revenue		-	57	6,161	4,846
Less Expenses Including Accrued Expenses		-	(57)	(4,320)	(4,569)
<b>Surplus / (Deficit) for Reporting Period</b>		-	-	1,841	277

		Projects		Industrial		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
		11,055	11,210	2,652	1,605	16,448	14,905
		318	(8,045)	(288)	(1,248)	846	(10,818)
		11,373	3,165	2,364	357	17,294	4,087
		900	13,115	(18)	-	(124)	16,776
		12,273	16,280	2,346	357	17,170	20,863
		(11,560)	(15,380)	(1,736)	(375)	(16,217)	(20,987)
		713	900	610	(18)	953	(124)

		Total Networks and Centres		Special Research Initiatives		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
		7,132	7,006	3,446	12,601	10,578	19,607
		(1,248)	(6,028)	4,428	(2,493)	3,180	(8,521)
		5,884	978	7,874	10,108	13,758	11,086
		277	3,925	(314)	7,602	(37)	11,527
		6,161	4,903	7,560	17,710	13,721	22,613
		(4,320)	(4,626)	(7,953)	(18,024)	(12,273)	(22,650)
		1,841	277	(393)	(314)	1,448	(37)

NOTE 35 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

NOTE 35.7 OS-HELP

OS-HELP			
	Note	2015 \$'000	2014 \$'000
Cash Received during the reporting period	2(h)	2,767	3,073
Cash Spent during the reporting period		(2,694)	(2,089)
Net Cash received		73	984
Cash Surplus / (Deficit) from the previous period		1,218	234
Cash Surplus / (Deficit) for reporting period		1,291	1,218

NOTE 35.8 Student Services and Amenities Fee

Student Services and Amenities Fee			
	Note	2015 \$'000	2014 \$'000
Unspent / (overspent) revenue from previous period		4,164	161
SA-HELP Revenue Earned	2(b)	3,360	3,398
Student Services Fees direct from Students	4	4,983	6,641
Total revenue expendable in period		12,507	10,200
Student Services expenses during period		(4,789)	(6,036)
Unspent / (overspent) Student Services Revenue		7,718	4,164

STATEMENT BY THE VICE-CHANCELLOR AND CHIEF FINANCIAL OFFICER

The University Council at its meeting held on 16 March 2016 agreed to adopt the financial statements and authorised the Vice-Chancellor and Chief Financial Officer to sign the financial statements on behalf of the University.

In our opinion:

- (a)

i)

the financial statements of the University of Melbourne 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 2015 and the financial position of its operations for the year ended on that date, and
- ii)

the amount of Australian Government financial assistance received during the financial year ended 31 December 2015 was expended for the purposes for which it was provided, and
- iii)

the Group has complied with all material requirements of applicable legislation, contracts, agreements and various programme guidelines that apply to the Australian Government financial assistance identified in these financial statements, and
- (b)

the financial statements have been prepared in accordance with the Australian Accounting Standards, the *Financial Management Act 1994*, *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 2015 Reporting Period as issued by the Australian Government Department of Education.

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 the University of Melbourne and the consolidated entity will be able to pay its debts as and when they fall due.

  
Glyn Davis  
Vice-Chancellor  
23 March 2016

  
Allan Tait  
Chief Financial Officer  
23 March 2016

**VAGO**

Victorian Auditor-General's Office

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**AUDITOR-GENERAL'S INDEPENDENCE DECLARATION****To the Council Members of the University of Melbourne**

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 the University of Melbourne for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the 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.



Dr Peter Frost  
Acting Auditor-General

MELBOURNE  
24 March 2016

**INDEPENDENT AUDITOR'S REPORT****To the Council Members of the University of Melbourne***The Financial Report*

I have audited the accompanying financial report for the year ended 31 December 2015 of the University of Melbourne (the University) which comprises the income statement, comprehensive income statement, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the Vice-Chancellor and Chief Financial Officer's certification of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

*The Council Member's Responsibility for the Financial Report*

The Council Members of the University of Melbourne are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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



## Independent Auditor's Report (continued)

### Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards, relevant ethical pronouncements and the *Australian Charities and Not-for-profits Commission Act 2012*.

I confirm that I have given to the Council Members a written independence declaration, a copy of which is included in the University's report.

### Basis for Qualified Opinion

The University of Melbourne has deferred the recognition of \$213 million (2014: \$217 million) as income relating to Australian, State and Local Government Financial Assistance grants by recognising the grants as Other Liabilities in its statement of financial position as at 31 December 2015.

As discussed in Note 1.4(i) to the financial report, the University regards the receipt of such income as a reciprocal transfer and defers the income until such time as the services required by the grant are provided. In my opinion, these grants are non-reciprocal in nature and as per the requirements of AASB 1004 *Contributions*, the income should be recognised in the reporting period in which the associated cash is received. The University's accounting policy is a departure from Australian Accounting Standard AASB 1004 *Contributions*. The University first adopted this accounting policy in the year ended 31 December 2006 and has caused me to qualify my audit opinion on the financial reports since that time.

The following adjustments to the financial report are required to recognise grants as income in accordance with Australian Accounting Standard AASB 1004 *Contributions*:

Financial Report Items	2015 adjustment	2014 adjustment
Other Liabilities	Reduce by \$213 million	Reduce by \$217 million
Australian, State and Local Government Financial Assistance income <i>Grant income which should have been recognised in the current reporting period</i>	Increase by \$213 million	Increase by \$217 million
Australian, State and Local Government Financial Assistance income <i>Grant income which should have been recognised in prior reporting periods</i>	Reduce by \$217 million	Reduce by \$226 million
Impact on the Net Result	Reduce by \$4 million	Reduce by \$9 million
Retained Earnings	Increase by \$217 million	Increase by \$226 million

## Independent Auditor's Report (continued)

### Qualified Opinion

In my opinion, except for the effect on the financial report of the matters described in the *Basis for Qualified Opinion* paragraphs, the financial report of the University of Melbourne is in accordance with the financial reporting requirements of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the University and the consolidated entity's financial position as at 31 December 2015 and of their financial performance and cash flows for the year ended on that date
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Regulation 2013*.

MELBOURNE  
24 March 2016

  
Dr Peter Frost  
Acting Auditor-General

DISCLOSURE INDEX

Item No.	Source reference	Disclosure	Volume	Page No./s
Standing directions of the minister for finance				
1	SD 4.2(g)	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.	1	1-109
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	1	3
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	1	3
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"><li>• Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements;</li><li>• Financial Reporting Directions; and</li><li>• Business Rules.</li></ul>	2	17, 65
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"><li>• Balance Sheet and income statement;</li><li>• Statement of Recognised Income and Expense;</li><li>• Cash Flows Statement; and</li><li>• Notes to the financial statements.</li></ul>	2	12-64
6	SD 4.2(c) 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"><li>• Present fairly the financial transactions during reporting period and the financial position at end of the period;</li><li>• Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and</li><li>• Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements.</li></ul>	2	65
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"><li>• \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and</li><li>• \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li></ul>	2	4-10, 12-16, 23, 25-64
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	1	85
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	1	96-97
10	FRD 03A	Accounting for Dividends	NA	NA
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	2	24
12	FRD 10	Disclosure Index	1 2	109-111 71-73
13	FRD 11	Disclosure of Ex-gratia Payments	NA	NA
14	FRD 17B	Long Service leave and annual leave for employees	2	22, 29, 40
15	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	2	44-46

DISCLOSURE INDEX (CONTINUED)

Item No.	Source reference	Disclosure	Volume	Page No./s
Standing directions of the minister for finance				
16	FRD 22G	Consultants: Report of Operations must include a statement disclosing each of the following 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period  AND for each consultancy more than \$10,000, a schedule is to be published on the University website listing: <ul style="list-style-type: none"><li>• Consultant engaged</li><li>• Brief summary of project</li><li>• Total project fees approved (excluding GST)</li><li>• Expenditure for reporting period (excluding GST)</li><li>• Any future expenditure committed to the consultant for the project</li></ul>	2	10
17	FRD 22G	Manner of establishment and the relevant Minister	2	46
18	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	1	1-109
19	FRD 22G	Nature and range of services provided including communities served	1	1-109
20	FRD 22G	Organisational structure and chart, including responsibilities	1	80-81
21	FRD 22G	Names of Council members	1	78-79
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	1	1-109
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at (a) to (e) in the FRD	1	91-95
24	FRD 22G	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	1	11, 68-69
25	FRD 22G	Summary of the financial results for the year including previous 4 year comparisons	1	11
26	FRD 22G	Significant changes in financial position during the year	2	5-6
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	1	1-109
28	FRD 22G	Major changes or factors affecting performance	2	4
29	FRD 22G	Discussion and analysis of operating results and financial results	1	1-109
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods	2	50
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	1	68-69
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	NA	NA
33	FRD 22G	Summary of application and operation of the Freedom of Information Act 1982	1	107
34	FRD 22G	Statement of compliance with building and maintenance provisions of the Building Act 1993	1	104

DISCLOSURE INDEX (CONTINUED)

Item No.	Source reference	Disclosure	Volume	Page No./s
Standing directions of the minister for finance				
35	FRD 22G	Statement where applicable on the implementation and compliance with the National Competition Policy	1	104
36	FRD 22G	Summary of application and operation of the Protected Disclosure Act 2012	1	106
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	1	106
38	FRD 22G and 24C	Summary of Environmental Performance including a report on office based environmental impacts	1	70-77
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 (a) – (l) in the FRD))	1	108
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	NA	NA
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	NA	NA
42	FRD 102	Inventories	NA	NA
43	FRD 103F	Non-current physical assets	2	20-21, 34-37
44	FRD 104	Foreign currency	2	51
45	FRD 105A	Borrowing Costs	2	21, 29
46	FRD 106	Impairment of assets	2	17-19
47	FRD 107A	Investment properties	2	NA
48	FRD 109	Intangible assets	2	21, 38
49	FRD 110	Cash Flow Statements	2	16
50	FRD 112D	Defined benefit superannuation obligations	2	22, 29, 31-32, 40
51	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	2	17-18, 49
52	FRD 119A	Transfers through contributed capital	NA	NA
53	FRD 120I	Accounting and reporting pronouncements applicable to the reporting period	2	23
54	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	1	108
55	PAEC	Financial and other information relating to the university's international operations	1	11, 26, 36, 56-57
56	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"><li>• Summary of the university commercial activities</li><li>• If the university has a controlled entity, include the accounts of that entity in the university's Annual Report</li></ul>	1	98-103







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