



THE UNIVERSITY OF  
MELBOURNE

# Annual Report 2016



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The Hon Gayle Tierney MP  
Minister for Training and Skills  
Level 1, 2 Treasury Place  
East Melbourne VIC 3002



15 March 2017

Dear Minister

In accordance with the requirements of regulations and financial reporting directions under the *Financial Management Act 1994*, I am pleased to submit for your information and presentation to Parliament the Annual Report of the University of Melbourne for the year ending 31 December 2016.

The University of Melbourne Council endorsed the Annual Report at its meeting on Wednesday 15 March 2017.

2016 was a successful year for the University. Student demand remained strong at both undergraduate and postgraduate levels. Academic and professional staff continued to perform at a high level.

The University's research activity has maintained its impressive national and international profile. This is reflected in international university rankings, success in attracting Australian and international research funding, and many awards and honours recognising the contributions of our academic staff. The University's 2015 Collision brand campaign won two awards at the 2016 Australian Marketing Institute Awards for Marketing Excellence: the Marketing Program of the Year and the Education category.

In order to continue to be a strong competitor nationally and globally, the University must anticipate and respond to the growing challenges to its funding, research, teaching and reputation. The University is investing in more academic staff and focusing strategic support for areas of research excellence where it can maximise its impact. It took significant strides in 2016 towards reaching its target of raising \$1 billion in philanthropic donations and deepening its relationships with alumni worldwide.

Development of infrastructure is also crucial to supporting and enhancing the University's research and teaching capabilities. The Arts West building, opened in 2016 by the Faculty of Arts, showcases the innovative use of learning spaces to support new ways of teaching and learning. The University's plans to develop a sustainability and resilience precinct at the former Royal Women's Hospital site also made significant progress.

The University of Melbourne Council is committed to leading the institution as it carries out *Growing Esteem 2015–2020*, the University's strategy for becoming one of the finest universities in the world.

On behalf of Council I would like to thank Elizabeth Alexander AM for her many years of dedication and leadership as Chancellor of the University, concluding at the end of 2016.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Allan Myers'. The signature is fluid and cursive, written over a light blue background.

Allan Myers AC QC  
Chancellor



Already a well-regarded public institution, the University of Melbourne achieved a significant boost to its international reputation in 2016 with a rise to 40 on the Academic Ranking of World Universities. This consolidated several years of reputational enhancement, which has also seen the University placed for two consecutive years at 33 on the Times Higher Education World University Rankings. On both measures, Melbourne has clearly achieved the number one reputational ranking among universities in Australia.

An important refinement of the University's management approach in 2016 was a wide-ranging discussion among our campus communities around principles of sustainability. This has led to adoption of a clear set of organising principles for the University based on three closely related themes: organisational, financial and environmental sustainability. At management and governance levels, this approach creates renewed confidence that the institution will continue to work from a position of strength.

A wide range of initiatives in research and the continuing pursuit of innovation and excellence by researchers in each faculty contributed to the University's enhanced reputation in 2016. These included initiatives to boost research linkages between Melbourne and leading institutions in Germany, India, Brazil and the United States, and a broad range of significant funded projects supported by the National Health and Medical Research Council and the Australian Research Council. Two joint Australia-China research centres were established with Melbourne as the host institution, and seven Hallmark Research Initiatives supported by the University operated successfully throughout the year.

International connections were also strengthened in the University's teaching and learning division, with the number and diversity of dual-degree programs with international partners expanding. After successfully trialling free online learning courses (MOOCs) for several years, the University completed its first full year of offering fully accredited professional degree programs, at graduate level through Graduate Online – Melbourne. The University remained a preferred undergraduate study destination for Victorian bachelor degree students, with the number of VTAC first preference requests for Melbourne places in Arts, Commerce, Science and Biomedicine growing between 2015 and 2016. International demand for enrolments in the Melbourne Curriculum also remained strong.

At the conclusion of 2016 the University thanked and farewelled its Chancellor for the past six years, Elizabeth Alexander AM, who served the institution with distinction. We welcome another alumnus of the University in Allan Myers AC QC, as Chancellor from the beginning of 2017.

A handwritten signature in black ink, appearing to read 'Glyn Davis', with a stylized flourish at the end.

Professor Glyn Davis AC  
Vice-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 measure our success by the 10 goals articulated in the University's strategic plan *Growing Esteem 2015–2020*.





THE UNIVERSITY OF MELBOURNE

# At a glance

## Global rankings



**#1** in Australia\*  
**#33** Times Higher Education World University ranking  
**#40** Academic Ranking of World Universities

\*Academic Ranking of World Universities 2016 and Times Higher Education World University Rankings 2016–2017

## Ranked number 1



**For combined funding awarded** by National Health and Medical Research Council and Australian Research Council

## Believe Campaign

**\$A628.1 million total philanthropic income**

**2016, the most successful year** for *Believe – the Campaign for the University of Melbourne*

## Arts West



**New landmark building** at Parkville

## 19 293 completions



**48 088 equivalent full time student load enrolments** including 36.4% international students

## Graduate Online – Melbourne

**Seven new fully online programs** offered during the year

## Atlantic Fellows Program



**\$US50 million grant** from The Atlantic Philanthropies – leveraging an additional **\$A160 million** from government and partner organisations – **largest philanthropic gift** in University of Melbourne history.

## Grants

### Increased international grants

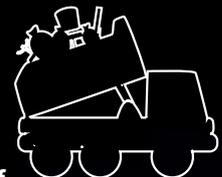
Over the course of the year, grants from international **sponsors increased by 50 per cent.**

## 17 highly cited researchers



**Most** of any Australian university

## Commitment to sustainability



**Savings of \$2.5 million** from reuse of furniture

## Quality teaching



**87.9% of 2015 graduates** agreed that their course of studies will be valuable for their future.

\*Australian Graduate Survey 2015

# Five-year statistics

## Teaching and Learning

The University of Melbourne attracts students with high academic potential from all backgrounds. Overall enrolments grew by over 2600 equivalent full time student load (EFTSL) in 2016 compared with the previous year. In 2016, the University continued to attract high-quality students, maintaining its strong median ATAR of 93.60. Student experience continues to be a high priority, with 80 per cent of students rating the University as good or excellent in the overall quality of the entire educational experience (2015 Student Experience Survey). Female student enrolments account for over 55 per cent of student load. 36 per cent of students are international students, and an increasing number are enrolling from interstate.

## Research performance

In 2016, the University of Melbourne maintained its position as a leading Australian research university. The five-year trend for research income shows an overall increase, with the University ranked number one for National Health and Medical Research Council (NHMRC) funding, and number one overall for funding awarded from the NHMRC and Australian Research Council combined in 2016. The University had the largest cohort of research higher degree students in Australia in 2015 (most recent data available).

## Staff

The *People Strategy 2015–2020* prioritises building and strengthening the University of Melbourne's greatest asset: its people. The University's investment in its core work of teaching and research continued with a further increase in the number of academic staff employed in 2016.

## Financial performance

The University of Melbourne's strategic plan *Growing Esteem 2015–2020* emphasises financial sustainability and resilience as a strategic priority, with success driven by the University's ability to diversify sources of revenue, manage costs of administration, allocate resources strategically and leverage financial strength. In 2016, the University's financial position continued to improve due to increased demand for teaching programs and implementation of the new Melbourne Operating Model, savings from which are reinvested into core strategic teaching and research-related initiatives. The University continued to focus on achieving its financial targets and recorded a sound underlying operating result of \$66 million (an increase of \$28 million over the previous year).



Botany building, Parkville campus

	2012	2013	2014	2015	2016
<b>Median ATAR<sup>1</sup></b>					
	93.85	94.30	94.25	93.80	93.60
<b>Student Enrolments (EFTSL)<sup>2</sup></b>					
Total Student Load (EFTSL)	38,243	40,445	42,637	45,431	48,088
Research Higher Degree	3,201	3,316	3,489	3,608	3,577
Postgraduate Coursework	12,517	14,984	17,208	18,430	19,751
Undergraduate	22,524	22,145	21,941	23,394	24,760
% Female Enrolment	54.97%	54.68%	54.7%	54.99%	55.67%
International Load	10,652	11,705	13,200	15,211	17,520
% International Students	27.9%	28.9%	31.0%	33.5%	36.4%
Commonwealth Supported Places (including RTS)	23,802	24,105	24,230	24,779	25,027
<b>Award Completions<sup>2</sup></b>					
Research Higher Degree (excluding Higher Doc)	738	744	720	765	901
Postgraduate Coursework	7,419	8,266	9,545	10,298	11,069
Undergraduate	8,431	7,822	7,193	7,092	7,323
Total	16,588	16,832	17,458	18,155	19,293
<b>Staff (FTE)<sup>3 and 4</sup></b>					
Academic	3,753	3,902	3,892	4,029	4,210
Professional	4,014	4,023	4,000	3,841	3,979
Total	7,766	7,925	7,892	7,870	8,189
<b>% Male/Female Staff (FTE)</b>					
Female	46%	46%	46%	47%	47%
Male	54%	54%	54%	53%	53%
Female	64%	64%	64%	65%	64%
Male	36%	36%	36%	35%	36%
<b>Research Performance Indicators<sup>2</sup></b>					
Research Income (\$million)	376	374	412	396	441
Research Publications (HERDC score) <sup>7</sup>	5,044	5,150	5,118	4,370	4,767
Research Student Load (EFTSL)	3,201	3,316	3,489	3,608	3,577
Research Completions (excluding Higher Doc)	738	744	720	765	901
<b>Financials (\$million)<sup>5</sup></b>					
Total Underlying Operating Income	1,675	1,751	1,892	1,977	2,150
Total Underlying Operating Expenditure	1,681	1,744	1,886	1,940	2,084
Underlying Operating Result <sup>6</sup>	(6)	7	6	38	66
Underlying Operating Margin (%)	(0.3%)	0.4%	0.3%	1.9%	3.1%

1. Median ATAR for enrolled students, based on both Commonwealth Supported Place and international onshore Year 12 students
2. 2016 student enrolments, award completions and research performance indicators are estimates
3. Staff FTE includes continuing, fixed-term and casual staff

4. Employees correctly included in workforce data collections
5. Amounts represent University financial results excluding subsidiaries
6. Underlying operating result represents University's accounting surplus less net discretionary investment income, infrastructure grants and endowment receipts

7. While the University continues to collect data on publications, its removal from the HERDC and RBG allocation formulae likely impacts quality of data captured through the University's publication system. It is expected that the breadth of the publication collection will increase as the University prepares for the ERA 2018 submission.

# Teaching, learning and the student experience

## Enhancement and enrichment through the Melbourne Offer

The University of Melbourne offers learning that stimulates, challenges and fulfills the potential of excellent students from around the world, leading to personal development, meaningful careers and profound contributions to society.

The University's strategic plan, *Growing Esteem 2015–2020*, outlines the University's commitment to providing outstanding learning experiences for its students. To achieve these *Growing Esteem* objectives, the University focuses on three areas – **high-quality teaching and learning, an engaging and supportive student experience and successful career outcomes.**

### 2016 highlights

- **Student satisfaction** with teaching **increased** (as measured by the Australian Graduate Survey), keeping the University in the number one spot among the Group of Eight research-intensive universities.
- With **expanded program offerings for its Melbourne Massive Open Online Courses (MOOCs)**, the University received **record enrolments** during the year, and achieved the one-millionth learner enrolment since launching its suite of MOOCs in 2012.
- **Indigenous student success rates** consistently above Go8 and Victorian universities' average since 2012.
- **New and improved student accommodation options** increased during 2016, with the opening of Campus Living Villages' new student village. This provided an additional 648 beds for students and achieved a 100 per cent occupancy rate. By 2020, the University plans to have 6000 quality University-endorsed places in delivery.
- World-class student spaces increased with the **opening of the Arts West building** – a new landmark on the Parkville campus – offering quiet reflective spaces as well as spaces to facilitate students coming together to study and interact. In 2016, approval was received to commence work on a **new Conservatorium of Music** at Southbank and **new teaching facilities in the Biosciences** at Parkville and Werribee.
- The University **reviewed its services to support student employability** and developed an improved career and employment service.



Law graduates



## The Melbourne student experience

### *Opening up a new world*

Having achieved the results she was working so hard towards in high school, Yan Zhuang (pictured) made the decision to move away from her home and family to live and study in Melbourne.

It was a bold move that's given Yan an opportunity to flourish.

"One of the reasons I moved to Melbourne was because I'd heard so much about its vibrant arts culture," says Yan. "And I haven't been disappointed, there's something new to experience every weekend!"

Now studying a Bachelor of Arts majoring in Politics and International Relations and with a minor in Islamic studies, Yan is looking to transition to a Master of Journalism or Master of Public Policy once she's gained her undergraduate degree.

In the meantime, Yan is exploring the full range of opportunities open to her, having joined the University of Melbourne Student Union (UMSU) soon after enrolling and, since then, writing for and subediting the iconic student magazine *Farrago*.

During 2016 Yan also worked as a welfare officer for UMSU and at the end of her term was elected UMSU President.

"I think it's quite rare for someone like me, a first-generation Chinese immigrant and someone who didn't even know anyone in Melbourne three years ago, to be given the opportunity to represent all students," says Yan.

Yan loves the vibrant campus community at Melbourne, and the fact that there's something for every student, whether that be UMSU, in student theatre, or one of the University's 200 plus clubs.

"Melbourne has an amazing range of resources to support students, and I've had some fantastic lecturers and tutors who constantly challenge me and expand my world view," she says.

One of Yan's best memories is joining the journalists' lockup in 2016 to report on the federal budget for *Farrago*. Another was sitting on the panel with leading entrepreneurs and University executives to judge the winners of the inaugural 'Melbourne Ideas', a program designed to strengthen innovation and embed student co-creation as a core component of student service design and delivery decisions.

"For me, this was an amazing opportunity to learn more about the experiences of students," says Yan, "and come into contact with a whole range of new and innovative ways of solving problems on campus."

## High-quality teaching and learning

The University of Melbourne offers students opportunities to develop in-depth knowledge of specialist disciplines from multiple perspectives. In support of *Growing Esteem 2015–2020* objectives, the University continued to improve the student experience and outcomes in 2016 through teaching and learning innovation and enhanced study abroad opportunities.

### Melbourne Curriculum

*Strong student enrolment and rankings*

The Melbourne Curriculum is central to the University's offer – combining rich on-campus and virtual learning experiences leading to graduate success. Melbourne's undergraduate degrees were among the most popular in Victoria.

In 2016, the University of Melbourne expanded the number and diversity of dual-degree programs with international partners. The Melbourne School of Engineering reached agreement on new programs with Shanghai Jiao Tong University and Melbourne Law School has added a further two dual-degrees, bringing the number on offer to five.

The University also developed a new undergraduate degree, the Bachelor of Design, to be offered for the first time in 2017.

### Teaching and learning innovation

*Improving student experience and outcomes*

- The 2016 round of **Learning and Teaching Innovation** grants supported 33 cross-campus initiatives in three innovation categories to improve the quality and effectiveness of students' learning experiences. The innovation grants also enhanced the quality of graduate outcomes,

built teaching staff expertise and capability, and used technology to support current teaching, learning and assessment activities.

In 2016, innovation funds supported trials of education technology products, including Learning Catalytics, an interactive student response tool used in first-year biology and Labster (virtual laboratory) simulations in biomedicine.

- **Graduate Online – Melbourne** completed its first full year of operation in 2016. The University offered seven new programs during the year and, to meet the ongoing demand for flexible online education offerings, will offer a number of additional wholly online graduate courses in 2017.
- **Melbourne Massive Open Online Courses** In 2016 the University of Melbourne achieved the one-millionth learner enrolment since launching its suite of Massive Open Online Courses (MOOCs) in 2012. It also ran more sessions than in any previous year. Over the course of 2016, the University received 110 000 enrolments across 17 MOOCs.

### Student mobility

*Continuing to improve and increase international opportunities*

The University of Melbourne continued to have the largest outbound mobility program (study abroad and student exchange opportunities) in Australia\* – including student exchange to 180 partners in 39 countries, study abroad, work experience and internships. 1276 undergraduate students undertook mobility experiences, an increase of 1.5 per cent in the number of undergraduate students accessing the mobility program compared with the previous year.

\* Australian Universities International Directors' Forum (AUDIF) *Learning Abroad 2015* (in 2016) Report

## Flexible Academic Programming

*Working to enhance the quality of teaching and learning*

The University of Melbourne made significant progress on its Flexible Academic Programming (FlexAP) project in 2016. Launched in 2015, FlexAP is a collaborative initiative between students, professional staff and academic staff with the goal of enhancing the quality of teaching, learning, assessment and the broader student experience. It will also lead to more effective and efficient use of the University's infrastructure and resources.

FlexAP is designed to provide students with more flexible study options and choice. In 2016, the project examined a diverse range of teaching and learning experiences such as large undergraduate study subjects, virtual infrastructure, semester structure and timetabling.

## Student experience

**In 2016, the University of Melbourne provided students with cultural, social and engagement opportunities on campus, increased student accommodation, and enhanced learning and student support services.**

### Positive results from student survey

The University of Melbourne's outcomes from the 2015 Student Experience Survey (most recent data) showed:

- Above-average outcomes for teaching quality (84 per cent compared with the national average of 82 per cent), learning resources (87 per cent compared with 86 per cent) and learner engagement (62 per cent compared with 60 per cent)
- 80 per cent of respondents described overall educational experience as good or excellent (matching the national average).

## 2016 University of Melbourne course ranking in Victoria

Based on VTAC CSP First Preference Ranking Data: VTAC Popularity Polls (FINAL)

Degree	Course rank					No. of 1st preference	
	2012	2013	2014	2015	2016	2015	2016
Arts	1	1	1	1	1	2,716	2,838
Science	3	2	2	2	2	2,354	2,520
Commerce	4	4	4	4	4	1,664	1,707

Note: course rank based on VTAC CSP first preference

## Indigenous performance

consistently above **Go8 and Victorian** universities average

### Access and diversity

The University of Melbourne and its partners offered a range of programs in 2016 to engage 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 disability, financial disadvantage and difficult circumstances.

The **Kwong Lee Dow Young Scholars Program** offers nominated Year 10 students from a diverse range of schools the opportunity to engage with the University over a two-year period. These students participate in social and leadership experiences, University events and workshops, and have access to academics and university resources. 41 per cent of participants were from regional Victoria and 55 per cent from underrepresented schools.

The **Melbourne Connect Program** linked University of Melbourne ambassadors with 3341 prospective students from 70 low-SES schools in Melbourne's northern and western suburbs, hundreds of whom came to the University for special workshops and activities during the year.

### Students from regional and rural

**Victoria** (Years 9 to 12) came to Melbourne throughout the year to attend a range of targeted camps, workshops and information evenings to gain first-hand knowledge of university life and tertiary study. In addition, over 600 parents and students attended Meet Melbourne information sessions and specialised Year 12 presentations in regional and rural centres across the state.

The University of Melbourne continued to provide support for low-SES students through Higher Education Participation Program-funded Equity Innovation grants, and maintained its investment in the Diploma in General Studies, Global Mobility, and Careers initiatives. Additionally, the University established a peer network program that paired students from disadvantaged backgrounds with mentors who provided advice on transition, academic support, careers and pathways.

### Indigenous students

As of 2016, the University of Melbourne has 288 enrolled Indigenous students. This includes 169 undergraduate, 59 higher degree coursework and 26 research higher degree students. (See table below.) The University of Melbourne supports Indigenous students

with a range of targeted programs, some focusing on outreach and participation, others providing academic and other support to achieve successful completion outcomes.

Students who identify as Aboriginal and Torres Strait Islander continue to come to the University in greater numbers. Since 2013, 33 Indigenous students have commenced at the University in the elite category of Chancellor's Scholars.

The Indigenous Leadership Excellence and Achievement Program (ILEAP) has a strong track record of preparing students for higher education. All participants in the secondary school component of ILEAP were offered a place at the University in 2016. The undergraduate component of a three-phase ILEAP is currently under development for implementation in 2017.

### Indigenous student success compared with Go8 universities

The 2015 Indigenous student success rate data (most recent available) for the University of Melbourne shows a significant improvement from 2011, with performance consistently above the Go8 and Victorian universities' average since 2012. (See table over page.)

### Indigenous student enrolments

(5 years: 2012, 2013, 2014, 2015, 2016)

	2012	2013	2014	2015	2016
Total Indigenous student enrolments	183	207	230	270	288
Total Indigenous student completions	54	58	56	85	62

## University of Melbourne Indigenous student success rates with Go8 and Victorian comparisons



### Scholarships

*Streamlining processes and creating enhanced awareness*

Following a review of scholarships in 2015, the University of Melbourne adopted a whole-of-institution approach to the awarding of entry scholarships and established programs to improve public and student awareness of the University's scholarship program.

- Total scholarships awarded for coursework (excludes research): 7679
- Commencing student scholarships (scholarships and bursaries through the University's National Scholarship, Melbourne Access Scholarship and Graduate Access Bursary): 427
- Bursaries, grants and prizes awarded after course commencement (financial need, travelling, excellence prizes): 7252

### Creating a safe campus environment Respect.Now.Always

The University of Melbourne hosted a range of activities during **Respect Week** in 2016 in support of the sector-wide 'Respect. Now. Always' initiative. The program was developed to combat sexual harassment and sexual assault and to improve safety in universities. It included academic and student panel discussions, documentary screenings and activities for students and staff.

The University also provided support for the joint Universities Australia/Australian Human Rights Commission **national university student survey** on sexual assault and harassment. The findings will be used to develop initiatives relating to student wellbeing, safety and a respectful community, for implementation in 2017.

### Career outcomes

**In 2016, the University of Melbourne extended its range of undergraduate and graduate student services to encourage excellent career outcomes and greater access to structured program work experience.**

#### Mentoring program pilots

*Supporting students in transition from study to work*

In 2016, the University of Melbourne introduced a **new mentoring strategy** and platform.

Mentoring programs match students with industry professionals who provide them with insights and advice as they transition out of study into the workforce. The University also acquired new resources to further assist and scale up the University's mentoring activities and to provide greater numbers of students with opportunities to benefit from valuable industry partnerships.

### Students@Work program

*Opening up a new world*

The **Students@Work (S@W)** program provides on-campus professional employment opportunities to current University of Melbourne students. S@W provides students with key employability skills while enhancing their engagement and connectivity to the University.

In 2016, the program reached a milestone, filling more than 270 positions and providing paid work opportunities to half its membership base – ensuring more students are able to enjoy the benefits of on-campus work. Job opportunities across the University created through the program included roles in customer service, events and marketing, administration support, Melbourne University Sport, IT, business support and finance.

Students found tremendous value in the program, noting as some of the key benefits: excellent career and skill development, increased confidence, network creation and the opportunity to contribute to the University community through student service design and delivery.

Moving into 2017, 50 new internship positions will be created in roles across Chancellery, University Services and Academic Divisions.

**No.1**

for graduate **student satisfaction** in Group of Eight research-intensive universities

## High-achieving students

### Academy for International Communication of Chinese Culture

#### *Golden Lenses*

Marleena Forward (Victorian College of the Arts) was awarded two Golden Lenses for 'Glory for me', a short film documenting the story of Chinese child acrobats

### American Australian Association's Education Fund Fellowships

#### *Northrop Grumman Fellow*

Scott Mullane (School of Mathematics and Statistics)

### Australian Boat Race

#### *Bella Guerin Trophy*

University of Melbourne Women's Eight Captain, Sara Banting (Melbourne Medical School)

### Australian Medical Association's Best Achievement Award in Allied Health Research

#### *Inspire Award*

Savant Thakur, PhD candidate (Department of Physiology) for his current research investigating skeletal muscle injury and repair with direct relevance for better understanding Duchenne muscular dystrophy

### Council of International Students Australia (CISA)

#### *Postgraduate International Student of the Year (Research)*

Sina Khatami, PhD candidate (Department of Infrastructure Engineering)

### Qantas Fellow

Felix Ellett (Walter and Eliza Hall Institute of Medical Research)

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

#### *Humanities, Creative Arts and Social Sciences*

Stewart Ferguson Fenwick (Melbourne Law School)

'Is Rawlsian liberalism compatible with Islam? A case study of post-Soeharto Indonesia'

Sophie Elizabeth Rudolph (Melbourne Graduate School of Education)

'Racing the gap: a critical analysis of Australian Indigenous education policy discourse and its political effects'

#### *Science and Engineering*

James Louis Maino (School of BioSciences)  
'The importance of body size: scaling of physiological traits in insects'

Ida Asadi Someh (Computing and Information Systems)

'The role of synergy in achieving value from business analytics systems'

#### *Medicine, Dentistry and Health Sciences*

Sarah Hanieh (Medicine / RMH)

'Antenatal and early life determinants of infant growth and development in rural Vietnam'

Lucille Catherine Rankin (Medical Biology)

'Distinct requirements for T-bet and Nfil3 for the generation of innate lymphoid cell populations'

### Victorian Government International Student Awards

#### *International Student of the Year – Higher Education*

Sander Bredal (Bachelor of Arts in Psychology, Politics and International Studies)



### Arts West

*New landmark building for Parkville*

The iconic Arts West building in the centre of the Parkville campus was opened officially in August 2016. It features a range of quiet and large space learning areas to facilitate students coming together to study and interact.

# Research

Excellent and impactful, creating world-changing breakthroughs

The University of Melbourne's character is defined by its research: brilliant, innovative and inspiring.

*Growing Esteem 2015–2020* outlines the University's commitment to undertake research that addresses the major social, economic and environmental challenges of our time. To support this strategic vision, the University focuses on four areas – **research quality and performance culture; research focus and scale; research collaboration, partnership and impact; and graduate researchers.**

## 2016 highlights

- The University recorded a **successful year in attracting research funding**. As at December 2016, the University had been awarded \$117.58 million in funding from National Health and Medical Research Council (NHMRC) and \$98.9 million in funding from Australian Research Council (ARC). This exceptional outcome ranks the University of Melbourne as number one for NHMRC funding, number two for ARC funding and number one overall for funding awarded from the NHMRC and ARC combined.
- In line with *Growing Esteem* targets, the University continues to **grow its research income** from public sector, industry, and Cooperative Research Centres with an **increase from the previous year to \$244.3 million\***. This represents approximately 55 per cent of the University's total research income.
- In 2016, 739 University of **Melbourne PhDs** completed their candidacy.
- **Excellence in NonCommunicable Disease REsearch (ENCORE) program** will train early and mid-career researchers from Australia and India.
- Research@Melbourne provided **support for 28 PhD students and their supervisors**, to join the Australian German College for Climate and Energy Research training group co-located at Carlton Connect. The group is collaborating with researchers based at partner universities in Germany as well as with industry, academia and society in both countries to investigate ways **to achieve zero emissions worldwide**.
- Throughout 2016, the University demonstrated its role in addressing global health and wellbeing challenges with a **broad range of significant funded projects**. Five NHMRC Centres of Research Excellence (CREs) received funding, including a CRE led by Professor Sharon Lewin (Medicine Dentistry and Health Sciences) to create and share new knowledge to detect, prevent and manage emerging infection threats.
- Strategic interdisciplinary research initiatives were influential in significant successes for the University in the 2016 NHMRC Centre of Research Excellence program.
- Australian Government Cooperative Research Centre Project (CRC-P) granted the University of Melbourne and partner Speedpanel up to **\$3 million over three years** in the Advanced Manufacturing category **to research and develop innovative pre-fabricated building systems**.
- The University established **new international research training programs with partners** in Brazil, Germany, India and the US, and established new internal seeding programs with the Universities of Birmingham and Manchester to deepen and extend research collaboration and exchange.
- The University of Melbourne was **named lead institution for two joint Australia-China Research Centres**: Australia-China Centre for Healthy Soils for Sustainable Food Production and Environmental Quality, and the Australia-China Joint Research Centre for Maritime Engineering.

\*2016 estimate as at March 2017



## Stentrode™

*Helping paralysed people move their limbs through thought control*

Smaller than a paperclip, the Stentrode™ device (pictured) is implanted into a blood vessel next to the region of the cerebral cortex, the part of the brain involved in the planning, control and execution of voluntary movements.

Once implanted, the device picks up signals that would normally be sent to a person's limbs to create movement. The signal will be sent to a computer, and transmitted to a robotic 'exoskeleton', an external skeleton that supports and protects a person's body and, finally, attached to the person's limbs.

This notion of wirelessly thought-controlled limbs is possible thanks to a collaboration of 39 brilliant minds from 16 departments across the University of Melbourne's medicine, science and engineering faculties, and colleagues at the Royal Melbourne Hospital and Florey Institute of Neuroscience and Mental Health.

The initial idea, conceived by Dr Tom Oxley – a neurology trainee at the time – led to conversations with leading neurologist, Professor Terry O'Brien, and further discussions with colleagues in the Melbourne School of Engineering including Professor David Grayden and Dr Nick Opie, a senior research fellow and co-head of the Vascular Bionics Laboratory at the Royal Melbourne Hospital.

The life-changing research that ensued has been made possible by University of Melbourne funding supported by US Defense Advanced Research Projects Agency (DARPA), Australia's National Health and Medical Research Council (NHMRC), US Department of Defense, US Office of Naval Research Global, the Australian Defence Health Foundation, and the Brain Foundation.

"The Stentrode™ can record brain signals from within a blood vessel next to the brain," says Dr Opie. "All the patient will have to do is think about it."

"I've always been fascinated by the integration of man and machine and the ways that people and machines could function together. Fortunately, I was born in the time to do this," Dr Opie says.

"The first patients will most likely be young people who've suffered a traumatic spinal cord injury and are suitable for exoskeleton legs. They'll be chosen for their level of determination, their resolve and their physiology."

The researchers are currently working towards securing ethical approvals for the first human trial, which, if all goes well, will be expanded to a global trial. Dr Opie anticipates that the technology could become commercially available in as little as six years.

What happens next, one way or another, will make history.

*Read the full story of Stentrode™ at [pursuit.unimelb.edu.au/articles/moving-with-the-power-of-thought](https://pursuit.unimelb.edu.au/articles/moving-with-the-power-of-thought)*

## Research quality and performance culture

**The University of Melbourne is committed to establishing itself as the destination of choice for the most talented scholars. In 2016, there has been a particular focus on creating a diverse academic environment that encourages high-quality research.**

### Science in Australia Gender Equity Athena SWAN pilot

*Driving gender equity and diversity*

The University of Melbourne joined the Science in Australia Gender Equity (SAGE) Athena SWAN pilot in October 2015. The University is supporting and resourcing initiatives to lead an evidence-based evaluation of policy and practices and drive cultural change.

## Research collaboration, partnerships and impact

**In 2016, the University of Melbourne focused on engagement and collaboration with industry partners to develop new ways of translating research into useful outcomes and to drive development of precincts.**

### BioCurate Pty Ltd

BioCurate was launched in June 2016 to facilitate the translation of biopharmaceutical intellectual property from promising research outputs into commercially investible projects. A joint venture of the University of Melbourne and Monash University, and supported by the Victorian State Government, BioCurate will leverage its initial funding to engage independent specialist expertise in drug development and commercialisation to systematically attract both philanthropic and strategic/financial investors.

### Pfizer CTI

The University of Melbourne joined the collaborative research network of biopharmaceutical company Pfizer, becoming one of 30 academic institutions (including from Boston, New York, San Diego and San Francisco) participating in Pfizer's Centres for Therapeutic Research program.

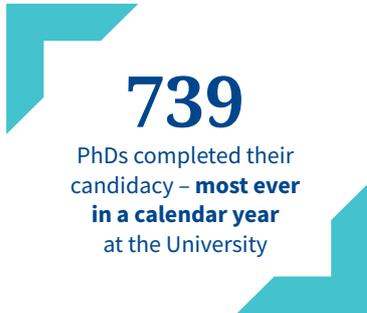
The program offers researchers the potential to work closely with Pfizer scientists to identify and develop new treatments, improve the University's research capabilities and gain access to Pfizer's expertise in drug development and protein sciences.

### Research focus and scale

*Australian German College for Climate and Energy Research*

**The Australian German College for Climate and Energy Research is an interdisciplinary cross-faculty research training group established with support from Research@Melbourne. Under the scheme, 28 PhD students and their supervisors, from several faculties and co-located at Carlton Connect, collaborate with researchers based at partner universities in Germany as well as with industry, academia and society in both countries to investigate ways to achieve zero emissions worldwide.**





739

PhDs completed their  
candidacy – **most ever**  
in a calendar year  
at the University

## International School on Research Impact Assessment

*Supporting sustainability of research systems*

The International School on Research Impact Assessment (ISRIA) aims to foster global collaboration for excellence and innovation to support the sustainability of research systems. The University of Melbourne partnered with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and hosted the fourth edition of ISRIA at the University in September 2016.

ISRIA brought international experts together with local and international practitioners, including representatives from across the University, to learn how to effectively measure the success of investments in research and innovation.

## Translating Research at Melbourne

*Providing essential resources to research teams*

Translating Research at Melbourne (TRaM) gives research teams across the University access to essential resources including funding, space within Carlton Connect's LAB-14, structured mentoring and networking, and opportunities to pitch to industry and investors to identify and test market interest in their research.

## Research collaborations

*Across the university, across the world*

The University of Melbourne continues to support strategic development of research collaborations with leading institutions in Brazil, Chile, China, Germany and India, as well as through the establishment of joint research initiatives, research networks and PhD agreements.

- Throughout 2016 the University established the Creative Arts Therapies Research Unit with partners in the US,

Brazil and Germany, the Excellence in Non-Communicable Disease REsearch (ENCORE) program with the Public Health Foundation in India, and the Melbourne-Potsdam PhD Program (MPPP) in Plant Sciences with the University of Potsdam and the Max Planck Institute for Plant Sciences Germany.

- The University was named lead institution for two Joint Australia-China Research Centres: Australia-China Centre for Healthy Soils for Sustainable Food Production and Environmental Quality, and the Australia-China Joint Research Centre for Maritime Engineering.
- In 2016 the University established new internal seeding programs with the Universities of Birmingham and Manchester to deepen and extend research collaboration and exchange.
- Over the course of the year, grants from international sponsors increased by 50 per cent on the number awarded in 2015 with the majority coming from US and UK funding agencies and foundations.

## Melbourne Interdisciplinary Research Institutes

*Inaugural review conducted*

The Melbourne Interdisciplinary Research Institutes (MIRI) were established in 2009 to strengthen and spark interdisciplinary research at the University of Melbourne in existing and developing areas of importance to society. Currently MIRI is comprised of Melbourne Energy Institute, Melbourne Networked Society Institute, Melbourne Neuroscience Institute, Melbourne Sustainable Society Institute, and Melbourne Social Equity Institute.

In May 2016, a panel of international experts undertook the first review of the portfolio of Melbourne Interdisciplinary Research Institutes. The panel commended the portfolio's performance and strongly

supported its continuation, and offered insights as to how institute activities and positioning could be improved to allow the University to achieve optimal benefit over the next five years.

## Hallmark Research Initiatives and research alliances networks

*Communities of interest*

Hallmark Research Initiatives contribute to the strategic embedding of the grand challenges across the University. These initiatives are broader in scale than existing research groups, have distinctive interdisciplinary emphasis, and are intended to enable the maturing of focused research communities that build on existing strengths across the University.

In 2016 this program supported seven Hallmark Research Initiatives and two research networks and was influential in some significant successes for the University, for example:

- **NHMRC CRE for Disability and Health** (\$2.5 million) – led by Professor Anne Kavanagh – will gather evidence and guide social and health policy reform for working-age Australians with a disability.
- **NHMRC CRE to Promote Safer Families** (\$2.5 million) – led by Professor Kelsey Hegarty and Professor Cathy Humphreys from the University of Melbourne, and Professor Stephanie Brown from Deakin University – will lead research into the health effects of intimate partner violence on individuals and families, and how the health sector can respond. The first of its kind in the world, it will also research the health sector responses needed to improve safety, health and wellbeing.

## Melbourne School of Government Labs

### *Building transdisciplinary research ability*

In 2016, Melbourne School of Government (MSoG) launched MSoG Labs, a University-wide initiative to build transdisciplinary research ability through capacity-building, applied policy research and connecting researchers to end-users in government, industry and the not-for-profit sector.

The workshop program provided researchers with professional development in transdisciplinary and applied policy research, engagement and impact.

Melbourne School of Government's K\* network, supported by a Melbourne Engagement Grant and Chancellery Research, created a community of practice among staff involved in research

translation and communication. The network is committed to understanding and promoting positive research impact through engagement with end users beyond the University.



### **Research focus and scale**

#### *Excellence in Non-Communicable Disease Research*

Professor Brian Oldenburg from Melbourne School of Population and Global Health in the Faculty of Medicine, Dentistry and Health Sciences is leading the Excellence in NonCommunicable Disease REsearch (ENCORE) program. This new training program is for early and mid-career researchers from Australia and India who are undertaking advanced research into non-communicable diseases in low and middle-income countries.

This collaboration will enhance prevention and management of non-communicable diseases (including cancer), and promotion of mental health in low and middle-income countries.

# \$117.58 million

National Health and Medical Research  
Council funding. **\$98.9 million**  
Australian Research Council funding

## Melbourne Collaborative Research Infrastructure Program Stage 2

### Maximising research infrastructure

To date, the University of Melbourne has established 20 research infrastructure platforms, with 13 supported via the Deputy Vice-Chancellor Research's Melbourne Collaborative Research Infrastructure Program (MCRIP). The program looks to increase coordination, effectiveness and efficiency of research infrastructure access and operation at the University along with developing a longer-term, sustainable support model. Additionally, research infrastructure investments are optimised by funding strategic placement of technical expertise in platforms supporting research.

For example, in early 2016 the University's Materials Characterisation and Fabrication Platform commissioned Australia's third Cytometer by Time of Flight. Dr Andrew Mitchell was recruited to operate this cutting-edge and highly complex technology and to support leading-edge research applications. Dr Yunlu Dai (Melbourne School of Engineering) has used this technology and expert support to develop a nanoparticle drug delivery system able to target tumours and induce cell death.

## Graduate researchers

**Growing Esteem 2015–2020 priorities include equipping graduate students to pursue careers within and beyond the academy. In 2016, the University of Melbourne created research training cohorts to support graduate researchers in honing the collaborative skills necessary for future success.**

In 2016, 739 University of Melbourne PhD candidates completed their candidacy. Thirty-two per cent of the graduates were international students, reflecting the additional investment in international scholarship support since 2012.

The University introduced internship subjects into the PhD programs offered by the Melbourne School of Engineering and the Faculty of Medicine, Dentistry and Health Sciences. Students will complete internships while conducting their research project or awaiting the results of their thesis examination.

Six new thematic programs have been funded for implementation in 2017, providing participants with opportunities to collaborate broadly, develop transferable skills, engage with industry and develop communities of research practice.

University of Melbourne students continue to be recognised for their ability to engage with the community and communicate the results of their research. The University participates in the global 3 Minute Thesis (3MT) competition, where doctoral students communicate their research to a general audience in three minutes or less, and with only one PowerPoint slide. The winner of the University's 3MT competition in 2016, Nathaniel Swain from Melbourne Graduate School of Education, went on to compete in the Asia Pacific competition, where he came second.

### Highly cited researchers

#### Assessing research excellence and impact

In 2016, the number of highly cited (Hi-Ci) researchers – those whose primary affiliation is with the University of Melbourne and in the top one per cent of cited articles by other researchers – rose to **17, up from 12 in 2015**. This gives the University the most Hi-Ci researchers of any Australian university and is a key measure of the University's global research influence and impact.



# Engagement

Engaging with communities at home and across the globe to create economic, social and cultural value

Engagement ensures that the University of Melbourne's mission as a public-spirited institution finds expression through all its endeavours.

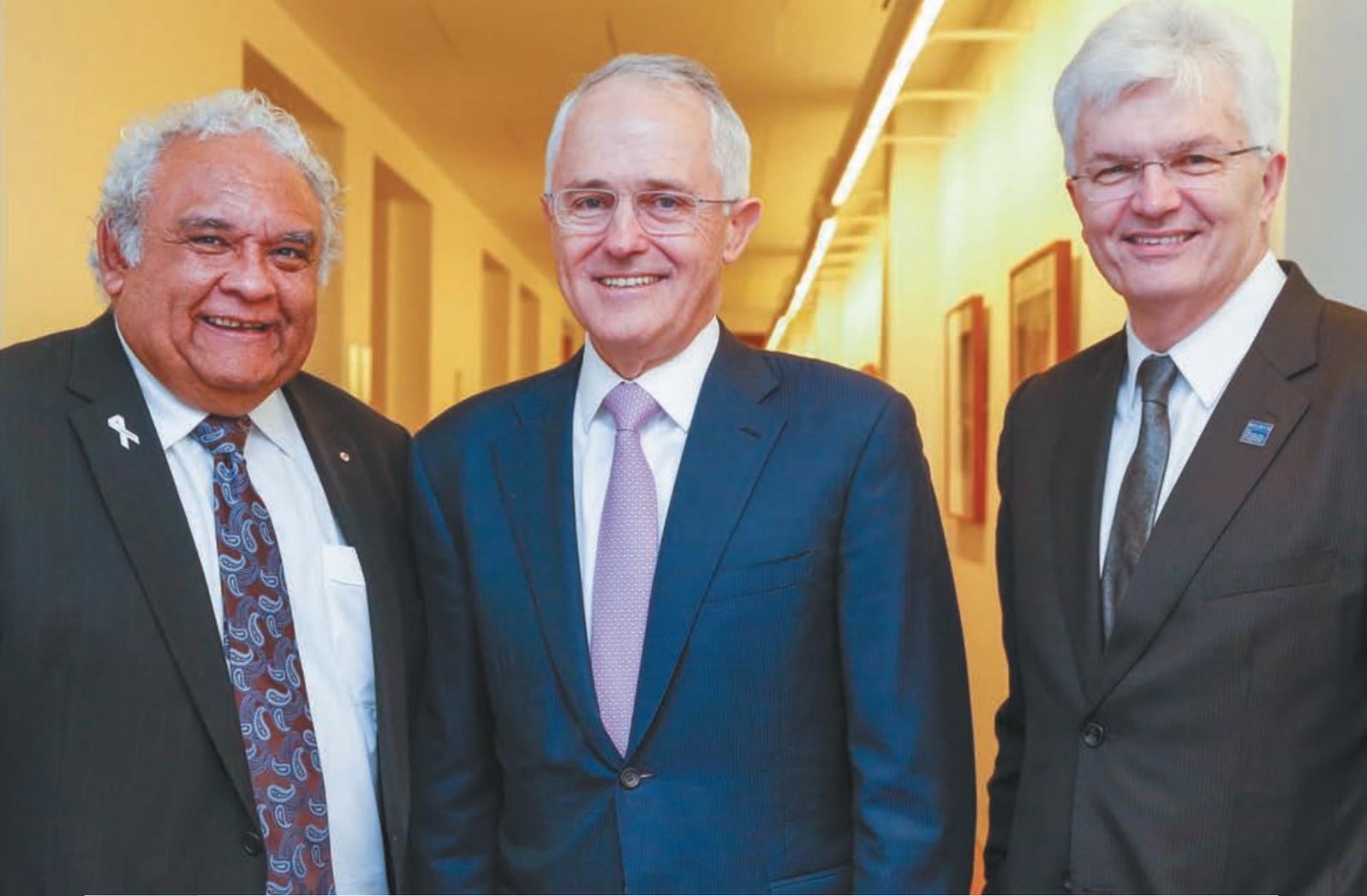
To realise the potential to engage with its various communities and enrich its work for the benefit of society, the University focuses on four areas that align with *Growing Esteem 2015–2020* priorities: **public engagement**, **industry engagement**, **international engagement**, and **connecting with alumni and supporters**.

## 2016 highlights

- By year's end, the second phase of **Believe – the Campaign for the University of Melbourne** had raised \$A628.1 million with the aim of raising \$A1 billion by 2021. The campaign engaged 62 785 alumni in its bid to reach a target of 100 000 participants, volunteers and donors by 2021. The Atlantic Philanthropies investment of \$US50M in the Atlantic Leadership Fellows Program, which will provide development for Indigenous leaders across a wide range of sectors in partnership with Oxford, QUT and Auckland Universities, represented the single biggest gift in the University of Melbourne's history (see next page).
- The University **forged over 270 partnerships with leading global universities** to support collaborations in teaching and learning, research, engagement and innovation.
- In 2016, the University **deepened existing links with top universities worldwide** (including in U21 and APRU) and established new links to facilitate program initiatives.
- The Melbourne Accelerator Program (MAP) continues to **successfully develop graduates with experience in active citizenship** and creating public value, enrolling its fifth cohort of start-up companies in 2016.
- The University of Melbourne **leads an ambitious new precinct development initiative** located in South Carlton at the former Royal Women's Hospital site. The new precinct will foster **collaboration across sectors to look at sustainability and resilience challenges** facing society – ranging from energy use to better rail infrastructure and responding to natural disasters such as bushfires.



Kathleen Fitzpatrick lecture theatre, Arts West



## Atlantic Fellows for Social Equity Program

*Leading the way in fostering leaders of the future*

“A new Indigenous leadership is emerging”, says Professor Ian Anderson, Pro Vice-Chancellor (Engagement) at the University of Melbourne, “and we need to leverage this success.”

So it was a milestone moment when Indigenous and community leaders, public service members, business partners and academics met in Canberra in mid-October 2016 to witness the Prime Minister launch the Atlantic Fellows for Social Equity Program.

Led by the University of Melbourne alongside national and international partners, the new Atlantic Fellows program aims to tackle the broader issues of social inequality and how parity can be achieved for all people, regardless of cultural background, race, gender, health or financial status.

According to the University’s Deputy Vice-Chancellor (Research) Professor James McCluskey, the fellowships will effectively align the separate

but interweaving imperatives and capabilities of engagement, research and philanthropic endeavour at the University.

“The Fellowships will build the capacity and enhance the capability of a new generation of leaders,” says Professor McCluskey, “leaders committed to advancing a fairer, healthier, more resilient and inclusive society in Australia, New Zealand and the Pacific.”

Starting in 2017, up to 25 Atlantic Fellowships will be awarded annually for the next 20 years, developing a total of up to 500 emerging leaders over the course of the program.

The Fellowships have been established through a \$US50 million grant from The Atlantic Philanthropies, with Commonwealth support provided over the life of the program. The estimated program value over 20 years will total more than \$A160 million, with additional financial contributions from the University of Melbourne, Queensland University of Technology and the University of Auckland.

The program will also receive significant in-kind support from a range of partner organisations, including the Brotherhood of St Laurence, Business

Council of Australia and Jawun, injecting a wealth of experience and expertise. Other contributors included Associate Professor Rufus Black (Wade Institute of Entrepreneurship and Master of Ormond College), who has been instrumental in the initial stages, and will continue to lend his extensive leadership experience to the program.

The gift of \$US50 million represents a historic act of philanthropy in Australia and is the largest ever to the University of Melbourne.

“The Fellowships will build on Indigenous leadership paradigms that are ideally suited to promoting collaboration,” says Professor Anderson, “providing mid-career, social change leaders with a significant platform to accelerate their personal and professional development.

“It is now our distinct privilege to support innovative, dedicated leaders and organisations that will commit to create a fairer, more inclusive and just future for all in the Australia-Pacific region and beyond.”

*(Pictured from left: Professor Tom Calma AO, Prime Minister The Hon Malcolm Turnbull, and Vice-Chancellor Professor Glyn Davis AC)*

# \$628.1 million

**Total philanthropic income** raised to date for *Believe – the Campaign for the University of Melbourne.*

The University of Melbourne is extremely grateful for the generosity of its alumni and supporters and the impact this creates, now and in the future.

## Public engagement

**The University of Melbourne is dedicated to enriching the communities it serves – intellectually, economically, culturally and socially. In 2016, the University offered a rich program of lecture programs and exhibitions, open days, alumni events and success stories to underline the public value of research and teaching programs.**

### Public conversations and policy development

*Providing leadership and influencing community awareness*

- Listed by iTunes in its coveted 'new and noteworthy' category, the University of Melbourne's **The Policy Shop** podcast examines Australian and global public policy. Launched in February 2016, and hosted by Professor Glyn Davis (Vice-Chancellor), the podcast blends academic expertise from across campus and internationally with policy practitioners. This year guests included Professor A C Grayling, Oxford-based philosopher on higher education and former UN Humanitarian Under-Secretary General for Humanitarian Affairs, Baroness Amos, on Syria.

- Addressing chronic under-representation of women in parliament, the first cohort of 25 completed the University of Melbourne's **Pathways to Politics Program for Women**. Philanthropic funding seeded the initiative and funding was secured for a further two years.
- The University of Melbourne's **Vote Compass**, a joint initiative of the Australian Broadcasting Corporation and Melbourne School of Government, is Australia's largest social survey outside the national census. More than 1.2 million people participated in the lead up to the 2016 federal election.
- Initiated by the University, a group of influential Melbourne-based health and development organisations established the **Melbourne Global Health and Development Alliance (MGHDA)**. The Alliance strategically connects, expands and strengthens work in the global health and development field in Victoria.
- In the Goulburn Valley's **2016 Dungala Kaiela Oration**, orator Dr Martin Parkinson PSM outlined the Indigenous policy agenda of the newly-elected Turnbull Government and laid out its commitment to economic development for Aboriginal and Torres Strait Islander peoples.

- In 2016, the University of Melbourne's annual **Narrm Oration** was presented by renowned journalist and author Stan Grant. A man of Wiradjuri and Kamilaroi heritage, Stan Grant's 'Between the Dreaming and the Market: Indigenous economic migrants and the world they made', looked at how far Australia has come in Indigenous policy development and recognition, and suggested pathways to success.

### Contributing to the intellectual, economic and social advancement of Victoria

The University of Melbourne established strong strategic relationships with regional leaders with early investments and activity in Indigenous economic development and workforce development in horticulture. Melbourne Graduate School of Education expanded its Network of Schools program and established a regional MTeach cluster. As one of nine partner organisations, the University will also lead a landmark \$1 million National Health and Medical Research Council (NHMRC) partnership project to improve rural health care in north-eastern Victoria.

Throughout 2016 the University, along with local agencies, residents, and the City of Melbourne, contributed to the Carlton

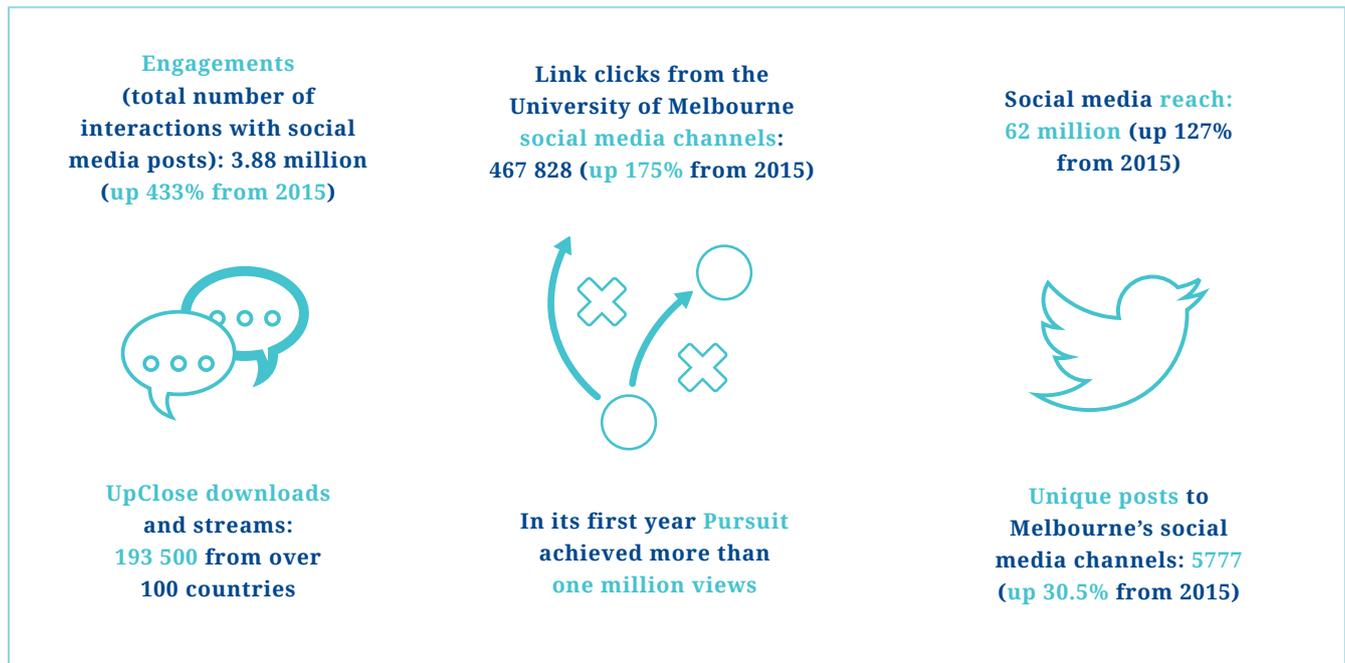
## Cultural Collisions

*Parkville features as Melbourne Festival venue*

**Curated by renowned composer and festival director Sir Jonathan Mills, the inaugural Cultural Collisions biennial festival transformed the Parkville campus into a precinct of the Melbourne Festival in October 2016. As part of their curricular studies, over 130 students across four faculties worked alongside guest artists and mentors to develop exhibitions and performances worthy of an international festival. Over 8000 attended, with the Pholiota UNLOCKED exhibition attracting over 2000 visitors alone.**

*(Background image Percy Grainger: The Accidental Futurist)*

## Social media reach and engagement



Collaboration Framework on sustainability initiatives and diversity and harmony programs. Melbourne Engagement Grant recipient Dr Chris Williams from Burnley campus collaborated with local organisations to run workshops for the Carlton housing estate communities on designing and managing sustainable food gardens using crops of cultural significance.

In line with its focus on aligning cultural partnerships with its academic mission, the University established **new learning partnerships** in 2016 with Australian Centre for the Moving Image, Melbourne Recital Centre, and National Gallery of Victoria.

Now in its third year, **Raise the Bar Academy** is open to Year 11 and 12 Indigenous students interested in pursuing tertiary education and a career in the sports industry. The five-day residential program, hosted by the University (MU Sport) in collaboration with Athletics Australia, welcomes around 30 students annually. It provides coaching, media and sports industry training, and advice about tertiary education pathways and access.

### Engaging the public through stories of research impact

A series of street installations in Melbourne's CBD throughout November 2016, *Made Possible by Melbourne*, told the stories of University research and conveyed its impact. Fourteen stories were brought to life in interactive exhibits throughout the city of Melbourne. The stories also featured on *Pursuit* (see right) with the goal of increasing public engagement with the University's research. The campaign reported over 16 million digital impressions, with 1.5 million online content engagements. Many said the campaign changed their opinion of the University of Melbourne, enhancing their understanding of the importance of research and its economic and social impacts.

### Pursuit

*Multimedia showcase of latest research and opinion*

In its first year, *Pursuit*, the University of Melbourne's multimedia news site, achieved more than one million views, had content cited internationally, and became a valuable research platform for effectively explaining University research. *Pursuit* used innovative techniques and imagery to engage the public and bring the impact of University research to life and provide a greater understanding of the world-renowned research at the University to a wide audience.

## Engagement with industry

*New Vice-Principal Enterprise role established in July 2016 to provide strategic leadership of the University of Melbourne's industry engagement and enterprise activity*

### Industry engagement

**The University of Melbourne developed effective partnerships with industry to increase the impact of teaching and research and enable greater access to industry knowledge and experience.**

#### Supporting entrepreneurs to drive industries of the future

Melbourne Accelerator Program (MAP) is a University of Melbourne program aimed at creating more entrepreneurs in Australia with a mission of launching high-growth ventures into the world.

MAP is recognised by UBI Global as one of the world's top ranked university-based accelerator programs. Originally founded in 2012 as a startup accelerator, MAP has since evolved into a centre of entrepreneurship that supports founders at all stages of their startup journey, from ideation through to later stage startups. MAP fosters innovation and entrepreneurship in the startup community by connecting and up-skilling thousands of entrepreneurs through its talent development and accelerator programs.

#### 2016 MAP highlights

- 10 companies selected in to MAP16 startup accelerator from 124 applications
- Two new additional intensive programs launched (Social Velocity and Escape Velocity) – designed to help founders refine and grow their businesses through market testing and product development
- Over 11 000 attendees welcomed to MAP public and signature events, including the visionary series, masterclasses, meetups and demo days
- Second annual Melbourne Entrepreneurship Gala held on 1 August attracted over 740 of Australia's leaders from startup, business, government, not-for-profit and university sectors
- In November, MAP-led third Trade Mission to Silicon Valley, accompanied by dynamic delegation of entrepreneurs, MAP and University of Melbourne representatives, corporate leaders and media, addressed by Silicon Valley-based global leaders in venture capital, health, technology, academia and social impact

#### Active citizenship

*Developing graduates with commitment to creating public value*

Melbourne Ideas 2016 challenges students to create innovative ideas around improving five aspects of student life: employability, campus access, language support, starting at the University and campus life. The program is designed to embed student co-creation as a core component of student service design and delivery decisions.

Over 200 students contributed in 2016, with finalists receiving coaching and an opportunity to pitch to a panel of entrepreneurs, University executives and students. Winners Itsi Weinstock from the Bachelor of Science degree and Shirlin Liu from the Master of Arts and Cultural Management course proposed a Student Enterprise Program to support the development of student-run businesses on campus. They receive \$10 000 in seed funding and a three-month work placement to implement the initiative.

### Helping students to help others

*Closing the circle through philanthropy*

**Melbourne Medical School bursaries, made possible through the generosity of over 400 donors contributing to some 60 scholarships, are just one way students who have or are facing challenges are supported at the University of Melbourne. Sarah Penman (pictured) is one such student. With assistance provided by a Melbourne Medical School bursary, Sarah has been able to follow her dream of studying medicine and dedicating her future career as a doctor to caring for those less fortunate than she.**





**Over 200**

students **contributed**  
to inaugural Melbourne  
Ideas 2016

### Industry Mentoring Network in STEM initiative

*Winner Best Higher Education and Training Collaboration Award*

The University of Melbourne partnered with the Australian Academy of Technological Sciences and Engineering and three other Victorian universities in the Industry Mentoring Network in STEM initiative, in which 16 University of Melbourne PhD students participated. The program won Best Higher Education and Training Collaboration Award at the 2016 B/HERT Awards.

### Enterprise Professors

*Bridging industry and academia*

Established in 2015 and drawn from diverse industries and professions, Enterprise Professors bring deep practitioner skills to the University of Melbourne to improve industry networks and inspire the University research community to apply their research towards solving problems and making impact. So far, 12 outstanding individuals have been appointed across five faculties, with more to follow.

#### New agreements with student exchange component

- Aarhus University (Denmark)
- Centrale Supélec (France)
- Maastricht University (Netherlands)
- Toulouse School of Economics (France)
- Universidad Tecnica Federico Santa Maria (Chile)
- University of Coimbra (Portugal)
- University of Malta (Malta)

### International engagement

*In 2016 the University of Melbourne deepened global partnerships, developed innovative international programs and enhanced the University's international profile.*

The University of Melbourne has **partnerships with over 270 leading global universities** in support of teaching and learning, research, engagement and innovation.

In 2016, the University deepened existing links with top universities (including in the Universitas 21 and Association of Pacific Rim Universities alliances) and established new links to facilitate concrete initiatives.

For example, Nanjing University, already a partner with focused activities in the humanities, formalised links in medical sciences. In addition, the University deepened its engagement with Tohoku University with a signing of a Memorandum of Understanding between the two institutions during a visit from Tohoku's President in November.

In May 2016, the University of Melbourne **launched the Blended Bachelor of Science** in Pune, India. This innovative, three-year program is a partnership between the University of Melbourne and the Indian Institute for Science Education and Research, Pune (IISER Pune) and Savitribai Phule Pune University (SPPU). The Blended BSc will be trialled by a cohort of students from the SPPU-affiliated Modern College, with ongoing support from each of the partner institutions. Graduates will have their qualification recognised as equivalent to the University of Melbourne's Bachelor of Science and will be eligible to apply for Melbourne's Master of Science programs as well as masters programs at SPPU.

The **Australia India Institute** continues to make a major contribution to Australia-India relations more broadly.

In 2016, Australia India Institute launched the New Generation Network (NGN), an interdisciplinary network of postdoctoral positions for scholars studying India. In its first phase, the NGN will establish 10 three-year positions in five Australian universities.

Following the inaugural Australia India Leadership Dialogue (AILD) in 2015 in New Delhi, Australia India Institute hosted the second AILD in Melbourne in 2016. Government ministers and business leaders from Australia and India attended, with Prime Minister The Hon Malcolm Turnbull MP delivering the keynote address.

#### New international agreements signed in 2016

*21 signings, including with:*

- Nanjing University (China)
- Meghe Group (India)
- Polytechnic University of Catalonia (Spain)
- Sharif University of Technology (Iran)
- Sichuan University (China)
- University of Otago (New Zealand)
- University of Music and Performing Arts Vienna (Austria)
- Xi'an Jiaotong (China)
- Zhejiang University (China)

## Alumni and supporters

### Power of philanthropy

*Changing the lives of future generations*

Through the generosity of alumni and donors, the University of Melbourne creates impact across campus, in the community and around the world.

The \$628 million raised so far through *Believe – the Campaign for the University of Melbourne* will change the lives of future generations, including:

- **Seeking answers to the world’s greatest challenges (43 per cent of overall donations)**  
Ground-breaking research in a diverse range of areas, including developmental medicine, cancer research, the classics, childhood mental health, criminology and human rights law, and establishment of 24 new professorial chairs
- **Educating tomorrow’s leaders (29 per cent of overall donations)**  
Creating educational opportunities through scholarships and awards – enabling students to carry out important research and gather the skills to make great contributions in the future
- **Enriching communities near and far (28 per cent of overall donations)**  
Shaping and supporting communities for decades to come with initiatives such as the transformation of the Southbank Arts precinct

## SEEING IS BELIEVING



## Highly cited researchers

rose to 17, **up from 12** in 2015, the most of any Australian university

### Alumni: contributing to University life

The University of Melbourne is proud of its alumni, who represent achievement across all sectors and walks of life. The 2016 Australia Day and Queen's Birthday Honours recognised more than 120 University of Melbourne alumni for their contribution to society.

Alumna Louise Hearman took out the 2016 Archibald Prize for her portrait of fellow alumnus, humourist Barry Humphries. Australia's top subject and genre painting award, the Sir John Sulman Prize, was awarded to alumna Esther Stewart.

The Australian Academy of Science awarded alumna Associate Professor Kathryn Holt the Gottschalk Medal for her work as an early-career scientist on drug-resistant strains of typhoid and dysentery.

Alumnus Dr Yijia Li received the Young Australia China Alumni award, and alumna Datuk Pei Ing Tan the Distinguished Alumni Award at the 2016 Malaysia Australia Alumni Council Awards.



### Bringing further music riches to Southbank

*Revitalising campus life in the heart of the city*

**The Ian Potter Foundation announced a donation of \$4 million to support the building of a new home for Melbourne Conservatorium of Music (MCM) students and staff on the University of Melbourne's Southbank campus. The gift adds to a series of donations from the Foundation totaling \$14 million for the revitalisation of the University's Southbank campus.**

*Artist's impression of The Ian Potter Southbank Centre. Courtesy John Wardle Architects*

# Sustainability

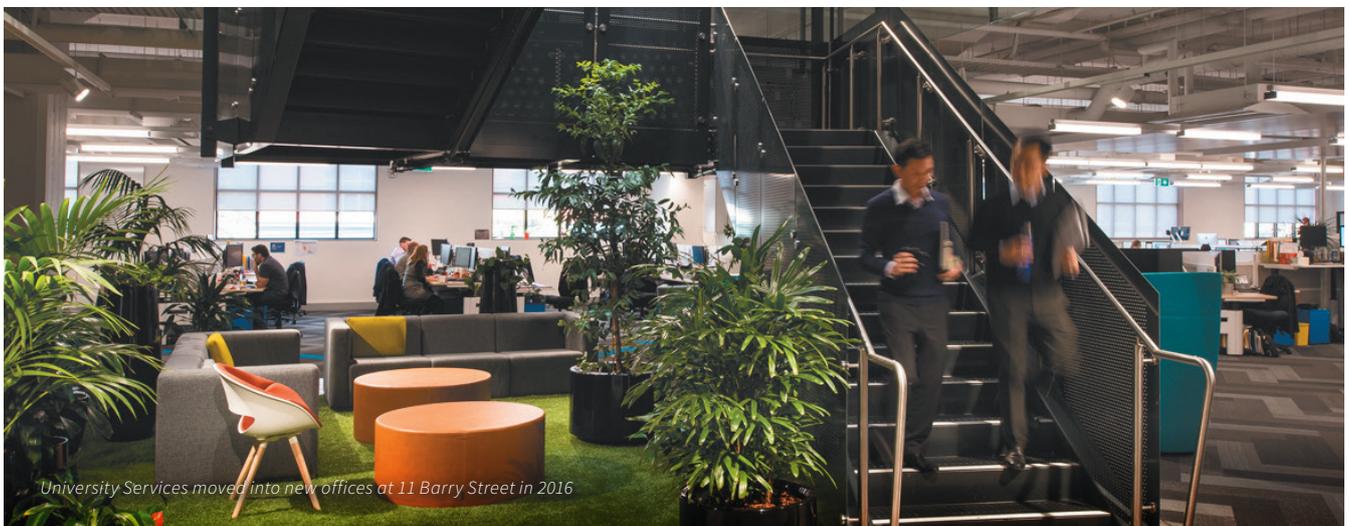
Underpinning the University of Melbourne's commitment to carefully consider our physical environment and serving as an organising principle for the decisions we make about the future

Sustainability at the University of Melbourne embraces, and goes beyond, a commitment to carefully consider the physical environment.

The University focuses on three areas to guide its sustainability endeavours over the coming years – **organisational, financial and environmental sustainability.**

## 2016 highlights

- During 2016, the University completed development of a **three-tiered framework to guide and grow sustainability programs** into the future – the Sustainability Charter, the Sustainability Report and the Sustainability Plan.
- The University established and delivered a **comprehensive suite of leadership programs and professional staff training workshops**, including the new TrainMe online platform, to increase the pool of leadership talent and support staff career growth.
- **First five graduates of Melbourne Early Career Development Program** secured employment at the University for 2017.
- **To improve promotion and retention of women and gender minorities in STEM** disciplines, the University participated in Science in Australia Gender Equity's pilot of the **Athena SWAN Charter**.
- In 2016, the University introduced the **new Staff Services portal and new myUniApps**.
- The University registered an **underlying operating surplus of \$66.2 million and accounting result of \$161.7 million** in 2016 compared with \$37.8 million and \$150.8 million in 2015.
- Capacity of new solar photovoltaic panel installations will exceed 550kW, **reducing carbon footprint by some 850 tonnes per annum.**
- The University diverted over 95 000 kg of campus furniture from landfill at **estimated cost saving of \$2.5 million.**





## Sustainability framework

*Taking a leadership position on the world stage in addressing sustainability and climate change*

In March 2016, the University of Melbourne released its Sustainability Charter. Developed through an extensive period of engagement with the University community, the Charter defines overarching principles and values and outlines specific commitments covering all activities. It also commits the University to embedding sustainability in all its operations. Through applied sustainability projects, the University will lead technological, financial and social innovation to maximise value to society and the environment.

Following the charter's release, the University commenced development of its Sustainability Plan. Released in early 2017, the plan translates the commitments of the Charter into targets and priority actions to inform the University's sustainability efforts through to 2020.

"We are taking an holistic approach to encompass all of our activities," says Allan Tait, the University of Melbourne's Vice-Principal Administration and Finance and Chief Financial Officer and chair of its Sustainability Executive, "one we believe to be comprehensive, innovative, impactful and participative in line with the expectations of government, industry and the university community."

"The plan instigates a number of significant measures, from achieving carbon neutrality and better managing our overall environmental footprint, to partnering with industry to develop new ways to harness renewable energy and more efficiently use existing energy, greatly expanding the emphasis of sustainability studies in our curriculum, through to driving public debate and policy development."

In June 2016, the University released its first annual Sustainability Report. "Using best-practice global reporting initiative guidelines, this public report identifies the University's material sustainability impacts and how we are addressing them," says Mr Tait.

"The annual reporting process enables transparency and accountability of our progress towards delivery of the commitments outlined in the Charter and the targets in the Plan."

The University of Melbourne's Director of the Office for Environmental Programs, Kath Williams, believes that one of the greatest positive impacts of a leading university is the attributes its graduates take with them through their careers and personal life.

"The objective of the University's Education for Sustainability project is for all undergraduate degree programs to incorporate sustainability principles and practice meaningfully for each discipline," says Associate Professor Williams.

"We are deeply committed to inspiring and supporting our students as leaders and practitioners for a sustainable future."

*For details of the University of Melbourne's Sustainability Framework go to: [ourcampus.unimelb.edu.au/sustainability-plan](http://ourcampus.unimelb.edu.au/sustainability-plan)*

## Organisational sustainability

### University of Melbourne People Strategy 2015–2020

*Understanding that success rests on the contribution of staff*

The *People Strategy 2015–2020* represents a contemporary approach to developing and managing the capability of our staff, and addresses critical imperatives around:

- Leadership
- Attracting and retaining the best talent
- Supporting professional growth and outstanding careers
- Defining and lifting performance
- Valuing diversity

During 2016, the University developed plans for each of these imperatives for progressive implementation over the next three years. This included a major framework for the recognition and development of academic staff.

### Digital capacity

*Harnessing and supporting business activities*

During 2016 University Services worked to harness the University of Melbourne’s digital capability to automate service delivery and service management. As a result, the Staff Services portal now provides greater self-service, automation of previously manual processes and service delivery tracking. The portal also allows for real-time tracking of service feedback and resource allocation to respond to peaks in demand.

### Melbourne Operating Model

*Harnessing expertise and maximising efficiency*

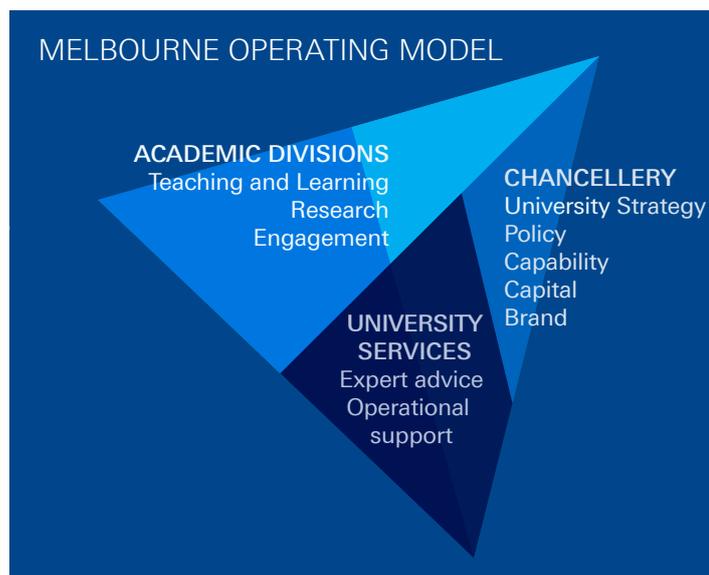
In 2016 the University of Melbourne continued to focus on and strengthen the Melbourne Operating Model.

In its first full year of implementation, the model streamlines the way staff work at the University of Melbourne and features three interdependent groups – Chancellery, Academic Divisions and University Services. Its aim is to harness expertise and maximise efficiency for the ultimate benefit of improved teaching and learning, and research outcomes.

During 2016, service improvement projects, aimed at enabling professional and academic excellence and improving the student experience, delivered increased efficiency by focusing on reducing duplication and elimination of manual processes and hard copy forms.

In 2016, implementation of the Melbourne Operating Model enabled \$43.4 million in savings to be reinvested back into the University’s core research, teaching and learning endeavours.

**\$43.4 million savings**  
from **Melbourne Operating Model** transitioned into academic endeavours





## Diversity and inclusion

*Valuing, supporting and respecting different views, knowledge and experiences*

The University of Melbourne recognises that the many differences in its people – in age, gender, sexual orientation, physical ability, race, ethnicity, culture and background – bring richness to the workplace.

In order to maintain excellence and achieve the objectives of the ‘Growing Esteem’ and ‘People’ strategies for the next four years with regard to diversity, the University engaged and consulted extensively throughout 2016.

Consultation identified five priority areas:

- Representation of women in academic, professional and leadership roles
- LGBTI employees and inclusion
- Indigenous employment
- Disability employment
- Mental health, and race, ethnicity and cultural diversity.

Extensive consultation established the specific body of work that will form an implementation plan over the next three to five years. A comprehensive implementation plan was agreed at the October 2016 University Executive.

A reporting framework is under development and targets to increase gender participation in the senior ranks of leadership and the Professoriate will be developed in the first quarter of 2017.

Throughout 2016 the University continued to participate in the 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. This year the University progressed through the first phase of the program: University-wide engagement and data collection.

In 2016 the University continued to implement its second Reconciliation Action Plan 2015–2017. This ‘stretch RAP’ expanded on measurable targets to embed actions and commitments into business strategy and operations. With the Indigenous Employment Framework 2014–2016 coming to a close in 2016, work is on track to deliver a new framework to support progress towards 2020 targets.

By December 2016, over 500 staff had completed Indigenous Cultural Awareness training. This year, too, the University’s Indigenous Australian Employment Development Program provided employment opportunities for Indigenous Australians to work in various business areas of the University and to complete a nationally recognised qualification in Certificate IV (Administration Business Support).

## Employment practices

*Supporting our people*

The University of Melbourne continues to manage employment practices and workforce issues through a range of strategies, initiatives, policies and employment law. Key workforce strategies include *Growing Esteem 2015–2020*, *People Strategy 2015–2020*, the diversity and inclusion strategy, the Reconciliation Action Plan and the Indigenous Employment Framework 2014–2016.

Key policies that enable the University to manage employment issues include the Academic Appointment Policy, Appropriate Workplace Behaviour Policy, Health & Safety Policy, Privacy Policy and various policies addressing specific employment practices such as leave, relocation, remuneration, performance and professional development.

Employees are further supported with programs such as the Employee Assistance Program, Staff Wellbeing Program, Academic Women in Leadership Program, Manager Development Program and many more.

## Indigenous staff (2012–2016) Continuing and fixed term

2012	2013	2014	2015	2016
49	64	73	79	87

Total  
underlying operating surplus  
**\$66.2 million**

## Financial sustainability

In support of *Growing Esteem 2015–2020* objectives, in 2016 the University of Melbourne worked to ensure the optimal mix of scale, diverse sources of income and new opportunities to drive its financial leadership.

### Financial position

*Highlighting sustainability over the long term*

In support of *Growing Esteem 2015–2020* and the achievement of long-term financial sustainability, the University of Melbourne once again delivered a sound underlying operating result in 2016 while investing in agreed strategic initiatives. In line with strategic priorities, the University focused on achieving its financial targets, delivering greater revenue diversity, applying appropriate resource allocation, reinvesting the savings derived from implementation of the Melbourne Operating Model into core academic activities, and leveraging its significant asset base. A combination of a commercially focused finance strategy and appropriate financial management discipline underpins this approach.

### Sound financial performance

- Underlying operating surplus of \$66.2 million and accounting result of \$161.7 million in 2016 compared with \$37.8 million and \$150.8 million in 2015
- Delivery of benefits from the Melbourne Operating Model of \$43.4 million enabling an increase in expenditure on strategic academic endeavours
- Investment portfolio growth of 22.8 per cent to \$2.074 billion with returns remaining above benchmarks
- Application of diverse project financing and capital structure mechanisms in support of a transformative 10-year capital program

## Environmental sustainability

In 2016, the University of Melbourne worked towards its *Growing Esteem* vision for environmental sustainability with a key focus on furthering energy reduction and transitioning energy supply to renewable energy sources.

The **Sustainability Plan** flows from the Sustainability Charter and outlines targets and priority actions for 2017–2020. The Plan sets out how the University intends to demonstrate leadership on sustainability and climate change through bold targets and priority actions over the next five years, including:

- Increasing research into solutions to the impact of climate change
- Achieving carbon neutrality before 2030
- Achieving zero net emissions from electricity by 2021.

Performance against targets will be reported on annually, including against external commitments such as the United Nations Global Compact, the UN Sustainable Development Goals and the Victorian Government Climate Change Pledge.

### Energy

*Transitioning to a low carbon future*

Energy projects financed from the University of Melbourne's \$9.1 million agreement with the Clean Energy Finance Corporation (CEFC) commenced in 2016, including six solar photovoltaic (PV) installations on Parkville campus buildings.

Other sites to benefit from the Solar PV program in 2017 include Burnley, Dookie, Southbank and Werribee campuses, as well as a second series of buildings across the Parkville campus.

By the middle of 2018, total PV installations will provide 2500 kW capacity, saving 4000 tonnes of carbon per year. Additionally, the University has implemented LED lighting upgrades throughout all campuses. Energy audits across all campuses in 2017 will identify and prioritise further opportunities for demand reduction.

### Water

*Reusing harvested water to reduce consumption*

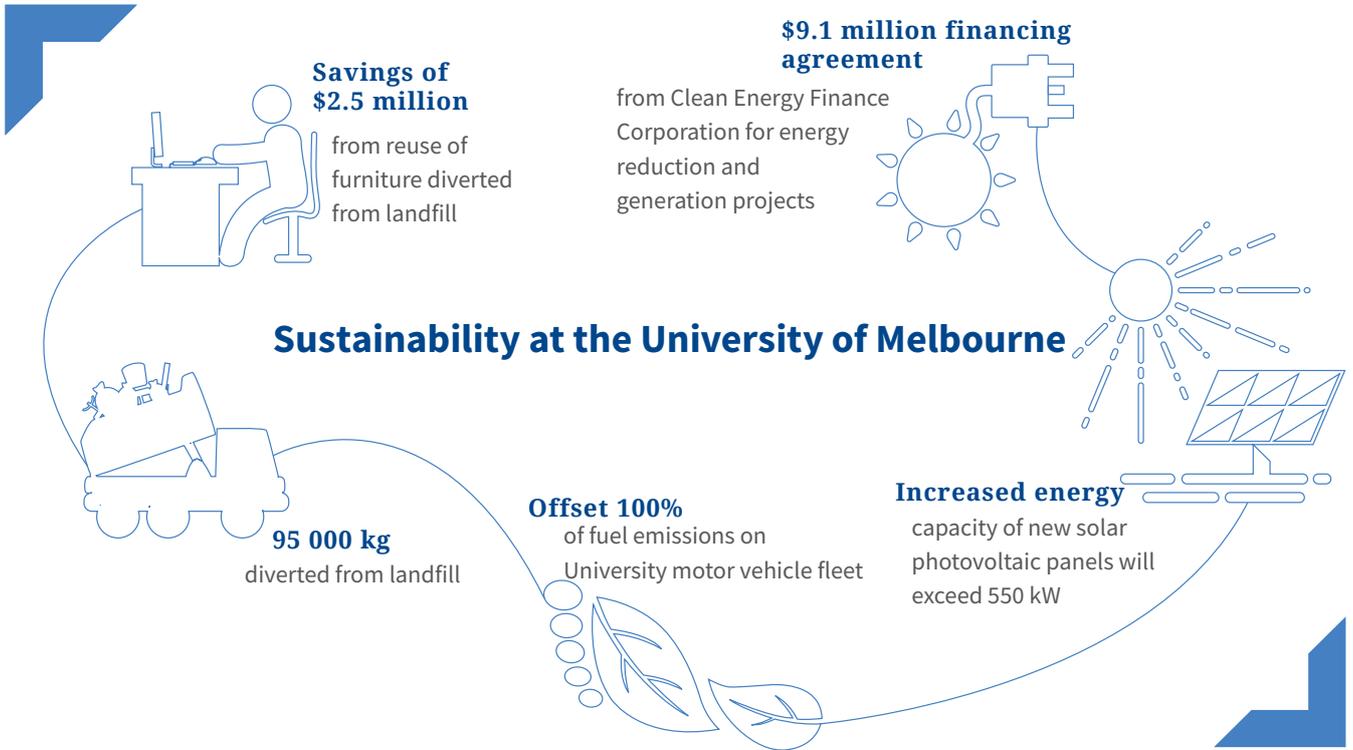
The University of Melbourne developed a suite of initiatives in 2016 to reduce potable water consumption at the University, including deployment of significant metering infrastructure to measure consumption at different points across campuses. Design of new buildings incorporated large harvested water storage capacity, and a 'purple pipe' network of dedicated pipework for harvested water installed during the fire ring main replacement to reduce potable mains water consumption.

### Recycling

*Less waste, more environmental gains*

The University currently has recycling programs in place for mixed recyclables (including paper, cardboard, cans and bottles), as well as recycling furniture, e-waste, IT equipment, fluorescent light tubes, polystyrene, mobile phones and toner cartridges. Battery collection commenced in 2016, and resulted in the recycling of 1280kg of batteries for the year.

On average, the University uses 4000 reams of paper per month, equalling 0.49 reams per staff (full time equivalent) per month, approximately 20 per cent of which comes from recycled paper.



## Staff honours

### American Physical Society

#### *Stanley Corrsin Award*

Professor Ivan Marusic  
(Department of Mechanical Engineering)

### American College of Sports Medicine

#### *Citation Award*

Professor Mark Hargreaves  
Pro Vice-Chancellor (Research  
Collaboration & Partnerships)  
(Department of Physiology)

### Australia Day Honours

*The following members of staff were  
appointed Officer of the Order of Australia*

Professor Marilyn Anne Anderson, for  
distinguished service to science, and  
to higher education, particularly to  
biochemistry and molecular biology,  
as an academic and researcher, and  
to professional associations

Professor David Copolov, for distinguished  
service to tertiary education  
administration, to medicine in the  
field of psychiatry, to mental health  
research, and to the community

Professor Kate Leslie, for  
distinguished service to medicine  
in the field of anaesthesia and pain  
management as a clinician and  
researcher, to higher education, and  
to professional medical groups

Professor Finlay Macrae, for distinguished  
service to medicine in the field of  
gastroenterology and genomic disorders  
as a clinician and academic, and to human  
health through the Human Variome Project

Professor Leon Mann, for distinguished  
service to the humanities and social  
sciences, to tertiary education and  
professional organisations, and  
to Jewish history and culture

*The following members of staff were  
appointed Member of the Order of Australia*

Jenny McGregor, founding CEO of  
AsiaLink at the University of Melbourne,  
for significant service to Australia-  
Asia relations, particularly through  
educational, cultural, business and  
health programs and networks

Professor Ego Seeman, for significant  
service to medicine, as a researcher in the  
fields of osteoporosis and endocrinology,  
and as a clinician and academic

Associate Professor Michael Woodward,  
for significant service to medicine,  
particularly aged care, geriatric medical  
research, and Alzheimer's disease, as  
an author, and to professional groups

*The following members of staff were  
awarded the Medal of the Order of Australia*

Associate Professor Don Garden, for  
service to community history and  
heritage preservation organisations

Associate Professor Peter  
Greenberg, for service to medicine,  
and to population health

### Australian Academy of Health and Medical Sciences

#### *New Fellows*

Professor Jane Gunn  
(Department of General Practice)

Professor Trevor Kilpatrick  
(Melbourne Neuroscience Institute)

Professor Fabienne Mackay  
(School of Biomedical Sciences)

Professor Terry O'Brien  
(Faculty of Medicine, Dentistry and  
Health Sciences)

### Australian Academy of Science

#### *New Fellows*

Professor Geoffrey Lindeman  
(Walter and Eliza Hall Institute of  
Medical Research)

Professor Patrick McGorry, Director  
(Centre for Youth Mental Health)

Professor Stephen Nutt  
(Walter and Eliza Hall Institute  
of Medical Research)

### Australian Academy of the Social Sciences

#### *New Fellows*

Professor Jonathon Barnett  
(School of Geography)

Professor Fiona Haines  
(School of Social and Political Sciences)

Professor Julie McLeod  
(Melbourne Graduate School of Education)

Professor Anne Orford  
(Melbourne Law School)

Professor Anthony Scott  
(Melbourne Institute of Applied  
Economic and Social Research)

Professor John Trinder  
(Melbourne School of  
Psychological Sciences)

### Australian University Sport

#### *Life Membership*

Timothy Lee, Director  
(Melbourne University Sport)

### Bathurst Macquarie Heritage Medal

Professor Robyn Sloggett, Director  
(Grimwade Centre for Cultural Materials  
Conservation)

### Conference on Economic Growth and National Unity by the Friendship Forum of India

#### *Mahatma Gandhi and Bharat Nirman Awards*

Professor Rajkumar Buyya  
(School of Computing and  
Information Systems)

### **Council for Advancement and Support of Education Circle of Excellence Awards**

*Gold Award for Advertising Campaign*  
Collisions campaign  
University of Melbourne

*Bronze Award for Long Video*  
Behind: Where great minds collide  
University of Melbourne

*Gold Award for Short Fundraising Video*  
Educating Tomorrow's Leaders  
University of Melbourne

*Silver Award for Innovative Alumni Programs*  
Update Your Details campaign  
University of Melbourne

*Bronze Award for Principal or Major Giving Programs*  
Believe – the Campaign for the  
University of Melbourne

### **Eureka Prizes 2016**

*Johnson & Johnson Eureka Prize for Innovation in Medical Research*  
Dr Peter Czabotar, Professor David Huang  
Associate Professor Guillaume Lessene and  
Professor Andrew Roberts  
(Walter and Eliza Hall Institute of  
Medical Research)

*Australian Infectious Diseases Research  
Centre Eureka Prize for Infectious  
Diseases Research*  
Dr Nick Klonis, Professor Leann Tilley  
Associate Professor James McCaw and  
Associate Professor Julie Simpson  
(School of Biomedical Sciences)

*UNSW Eureka Prize for Scientific Research*  
Professor Melissa Little and  
Dr Minoru Takasato  
(Murdoch Children's Research Institute)  
for Kidney in a Dish, their work in  
recreating human kidney tissue from  
stem cells, opening the door to disease  
modelling, drug screening, and ultimately  
replacement organs

### *Scopus Eureka Prize for Excellence in International Scientific Collaboration*

Professor Christine Wells, Director  
(Centre for Stem Cell Systems) as part of  
the FANTOM5 project with 260 specialists  
from 20 countries, including 22 Australian  
researchers. The FANTOM5 project  
mapping sets of genes expressed in  
individual cell types, interprets genetic  
diseases and engineer new cells for  
therapeutic use.

### **International Association of Wildland Fire's Ember Award**

Associate Professor Kevin Tolhurst  
(Department of Forest and  
Ecosystem Science)

### **National Academy of Sciences**

*John J. Carty Award for the  
Advancement of Science*  
Professor Michael Goddard  
(Faculty of Veterinary and  
Agricultural Sciences)

### **Queen's Birthday Honours**

*The following members of staff  
were appointed Companion  
of the Order of Australia*

Laureate Professor Alan Lopez, for  
eminent service to science nationally  
and internationally, as well as to public  
health in developing countries

Professor David Solomon, for  
eminent service to science in polymer  
chemistry and plastics, and to  
professional scientific institutions

*The following members of staff were  
appointed Officer of the Order of Australia*

Professor Glenn Bowes, for distinguished  
service to medical education and its  
administration, to the advancement  
of child health and welfare, and  
through contributions to government  
and professional organisations

Dr Andrew Cuthbertson, for  
distinguished service through innovative  
biotherapies assisting public health

Professor Emeritus Denise Grocke  
for her career work as a global  
pioneer in music therapy

Professor Doug Hilton, Director Walter  
and Eliza Hall Institute for Medical  
Research, for his great contributions as  
a biomedical researcher and educator,  
and mentor to young scientists

*The following member of staff was appointed  
Member of the Order of Australia*

Dr Deborah Seifert, Head of  
International House, for significant  
service to education through a range  
of roles, and to the community

### **Royal Society of Victoria's Medal for Excellence in Scientific Research**

Professor Lloyd Hollenberg  
(School of Physics)

### **MHS Learning Network Exceptional Contribution Award**

Professor Bernadette McSherry  
Director (Melbourne Social Equity  
Institute) for her research and advocacy  
work in relation to law and human rights  
in mental health services

### **Victoria Prize**

*Winner*

Professor James McCluskey  
(Deputy Vice-Chancellor Research)

*Victoria Fellows*

Ms Sarah Baines  
(Department of Microbiology and  
Immunology at the Doherty Institute)

Dr George Chen  
(Melbourne School of Engineering)

Dr Hamish McWilliam  
(Department of Microbiology and  
Immunology at the Doherty Institute)

Ms Paola Vaz  
(Faculty of Veterinary and  
Agricultural Sciences)

# University Governance

The University of Melbourne was established by an Act of the Victorian Parliament in April 1853. University Council is the governing body of the University of Melbourne and has oversight of the entire direction and superintendence of the University.

The specific functions of the Council as defined by the University of Melbourne Act (s. 9.1) are:

- a. To appoint the Chancellor, any Deputy Chancellor and the Vice-Chancellor
- b. To establish policies relating to the governance of the University
- c. To oversee and review the management of the University and its performance
- d. To oversee the management and control of the property and business affairs of the University
- e. To oversee the management and control of the University's finances
- f. Any other powers and functions conferred on it by or under
  - (i) this Act or any other Act, or
  - (ii) any university statute or university regulation
- g. The power to do anything else necessary or convenient to be done for, or in connection with, its powers and functions



*Autumn lends a special beauty to the University's classical features*

# Council members 2016

## Chancellor (to 31 December 2016)

### MS ELIZABETH ALEXANDER AM

BCom *Melb* FAICD FCA FCPA

Appointed Chancellor 8 April 2011. Re-elected Chancellor 1 January 2014. Chair of Medibank, Dexus Wholesale Property Ltd, and Director of Dexus Property Group. Advisor to international law firm, Ashurst. Fellow of the Institute of Chartered Accountants, life member of CPA Australia, life member of the Institute of Directors in Australia, and Board member of the Victorian Registration & Qualifications Authority. Ms Alexander has served on the University Council since October 2004 and was previously Deputy Chancellor. 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 *Sus* 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, MBD Energy, Australia India Institute, The Conversation (resigned December 2016), and Australian Friends of Asha. Director of Neuclone, Rural Bank, Grant Samuel Group, and The Robert Salzer Foundation. No significant financial interests declared.

*Term of office concluding 31 March 2017*

## Persons appointed by Government

### MS JANE HANSEN

BEC *Monash* MFin&BA *Columbia* BA *Melb* (ongoing)

Appointed 1 January 2016 (Governor-in-Council member). Field of experience: international investment banking and corporate finance. Member of Board of Management of Melbourne Theatre Company, Chair of Foundation of Melbourne Theatre Company, Executive member for *Believe – the Campaign of the University of Melbourne*, member of Advisory Board for Melbourne Humanities Foundation, Chair of Little Foundation. No significant financial interests declared.

*Term of office concluding 31 December 2018*

### MR TONY PEAKE

BBus *RMIT* FCA

Appointed 5 May 2009 (Governor-in-Council member). Re-appointed 1 January 2016. Field of experience: business and government. Government and Public Sector Leader at PwC Australia. Director of Melbourne University Publishing Ltd. Chair of Methodist Ladies' College. Director of The Business/Higher Education Roundtable. 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*

## Chancellor (from 1 January 2017, appointed by Council in November 2016)

MR ALLAN J MYERS AC QC BA, LLB (Hons) *Melb* BCL Oxon DUniv *ACU* Hon LLD *Melb* FUniv *Melb*

Appointed Chancellor 1 January 2017. Chair of National Gallery of Australia Council, Museums and Art Galleries Board of the Northern Territory, and University of Melbourne Humanities Foundation Board and Campaign Board for *Believe – the Campaign for the University of Melbourne*. Governor of The Ian Potter Foundation. Member of Council of Newman College, and of Graduate Studies Advisory Board of the Law Faculty at the University of Melbourne and of Law Faculty at Oxford University. Director of publicly listed companies in Europe and of private and unlisted companies in Australia and elsewhere. Queen's Counsel in all Australian States and Territories and barrister in England, New Zealand and Papua New Guinea. Philanthropist and businessman. No significant financial interests declared.

**MS WENDY STOPS**

BAppSc (IT) *CIT*, GAICD

Appointed 1 January 2016 (Governor-in-Council member). Field of experience: information technology and management consulting, across many industry sectors and geographies. Non-Executive Director at the Commonwealth Bank and Fitted for Work. No significant financial interests declared.

*Term of office concluding 31 December 2018*

**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 FINAE FSATW FAusIMM FICHEM 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.

Re-appointed 1 January 2016.

Elected Deputy Chancellor 7 May 2012. Re-elected Deputy Chancellor 13 January 2016. 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.

Re-appointed 1 January 2014 and 1 January 2017. Field of experience: law.

Justice of Federal Court of Australia, President of Australian Competition Tribunal, Presidential Member of Administrative Appeals Tribunal, board member of Victorian Bar Foundation, part-time Commissioner of Australian Law Reform Commission, Fellow of Australian Academy of Law. No significant financial interests declared.

*Term of office concluding 31 December 2019*

**MR MARTYN MYER AO**

BEng *Swinburne* MEngSc *Monash* MScM *MIT*

Appointed 17 February 2009.

Re-appointed 1 January 2014 and 1 January 2017. Field of experience: business and not-for-profit. President of The Myer Foundation. Director of Cranlana Programme. Chairman of CogState Ltd. Board member of Melbourne Theatre Company. Director, Board of Metro Quarry Group Pty Ltd. No significant financial interests declared.

*Term of office concluding 31 December 2019*

**Staff elected member of Council****PROFESSOR MARILYS GUILLEMIN**

PhD *Melb* MEd *Murdoch* DipEd *Melb* BAppSc *RMIT*

Appointed 1 October 2016.

Field of experience: health sociology and ethics. Associate Dean (Learning and Teaching), Faculty of Medicine, Dentistry and Health Sciences. Board member, Orygen National Centre of Excellence in Youth Mental Health. No significant financial interests declared.

*Term of office concluding 30 September 2019*

**Student elected member of Council****MR TYSON HOLLOWAY-CLARKE**

Appointed 1 October 2016.

Field of experience: Enrolled in BA (Honours) at the University of Melbourne. President of the University of Melbourne Student Union (UMSU) in 2016 and Indigenous Officer in 2015. No significant financial interests declared.

*Term of office concluding 30 September 2018*

## Governance structure 2016

Governance of the University of Melbourne, subject to provisions of the Act, is detailed in Council Standing Resolution (1.3).

Council was assisted in its deliberations in 2016 by work of the following standing committees. 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.

### Audit Committee

#### Chair: Mr Tony Peake

Audit Committee of Council oversees the University's external audit program, recommends the annual financial statements for approval, and monitors University response to the annual audit.

### Finance Committee

#### Chair: Ms Elizabeth Alexander AM

Finance Committee exercises governance responsibilities with respect to the University's financial and business affairs, including monitoring financial risk and performance of University subsidiaries and commercial ventures and, within delegated authority, acts on behalf of Council on those matters. Investment Management Committee is a subcommittee of the Finance Committee.

### Governance and Nominations Committee

#### Chair: Ms Elizabeth Alexander AM

Governance and Nominations Committee advises Council and makes recommendations on appointments to Council, on appropriate form of University statutes, regulations, policy and governance arrangements, and on appointments or awards of special distinction.

### Human Resources and Remuneration Committee

#### Chair: Ms Elizabeth Alexander AM

Human Resources (HR) and Remuneration Committee of Council exercises governance responsibilities in oversight of remuneration of senior executives of the University of Melbourne (as defined in University regulation) and HR Strategy of the University.

### Infrastructure Committee (to be convened)

#### Chair: Mr Robert Johanson

Infrastructure Committee was established in 2016 as an expert committee established to provide advice to Council and, where appropriate, Finance Committee to inform approval of the capital plan and to provide advice on planning, development and stewardship of the University's property assets. It will also provide appropriate review and oversight of the Campus Development Framework.

### University of Melbourne Foundation and Trusts

#### Chair: The Hon Justice John Middleton

University of Melbourne Foundation and Trusts Committee assists Council in exercising due care and diligence in overseeing and administering philanthropic funds from donors to any part of the University. The Committee ensures effective use of any gift, bequest and pledge received and supports work of existing foundations, funds, boards and advisory groups associated with gifts received by the University of Melbourne. The Committee oversees the University's stewardship of endowments and trusts. Gift Acceptance and Review Subcommittee reports to University of Melbourne Foundation and Trusts Committee on gift acceptance issues that affect philanthropic funding.

### University Risk Committee

#### Chair: Ms Wendy Stops

University Risk Committee supports Council in its accountability for overseeing and monitoring assessment and management of risk across the University, including University commercial activities. The Committee reviews risk management framework and practice, and receives regular reports on significant strategic and operational risks and their management to an acceptable level. The Committee advises Council, and other committees as appropriate, on risk management framework and practice improvements and progress, as well as significant risks arising from their review.

## Academic governance

Academic Board is established by Council under the *University of Melbourne Act 2009* and by the *University of Melbourne Statute*. The Board is responsible to Council for quality assurance in academic activities including maintenance of high standards in teaching, learning and research, and development of academic and research policy, and acts as the final appeal body for students. President of Academic Board is a biennially 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

BEd Adelaide MA UWOL MEC ANU  
PhD La Trobe

### Deputy Vice-President of Academic Board

#### Professor Pip Nicholson

BA 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 met eight times in 2016, from February to December and was supported in its work in 2016 by the following subcommittees:

- Academic Programs Committee
- Appeals Committees
- Archives Advisory Board
- Information Technology Committee (dis-established as of September 2016)
- Libraries and Academic Resources Committee
- Melbourne Custom Programs Committee
- Research Higher Degrees Committee
- Selection Procedures Committee
- Teaching and Learning Development Committee
- Teaching and Learning Quality Assurance Committee



PhD graduands join the academic procession

# Senior leadership University management

The senior leadership team is responsible for developing and implementing the University of Melbourne's strategic vision.

University Executive comprises senior leaders in Academic Divisions, University Services and Chancellery

## 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 *UWA* FRACP FRCPA  
FAA FAHMS

## Vice-Principal (Administration and Finance and Chief Financial Officer)

Mr Allan Tait  
BScSci (Hons) *Birm* ACA ACE&W

## Vice-Principal (Advancement)

Mr Nick Blinco  
BA *Hull* MSt *Oxon*

## Vice-Principal (Engagement)

Mr Adrian Collette AM  
BA *LaTrobe* MA *Melb*

## Vice-Principal (Enterprise) (from 1 July 2016)

Mr Doron Ben-Meir  
BSc BE (Hons) *Monash*

## Vice-Principal (Policy and Projects)

Dr Julie Wells  
BA DipEd *UWA* BA (Hons) *Murdoch*  
PhD *Monash*

## Head of University Services

Mr Paul Duldig  
MEc *Adelaide*

## President of Academic Board

Professor Rachel Webster  
BSc (Hons) *Monash* MSc *Sus* PhD *Camb*  
IAU ASA AA

## Deans

### Faculty of Architecture Building and Planning

Professor Daryl Le Grew  
BArch MArch *Melb* HonDLitt *Tas* FAIM  
(to November 2016)

Professor Julie Willis  
BArch BPD PhD *Melb*  
(from November 2016)

### 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 Melbourne  
Business School)  
BSc *Ghent* MBA *KU Leuven (BE)* PhD *Chicago*

### Faculty of Medicine, Dentistry and Health Sciences

Professor Mark Hargreaves  
BSc *Melb* MA *Ballsu* PhD *Melb* FESSA FACSM  
(to October 2016)

Professor Shitij Kapur  
MBBS *AlliMS* PhD *Toronto*  
(from October 2016)

### Faculty of Science

Professor Karen Day  
BSc (Hons) PhD *Melb*

### Faculty of Veterinary and Agricultural Sciences

Associate Professor Brian Leury  
BAgricSci (Hons) PhD *LaTrobe*  
(to February 2016)

Professor John Fazakerley  
BSc (Hons) *Durh* PhD *Lond* MBA *Edin*  
(from February 2016)

### Faculty of 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 Law School

Professor Carolyn Evans  
BA LLB (Hons) *Melb* PhD *Oxon*

### Melbourne School of Engineering

Professor Iven Mareels  
Ir *Ghent* PhD *ANU* FTSE FIEEE FIEAust CPEng

## Faculties, Schools and Other Academic Units

In December 2016, the University of Melbourne comprised 10 faculties (including two graduate schools established as faculties) and four other academic units.

### Faculty of Architecture, Building and Planning

Faculty of Architecture, Building and Planning is 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:

- Melbourne School of Government (graduate school)
- Graduate School of Humanities and Social Sciences (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 Economics
- Department of Finance
- Department of Management and Marketing
- Melbourne Institute of Applied Economic and Social Research

### Faculty of Medicine, Dentistry and Health Sciences

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

#### Schools

- Melbourne Dental School (graduate school)
- Melbourne School of Health Sciences (graduate school)
- Melbourne School of Population and Global Health (graduate school)
- Melbourne School of Psychological Sciences (graduate school)
- Melbourne Medical School (graduate school)
- School of Biomedical Sciences

### Faculty Departments and Institutes

- Centre for Youth Mental Health
- Department of Medical Biology (Walter and Eliza Hall Institute of Medical Research)
- Doherty Institute
- Florey Department of Neuroscience and Mental Health
- Medical Bionics Department
- Melbourne Neuroscience Institute Melbourne Poche Centre for Indigenous Health
- Sir Peter MacCallum Department of Oncology

#### Departments

##### Melbourne Medical School

- General Practice
- Medical Education
- Medicine and Radiology
- Obstetrics and Gynaecology Paediatrics
- Psychiatry
- Rural Health
- Surgery

##### Melbourne School of Health Sciences

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

##### 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
- Epworth 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 Hospital
- Rural

### Faculty of Science

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

- 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
- Bio21 Molecular Science and Biotechnology Institute
- Office for Environmental Programs

### Faculty of Veterinary and Agricultural Sciences

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

### Faculty of Victorian College of the Arts and Melbourne Conservatorium of Music

Faculty of Victorian College of the Arts and Melbourne Conservatorium of Music is a single faculty comprising the following two divisions each headed by a Director:

- Melbourne Conservatorium of Music
- Victorian College of the Arts

### Melbourne Graduate School of Education

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

### Melbourne School of Engineering

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

- 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

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

### Other Academic Units

#### Australia India Institute

The objectives of 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.

#### Nossal Institute for Global Health

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.

#### 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 of Melbourne.



*Open Day signage*

### 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, Interdisciplinary Research Institutes have the following common objectives :

- Respond to societal concerns which require interdisciplinary research approaches
- Increase public awareness of, and debate on, critical issues in their fields
- Raise the profile of University of Melbourne research as the basis for various forms of partnerships
- Develop relationships with relevant government departments and instrumentalities, educational institutions, and government and private research agencies, both within Australia and internationally
- Promote, and attract funding for, interdisciplinary research in a recognised area of strength of the University

- Encourage, design and consider proposals for research projects, particularly collaborative research projects across the University
- Support research activities in selected priority areas, specific to their respective fields of operation
- Provide a point of contact for University and external parties interested in their field of operation
- Provide advice to the University on any matter they consider appropriate relating to their fields of operation

### Semi-Autonomous Bodies (University departments)

- Asialink
- Ian Potter Museum of Art
- International House
- Medley Hall of Residence
- Melbourne Theatre Company
- Melbourne University Sport
- University of Melbourne Veterinary Hospital

### Subsidiary Companies

- Australia India Institute Private Limited (India)
- Australian Music Examinations Board (Vic) Ltd
- Australian National Academy of Music Ltd Group
- Melbourne Business School Ltd Group
- Melbourne Dental Clinic Ltd
- Melbourne University Publishing Ltd
- MU Student Union Ltd
- Nossal Institute Ltd
- UMELB Pte Ltd (Singapore)
- UOM Commercial Ltd Group

# Statutory reporting

## 1: Statement on Health and Safety matters

The University of Melbourne has a broad health and safety risk profile, including specific risks associated with manual tasks, storage, handling and use of chemicals and biologicals, laboratory and workshop operations, travel and field work and performance theatres.

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 health and safety goals against four strategic objectives.

## Health and Safety Management System

The University of Melbourne's Health and Safety Management system (HSMS) was subject to significant review in 2016. All health and safety policies, procedural principles and HSMS requirements were reviewed to meet new internal requirements and changes in legislation. In addition 22 health and safety processes were published to support the implementation of the HSMS.

### Health and Safety Strategic Plan, 2016 outcomes summary

Objective	Key performance indicators	2016 outcome
Reduce occurrence or re-occurrence of workplace injuries and illnesses	<ul style="list-style-type: none"> <li>a. Zero Lost Time Injuries Frequency Rate (LTIFR) with an unacceptable tolerance of 1.55</li> <li>b. 5% reduction in injuries/illnesses resulting in five days or more of lost time</li> <li>c. 5% reduction in musculoskeletal disorders injuries resulting in five days or more of lost time</li> <li>d. 5% reduction in the injuries/illnesses resulting in 100 days or more of lost time</li> <li>e. 5% increase in reported injuries/illness (to reduce under reporting or incidents)</li> </ul>	<ul style="list-style-type: none"> <li>a. Target not achieved Outcome within tolerance LTIFR 2016: 0.72</li> <li>b. Target achieved 47% reduction injuries &gt;5 days lost</li> <li>c. Target achieved 47% reduction MSD injuries &gt;5 days lost</li> <li>d. Target not achieved 1 injury resulting in &gt;100 days lost</li> <li>e. Target achieved 10.9% increase in reported incidents</li> </ul>
Continually improve compliance with health and safety legislation and effective implementation of the University of Melbourne's HSMS	<ul style="list-style-type: none"> <li>a. Zero non-conformance findings in external audits</li> <li>b. Zero WorkSafe Improvement Notices</li> <li>c. Zero WorkSafe Prohibition Notices</li> </ul>	<ul style="list-style-type: none"> <li>a. Target not achieved 28 non-conformances issued by LRQA 22 non-conformances issued by WorkSafe</li> <li>b. Target achieved Nil improvement notices issued by WorkSafe</li> <li>c. Target achieved Nil prohibition notices issued by WorkSafe</li> </ul>
Improve health and safety leadership and culture throughout the University	<ul style="list-style-type: none"> <li>a. Implement revised executive health and safety training program</li> </ul>	<ul style="list-style-type: none"> <li>a. Target achieved 48 participants completed the revised program 2016</li> </ul>
Provide high quality consistent and practical health and safety information and advice to the University community	<ul style="list-style-type: none"> <li>a. Minimum of average score of 3.5/5 in health and safety sections of quality performance surveys</li> <li>b. Zero non-conformances to University-wide systems criteria in external HSMS audits i.e. policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>a. Not measured in 2016</li> <li>b. Target not achieved Two University-wide systems non-conformance finding issued during the LRQA external audit of the health and safety management systems in 2016</li> </ul>

### Health and Safety resources

In 2016, each operating division appointed local staff to provide health and safety support services. Higher-risk divisions appointed local health and safety managers, and moderate and lower-risk 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 divisions through University Services.

### Consultative framework

Employees continue to be represented by elected and trained employee health and safety representatives. There were over 50 elected employee health and safety representatives holding office in 2016. Each division has a Health and Safety Committee. Membership of these committees includes both employer and employee representatives.

Membership of the University-wide Health and Safety Committee (HSC) includes equal numbers of employer and employee representatives. The employee representatives are elected from the pool of University employee health and safety representatives. The HSC met four times during 2016, with minutes of meetings published on the University's safety website.

### Training

Over 13 000 attendees undertook health and safety-related training throughout 2016.

### Health and safety training provided: 2014–2016

Training course type	Attendees		
	2014	2015	2016
Roles and Responsibilities – Supervisory and non-supervisory staff	3,437	4,750	4,090
Health and Wellbeing, Change Management and Psychosocial	4,054	3,310	3,553
Risk Management and Emergency Management	2,698	3,745	2,773
Chemical Safety, Radiation Safety and Compressed Gas Safety	682	689	1,184
Manual Handling and Ergonomics	863	680	696
First Aid	483	576	653
Personal Protective Equipment	250	178	146
Health and Safety Representative	5	6	2

### 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 2016 over 357 evacuation diagrams were reviewed, published and posted in University buildings.

Building evacuation drills were undertaken in each occupied building during 2016. A review of the effectiveness of each evacuation is undertaken by the building Chief Warden.

### Critical incident management

The University of Melbourne continued revision of the critical incident management framework in 2016. The new framework aligns with the Australasian Inter-Service Incident Management System (AIIMS) used by emergency services agencies.

The role of Duty Officer was introduced in 2016 to support initial assessment and response to potential critical incidents.

Role statements have been developed each key supporting roles. Training has been provided for staff nominated to respond to critical incidents.

### Radiation management

During 2016, the University of Melbourne's Electromagnetic Radiation Committee met on four occasions. This committee monitors implementation of the University's radiation safety initiatives and management licence.

The University's radiation management licence was amended throughout 2016 to meet research and teaching needs of the University.

### Occupational health surveillance and programs

The University of Melbourne coordinates and implements health monitoring and vaccination programs supporting its compliance obligations, and voluntary vaccination programs to reduce incidence of staff illness.

During 2016, over 480 health and hazard assessment questionnaires were reviewed by an occupational health nurse, resulting in 120 screening reviews with staff and students.

### Workers compensation and injury management

An early intervention approach has ensured that return-to-work plans were developed for all compensable injuries during 2016. The University of Melbourne's injury management staff continued to assist injured staff with non-compensable injuries and other health-related conditions to ensure successful return-to-work outcomes.

### Self-insurance approval and workers compensation compliance

During 2016, in preparation for renewal of the University of Melbourne's approval for worker's compensation self-insurance, WorkSafe Victoria auditors completed an audit of a selection of workers compensation claims.

Two non-conformances were identified. Corrective action plans have been implemented to address the identified non-conformances.

The University's approval for worker's compensation self-insurance is scheduled for renewal by 30 September 2017.

### Occupational health and service – Services provided/facilitated: 2014–2016

Service provided	2014	2015	2016
Influenza vaccinations	3,491	3,468	3,746
Spirometry	84	172	82
Audiometry	66	97	17
Pathologies and biological screening	35	25	5
Q Fever vaccinations	156	126	309

### Regulatory activity

The University of Melbourne continued to work cooperatively with health and safety regulators, in particular WorkSafe Victoria, the most active health and safety regulator at the University throughout the year. WorkSafe activity consisted of visits following incident notifications to WorkSafe and visits by WorkSafe in response to requests by employees.

### Health and Safety performance

To ensure a safer work environment, health and safety performance reports are provided to the University's Risk Management Advisory Group. 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 reoccurrence.

### Incidents requiring notification to WorkSafe

The *Occupational Health and Safety Act 2004* (Vic) requires the University of Melbourne to notify WorkSafe Victoria of all serious injuries, dangerous occurrences and deaths at the workplace. A breakdown 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 risk of reoccurrence.

#### WorkSafe Victoria activity: 2014–2016

Action	2014	2015	2016
Visits to University of Melbourne workplaces by WorkSafe	6	7	13
Prohibition notices issued by WorkSafe	0	0	0
Improvement notices issued by WorkSafe	0	1	0
Health and safety convictions	0	0	0

#### Health and safety incident statistics: 2014–2016

Performance indicator	2014	2015	2016
Reported incidents (including injury and illness)	1,319	1,221	1,354
Reported incident incidence rate (per 100 FTE employees)	15.83	14.26	16.24
Days lost due to reported injuries	393	429	317
Number of workers compensation claims	80	96	99
Number of lost time incidents (LTI)	18	23	11
LTI incidence rate (per 100 FTE employees)	0.22	0.27	0.13
Lost time injury frequency rate (per 1 million hours worked)	1.28	1.51	0.72
Average cost per claim (including estimate of future costs)	\$4,998	\$12,152	\$4,852
Work-related fatalities	0	0	0

Significant variation in the average cost per claim in 2015 when compared to other years, relates to conclusion of one claim received in 2015 for an injury occurring prior to period reported in this table.

## Notifications to WorkSafe: 2014–2016

Type	Event	2014	2015	2016
Serious injury or illness	Immediate medical treatment resulting from a laceration	9	6	12
Serious injury or illness	Immediate medical treatment resulting from temporary loss of bodily function	0	4	0
Serious injury or illness	Admission as an inpatient in a hospital	1	3	2
Serious injury or illness	Medical treatment within 48 hours of exposure to a substance	1	5	1
Dangerous occurrence	Uncontrolled implosion, explosion or fire	2	2	3
Dangerous occurrence	Fall or release from a height of any plant, substance or object	2	6	4
Death at a workplace	Non-work related fatalities	0	0	1
<b>Total</b>	<b>All incidents</b>	<b>15</b>	<b>26</b>	<b>23</b>

### External Health and Safety Management System audits

Conformance of the University of Melbourne's External Health and Safety Management System (HSMS) to the National Self-Insurers Audit Tool (NAT) is a requirement of the University's workers compensation self-insurance approval.

During 2016, two external audits were undertaken for the following purposes:

- Recertification of the University's HSMS to the NAT and AS4801 Occupational Health and Safety Management Systems. This audit was undertaken by Lloyd's Register Quality Assurance auditors.
- Renewal of the University's workers compensation self-insurance approval. This audit was undertaken by WorkSafe Victoria auditors.

The recertification audit assessed 311 audit criteria across four academic divisions, Chancellery, University Services, four semi-autonomous bodies (University departments) and two wholly-owned subsidiaries. 28 criteria were assessed as non-conformances. Five minor non-conformances remain open and are scheduled to be closed in 2017.

The University successfully renewed NAT and AS4801 certifications until 2019.

The self-insurance renewal audit assessed 57 criteria across eight University locations. 22 criteria were assessed as non-conformances. A corrective action plan was developed and provided to WorkSafe Victoria in December 2016 and corrective action scheduled to be closed by May 2017 in accordance with WorkSafe-specified timelines.

### Internal Health and Safety Management System audits

Due to the unusually high level of external auditing, the internal audit program focussed on a process review of chemical management, storage and handling in a representative sample of four University work areas. The review report will be received by the University of Melbourne in 2017. Recommendations arising will also be considered in 2017.

## 2: Risk management strategy

Identifying and managing risk is a core component of the University of Melbourne's Accountability and Performance Management Cycle, consistent with the Victorian Risk Management Framework.

At a governance level, University Council approved a risk management framework (based on International Standard ISO/FDIS 31000:2009), with University Risk Committee (working closely with University Audit Committee) exercising an oversight role on behalf of Council to ensure that designated risk accountabilities were being properly exercised.

At management level, risk is monitored and managed through the Risk Management Advisory Group. Within the University of Melbourne'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 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 Advisory Group.

## Attestation

I, 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 verify this assurance and 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 2017

## 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	The principal object of the company is to promote 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 á Court AC Mr Ian McRae (Chair) Mr Kim Williams, AM Mr David Mackintosh	Low	Low
Melbourne Business School Ltd (not a Corporations Act subsidiary) and its subsidiaries, MBS Foundation Ltd and Mt Eliza Graduate School of Business and Government Limited.	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 (Chair) Mr Tony Burgess Ms Jacqueline Hey Mr Dean Ireland Ms Antoinette Kimmitt Dr Jacinth Kincaid Fairley Ms Xiaoling Liu Mr Geoff Lord Mr Ari Mervis Ms Naomi Milgrom, AO Mr David Peever Mr Scott Tanner Mr Frank Zipfinger	Medium	Medium
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.	Mr Ian Marshman (Chair) Professor Beverley-Ann Biggs Associate Professor Paul Schneider 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 Limited	To commission, receive, prepare, publish, distribute and license the use of educational, literary and artistic work, audio, audio-visual material and computer software.	Professor Peter McPhee (Chair) Mr Tony Peake Mr Allan Tait	Ms Louise Adler, AM Mr Robert Carr Mr Daniel Gorog Mr Laurence Muller (Deputy Chair) Ms Jacyl Shaw	Low	Medium
MU Student Union Limited	To advance the educational experience of students of the University of Melbourne by providing amenities, services and facilities for the benefit of students.	Ms Jill Carter Ms Elizabeth Capp Ms Alex Lawlor Mr Ross McPherson (Chair)	Mr Graham Dennehy Mr James Smith Mr Stephen Smith	Low	Low
Nossal Institute Limited	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 and its subsidiary UM Commercialisation Pty Ltd	To commercialise educational services.	Mr Doron Ben-Meir (Chair) Professor Mark Considine Professor James McCluskey Professor Margaret Sheil Mr Allan Tait	Mr Geoffrey Rees	Low	Low
UMELB Pte Ltd	Undertake University of Melbourne profiling, student recruitment, alumni support and donor relationship development.			Low	Low
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.	Professor Susan Elliott Professor Craig Jeffrey Mr Robert Johanson (Chair) Mr Ashok Malik Professor Amitabh Mattoo Mr Allan Tait		Low	Low

## Section B. University Business Operations

### Section B1. University departments (Statute 8.1)

(The entities below are ongoing semi-autonomous bodies within the University (University departments), overseen by advisory boards and reporting to the Vice-Chancellor. They are staffed by University of Melbourne employees, the composition of the boards is as set out below, all covered by the University's Directors and Officers Policy. In July 2016, with introduction of the University's revised statutes and regulations, governance arrangements for semi-autonomous bodies were amended to reflect more clearly their status as University departments. The bodies are in various stages of transition to the new governance structures.)

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as board members	Level of financial risk (High, Medium or Low)	Level of reputational risk (High, Medium or Low)
Asialink	To work with business, government, philanthropic and cultural partners to initiate and strengthen Australia Asia engagement.	Professor Glyn Davis, AC Professor Pookong Kee Ms Jenny McGregor, AM (CEO)	Mr Rob Bazzani Mr Louise Chiam Mr John Denton, AO Sir Rod Eddington, AO Ms Lindley Edwards 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 Ms Carena Shankar Ms Nicola Wakefield Evans Mr Peter Yates (Deputy Chair)	Low	Low
International House	To be a place of residence, education and corporate life for students and to encourage international understanding and friendship among students.	Professor Susan Elliott Dr Deborah Seifert, AM Ms Alice Wong	Mr Connor Forsyth Mr Garry Fowler Mr Peter Godfrey Mr Howard Khoo Ms Vi Peterson (Chair) Mr David Prest Mr Joshua Wilson, SC	Low	Low
Melbourne Theatre Company	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, AC 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 (Chair)	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	<p>To promote the benefits of healthy exercise.</p> <p>To provide a wide range of sporting opportunities for all staff and students, including competition at the highest level.</p> <p>To provide professional management of sport and recreation at the University of Melbourne.</p> <p>To develop and maintain sporting and recreational facilities consistent with the University's aspiration of being one of the finest universities in the world.</p> <p>To enable sporting clubs to maintain and develop their historical contribution to University life.</p> <p>To provide opportunity for engagement with alumni and the wider community.</p>	<p>Professor James Angus (Chair)</p> <p>Professor Margaret Abernethy</p> <p>Professor Richard James</p>	<p>Ms Hana Dalton</p> <p>Mr James Marburg</p> <p>Ms Kate Roffey</p> <p>Mr Grant Williams</p>	Low	Low
The Ian Potter Museum of Art	<p>To promote and display artworks including the University's collection.</p>	<p>Mr Adrian Collette, AM</p> <p>Professor Anne Dunlop</p> <p>Ms Kelly Gellatly</p> <p>Ms Katerina Kapobassis</p> <p>Professor Jon Cattapan</p>	<p>Ms Luisa Bosci</p> <p>Mr Michael Buxton</p> <p>Mr Nick Edwards</p> <p>Mr Fred Grimwade</p> <p>Mrs Barbara Hammon</p> <p>Mr Peter Jopling, AM QC (Chair)</p> <p>Ms Aneta Trajkoski</p> <p>Mr John Wardle</p>	Low	Low
Medley Hall of Residence	<p>To be a place of residence, education and corporate life for students and to encourage understanding and friendship among students.</p>	<p>Ms Philippa Connelly</p> <p>Mr Daniel Persaud</p> <p>Ms Julie Wells</p>	<p>Ms Siobhan Lenihan</p> <p>Mr Hartley Mitchell</p> <p>Mr Grant Purdy</p> <p>Ms Matilda Shaw</p> <p>Ms Serena Thompson</p> <p>Ms Julie Willis (Chair)</p>	Low	Low
University of Melbourne Veterinary Hospital	<p>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.</p> <p>To promote and encourage research in a hospital environment into diseases and disabilities affecting animals and to provide the facilities for such research.</p> <p>To provide veterinary services of a medical, surgical and pathological consultative nature to the community on a commercial basis.</p>	<p>Mr John Demagistris</p> <p>Professor James Gilkerson</p> <p>Ms Diana Harrison</p> <p>Professor Ken Hinchcliff</p> <p>Professor Eleanor Mackie</p> <p>Associate Professor Caroline Mansfield</p>	<p>Dr Elizabeth Campbell</p> <p>Dr Charles Foster (Chair)</p> <p>Mr Bryan Woodford</p>	High	Low

## Section B2 – Other Significant Business Operations conducted by the University

Entity/ Operation	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as board members	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 of Melbourne 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 maintained by the University Secretary.

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as board members	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 using 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	Mr David Miles AO (Chair) Professor Les Field Professor Duncan Ivison Dr Jack Steele My Grey Pringle	Ongoing	N/A	Low
UniSeed Management Pty Ltd	To provide management services to UIIT Pty Ltd.	Mr Allan Tait	N/A	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

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as board members	Status – ongoing or anticipated termination date	Level of financial risk (High, Medium or Low)	Level of reputational risk (High, Medium or Low)
Universitas 21 Global Pte Ltd (Joint venture between Universitas Equity and MULI (Mampal))	To be an online graduate school providing leading-edge access to educational programs designed to meet the needs of 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 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 of Melbourne-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 University of Melbourne Directors and Officers Liability Policy.

### 3: Conformity with *Building Act 1993*

#### Major projects (new and existing building works)

The University of Melbourne implemented the following mechanisms to ensure new buildings and works on existing buildings conform to building standards:

- Project Services closely examines each major project prior to selection of the project team
- Selected design consultants for each project are University-registered or Department of Infrastructure-registered consultants and 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's Project Management Procedures Manual and Design Standards
- The University has promulgated procedures similar to those required by the private sector for issuing building permits
- All projects are monitored by University project managers and appointed consultants to ensure projects comply with current building regulations and statutory requirements
- Where required by 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 commencement of construction work
- Project Management Procedures Manual is used by University project managers to ensure that University

policy and procedures are followed in relation to works

- The University issued 68 projects with building permits, each with a value of more than \$50 000. Of those, 44 projects were completed throughout 2016 and certificates of final inspection issued. The remaining 24 projects are still under construction, due for completion in 2017. In addition, 53 projects were not subject to certification of plans or building surveyor involvement during construction. None come within jurisdiction of *Building Act 1993* or required structural change necessitating building surveyor inspections.

### 4: National competition policy and competitive neutrality requirements

The University of Melbourne has established policies and processes to practise competitive neutrality in relation to relevant business activities.

### 5: Compliance with *Educational Services for Overseas Student Act (ESOS ACT) 2000*

The University of Melbourne continued to maintain compliance with requirements under the Commonwealth *Education Services for Overseas Act 2000* (ESOS Act).

Implementation of the University's ESOS Coordination Framework, designed to minimise risk and enable continued compliance with future ESOS Act requirements, is underway. The University continued established practice to inform staff about its ESOS Act obligations through ongoing communications and websites.

The simplified student visa framework (SSVF) commenced on 1 July 2016. The SSVF makes the process of applying for a student visa simpler to navigate for genuine students, delivers a more targeted approach to immigration integrity and reduces red tape for business. Significant delays occurred with visa processing in the early months of implementation, however the strong stakeholder approach taken has resolved the situation and processing times have improved.

The University will continue to be involved in discussions with its peak representative body, Universities Australia, concerning review of the National Code due for release in 2017.

### 6: Statutes and regulations

The University of Melbourne's Statute, Regulations and Standing Resolutions of Council are administered in accordance with the provisions of *University of Melbourne Act 2009*.

In 2015, the University undertook an extensive review of its Statutes and Regulations, and the outcomes of the review were implemented in 2016.

On 24 June 2016, Minister for Training and Skills approved the University of Melbourne's new revised Statute. Subsequently, on 21 July 2016, the University published its new regulatory framework, comprising the revised University of Melbourne Statute, three sets of Regulations – the Council Regulation, Academic Board Regulation and Vice-Chancellor Regulation – and University policies and processes.

## 7: Compliance with Protected Disclosure Act 2012

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 Appropriate Workplace Behaviour Policy: <http://policy.unimelb.edu.au/MPF1328>.

## 8: Compliance with 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, the University took all practicable measures in 2016 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 carer's leave (15 days' cumulative and five days' non-cumulative per annum) and various flexible work arrangements (48/52, work from home, job share etc.)
- Promote compliance with the *Carers Act*. The University underpins carer's leave and flexible working procedures and guidelines with training, clear policy statements and supportive online resources on a dedicated family and carers webpage for all staff, supervisors and carers.
- Ensure that 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 relationship 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 University's Employee Assistance Program and Staff Wellbeing Program. Surveys are conducted to gain feedback on these programs.

## 9: Freedom of information

### Activity report

In the period from 1 July 2015 to 30 June 2016, the University of Melbourne received 40 new requests for documents under provisions of the *Freedom of Information Act 1982* (Vic) ('Act'). Twenty-two of these requests were deemed to be valid under provisions of the Act. Documents were discovered for all valid requests. Access in full was given to seven requests, partial access to seven requests and access denied in full to three requests. One request was withdrawn, documents were released outside the provisions of the Act for two requests, and 18 requests were not pursued as the applicant did not pay the application fee. 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 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 Policy and Compliance Education 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–Friday, 8.45am to 5.00pm.

A request for access to a document of the University of Melbourne 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 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, Equipment, Financial Management, Governance, Human Resources, Information Management, Legal Services, Occupational Health and Safety, Property Assets, Research, Student Administration, and Student Services.

### **10: Statement concerning compulsory non-academic fees and charges**

Following the Federal Government's amendment of *Higher Education Support Act* through *Higher Education Legislation Amendment (Student Services and Amenities) Act 2010*, the University of Melbourne introduced an amenities and service fee in 2012. The fee for 2016 was \$290 for full-time students and \$217 for part-time students.

### **11: Further information**

The University of Melbourne 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 objectives and outcomes of each visit
- 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
  - Expenditure committed to for each engagement.

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



*The famous underground car park is in demand as a film location*



*Students enjoy a range of study spaces across campus*



# Financial Report

# Financial Report index

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## Financial summary

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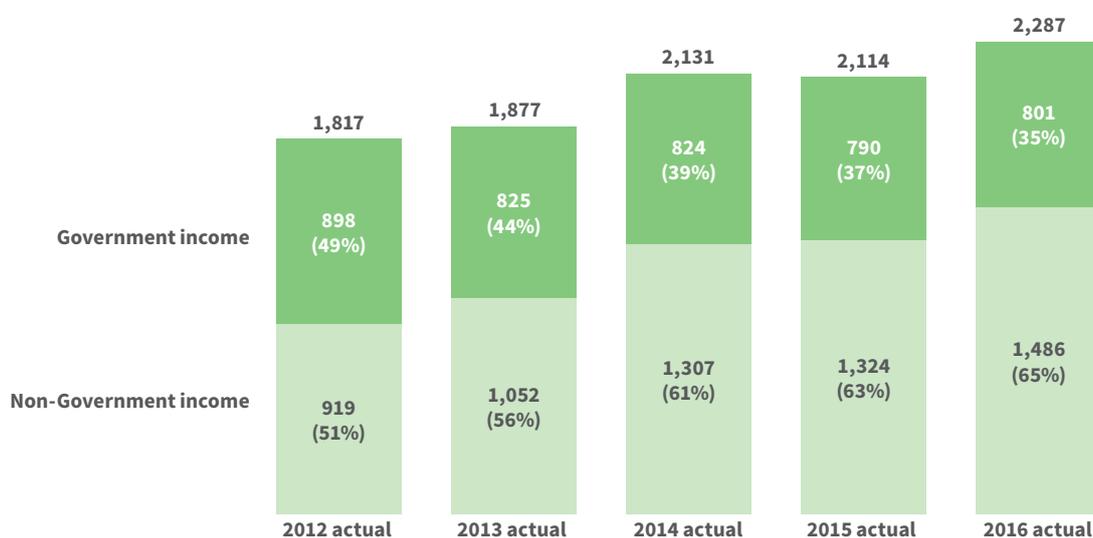
# Financial summary

## Year in review

The University of Melbourne's strategic plan, *Growing Esteem 2015–2020*, highlights financial sustainability and resilience as a strategic priority with success dependant on the ability to diversify revenue, manage costs, allocate resources strategically and leverage financial strength.

The University operates in a challenging environment, with increasing global competition, emerging technologies, an unclear government policy and funding framework, and volatile global economic conditions. On top of these challenges, it faces declining government funding which continues to reduce proportionate-to-total income. In the past five years, government funding has declined by 14 per cent and is now at 35 per cent of total income, reinforcing the need to diversify revenue sources to remain financially sustainable.

### Government vs Non-Government income (\$ million)



*Government income includes CGS, Other Australian Government Financial Assistance (excluding HECS-HELP and FEE-HELP) and State and Local Government Financial Assistance (excluding Infrastructure Income)*

Despite the many challenges the University faces, the financial position continues to strengthen arising from strong demand in teaching programs and cost efficiencies achieved through a new operating model which, in its second year of operation, has significantly changed the way the University resources and delivers its enabling activities.

Estimated efficiencies arising from implementation of the new operating model amount to \$190 million over a three-year period commencing in 2015. This is being invested in projects aligned to achieving the University's strategic goals through its core teaching and research activities.

## Financial performance

**\$66M** ▲

**Underlying result**

Up \$28M on FY15

**\$162M** ▲

**Net result**

Up \$11M on FY15

The University of Melbourne monitors its financial performance using a financial measure referred to as the underlying operating result. The underlying operating result reflects core operating performance and therefore the capacity of the University to live within its means, by removing from the accounting net result, items that distort core financial performance such as discretionary financing and investment activities and income of a capital nature. Further detail of the components of the underlying operating result, along with a reconciliation to the accounting net result, are provided in the five-year financial summary section.

For the year ended 31 December 2016, financial performance was strong with all financial targets achieved. The University recorded a \$66 million underlying operating result, \$28 million higher than the previous year. Improved performance was largely due to increases to student revenue and timing of expenditure associated with reinvestment of efficiencies arising from implementation of the new operating model in core teaching and research activities, supporting the achievement of *Growing Esteem*. Any difference between planned investment and actual expenditure in a financial year will be addressed in future years, which for 2016 was \$31 million. Adjusting for this timing factor reduces the underlying result on a normalised basis to \$35 million, equating to a margin of approximately 1.6 per cent of underlying income. While demonstrating that the University is living within its means, it represents a very low margin for a large and complex organisation, however is appropriate for an institution such as the University of Melbourne.

The 2016 net accounting result was \$162 million, \$11 million higher than the previous year. The lower increase, when compared with the underlying operating result, is due to a lower proportion of philanthropic income being endowment related (noting that overall philanthropic income was higher than the previous year as the second phase of the *Believe* advancement campaign commenced) and higher finance costs associated with the US Private Placement.

**\$2,150M** ▲

**Underlying income**

Up 8.7% on FY15

**48,088** ▲

**Student EFTSL**

Up 5.8% on FY15

**Student  
revenue**

51% International  
49% Domestic

Underlying income was \$2,150 million, an increase of \$173 million or 8.7 per cent on 2015, driven by growth in student-related revenue.

Student fee income again exceeded expectations, increasing by \$111 million from 2015 led by strong equivalent full time student load (EFTSL) growth predominately through international enrolments. Total EFTSL increased by 2,657 from 2015, with international accounting for 2,340 EFTSL.

Income from Commonwealth-supported student load comprising the government and student contributions (as shown in Note 2 to the financial statements) increased by \$22 million. The revenue increase is predominately due to volume (growth of 243 EFTSL) as Commonwealth indexation was only 1.7 per cent. Despite growing demand, the University's ability to enrol Commonwealth-supported students is restricted as it is capped by the Commonwealth Government in total and at both undergraduate and postgraduate levels. While postgraduate restriction applies sector wide, the undergraduate cap applies only to the University of Melbourne (and one other university).

Other notable movements in underlying revenue include:

- Other government financial assistance (refer to Note 2 to the financial statements) decreased by \$20 million largely due to a reduction in Commonwealth project activity and loss of medical clinical teaching funding due to cessation of the program.
- Non-government grants (included within other revenue) increased by \$24 million from 2015, due to increased activity for the National eResearch Collaboration Tools and Research Project (Nectar). This initiative provides online infrastructure that supports researchers to connect and share ideas with colleagues in Australia and around the world.

**\$2,084M ▲**

**Underlying expenditure**

Up 7.4% on FY15

**\$632M ▲**

**Academic salaries**

Up 8.1% on FY15

**\$471M ▲**

**Professional salaries**

Up 5.6% on FY15

Underlying operating expenditure increased by \$144 million or 7.4 per cent to \$2,084 million, driven by growth in teaching activity, strategic investment in core teaching and research activities and costs of developing and maintaining infrastructure.

Notable movements in underlying expenditure include:

- Academic salary expenditure increased by \$47 million or 8.1 per cent due to growth in student load and increased recruitment aligned to outcomes from the new operating model. Professional salary expenditure increased in line with increases specified in the University's Enterprise Agreement.
- Underlying non-salary expenditure increased by \$72 million or 7.9 per cent due to a combination of increased activities related to growth in student load, such as scholarships, or student fee remissions and increased repairs and maintenance costs due to site preparation for a major University project and additional compliance and ground works.

## Financial position

**\$6,450M ▲**

**Total assets**

Up 12.6% on FY15

**\$1,404M ▲**

**Total liabilities**

Up 31.4% on FY15

**\$5,046M ▲**

**Net assets**

Up 8.3% on FY15

The University has an indicative capital plan of in excess of \$2 billion over a ten-year period, supporting achievement of *Growing Esteem*, in particular the strategies relating to scale, industry engagement and student experience. To achieve these strategic goals, the University is also focussing on leveraging its balance sheet strength to deliver greater commercial outcomes.

The balance sheet remains robust with net assets of \$5,046 million, increasing 8.3 per cent from 2015. Total assets increased \$722 million or 12.6 per cent to \$6.450 million with the following key movements:

- Cash and investments (disclosed as cash and cash equivalents and financial assets) increased by \$431 million due to investment of proceeds from the US Private Placement as described below, revaluation of investments (\$82 million), and investment of donations and bequests received from trust funds (\$56 million).
- Property, plant and equipment increased by \$230 million due to a combination of the revaluation of land of \$152 million, construction additions to buildings of \$89 million and an increase in leasehold property of \$49 million due to the change in accounting treatment for building contributions as described in Note 1.5 to the financial statements. Construction additions mainly consist of the Arts West redevelopment which was completed in 2016, providing a signature building featuring new and dynamic teaching and learning spaces for staff and students.

Total liabilities increased \$336 million or 31.4 per cent to \$1,404 million with the following key movements:

- To deliver the infrastructure to enable achievement of *Growing Esteem*, the University increased its leverage through the completion in 2015 of its first offering in the US Private Placement market. This comprised four tranches of senior notes received over 2015 and 2016 totalling the equivalent of \$274 million AUD. In 2015, \$41 million AUD was issued with three further tranches issued in 2016. The \$277 million increase in borrowings in 2016 primarily relates to proceeds from the remaining three tranches of the US Private Placement.
- Other liabilities increased by \$33 million largely due to receipt of a significant grant in late 2016 from Atlantic Philanthropies which was deferred as a liability and will be recognised as income as expenditure is incurred. This underpins provision of a transformational program for emerging leaders who can bring societal change.

Other than the above, there were no significant changes in the financial position during the year.

## Five-year financial summary

The table below provides a summary of the University of Melbourne'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 resulting from changes to accounting policy.

### Income statement

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Income	2,286,948	2,114,329	2,131,232	1,876,582	1,816,773
Expenses	2,111,174	1,953,543	1,924,689	1,757,760	1,695,831
<b>Net result before impairment of available-for-sale financial assets</b>	<b>175,774</b>	<b>160,786</b>	<b>206,543</b>	<b>118,822</b>	<b>120,942</b>
Impairment expense on available-for-sale financial assets	14,120	9,979	23,601	2,216	15,461
<b>Net result</b>	<b>161,654</b>	<b>150,807</b>	<b>182,942</b>	<b>116,606</b>	<b>105,481</b>

### Statement of financial position

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Current assets	635,861	405,382	296,145	289,023	255,013
Non-current assets	5,814,119	5,322,441	5,272,610	4,913,487	4,730,354
<b>Total assets</b>	<b>6,449,980</b>	<b>5,727,823</b>	<b>5,568,755</b>	<b>5,202,510</b>	<b>4,985,367</b>
Current liabilities	698,971	586,312	609,312	619,478	603,087
Non-current liabilities	704,971	481,731	514,115	393,131	459,163
<b>Total liabilities</b>	<b>1,403,942</b>	<b>1,068,043</b>	<b>1,123,427</b>	<b>1,012,609</b>	<b>1,062,250</b>
Reserves	3,522,028	3,230,556	3,051,180	2,968,570	2,786,517
Retained surplus	1,524,010	1,429,224	1,394,148	1,221,331	1,136,600
<b>Total equity</b>	<b>5,046,038</b>	<b>4,659,780</b>	<b>4,445,328</b>	<b>4,189,901</b>	<b>3,923,117</b>
<b>Current ratio *</b>	<b>1.75</b>	<b>1.43</b>	<b>0.92</b>	<b>0.88</b>	<b>0.83</b>

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

#### Notes

- 1) The University has several arrangements where contributions are made or received towards construction of buildings in exchange for the right to occupy space. In 2016, accounting treatment for all such arrangements was revised leading to a restatement of prior period results. The changes have been applied retrospectively to the year ended 31 December 2015 in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Changes are not reflected in accounting periods prior to 2015. Further details are included in Note 1.5 of the financial statements.
- 2) An independent valuation of University collections was carried out as part of a five-year rolling valuation policy, resulting in a significant increase to non-current assets and reserves in 2015 (\$101.0 million) largely relating to the University's archives of which major items include architectural plans, posters, photographs and digitised documents.
- 3) The University completed its first offering in the US Private Placement market during 2015. This comprised four tranches of senior notes totalling the equivalent of \$274.300 million AUD, of which \$41.250 million AUD was issued in 2015 with three further tranches issued in 2016.
- 4) In 2014, the University restructured its investment portfolio which resulted in approximately \$65 million in non-recurring non-cash gains on disposal of investments, increasing total income in that year.
- 5) Independent valuations of land were carried out, increasing non-current assets and reserves in 2014 (\$104.0 million) and 2016 (\$151.7 million).
- 6) In 2014, the University issued an Australian dollar medium term note (MTM) facility of \$250 million with a 7-year term increasing non-current liabilities.

## Five-year financial summary (continued)

The table below provides a summary of the University of Melbourne's (or parent entity) underlying income and expenditures for the current reporting period and preceding four reporting periods along with a reconciliation to the accounting net result.

### Underlying income and expenditure

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
<b>Income per audited financial statements</b>	<b>2,286,948</b>	<b>2,114,329</b>	<b>2,131,232</b>	<b>1,876,582</b>	<b>1,816,773</b>
<b>Reconciling items:</b>					
Net discretionary financing income	74,711	74,115	53,361	34,875	34,047
Gains from disposals of investments	20,772	24,124	99,689	51,541	29,782
Non-cash gain from investment portfolio restructure	-	-	65,000	-	-
Infrastructure grants	19,238	1,135	2,515	15,323	64,141
Endowment philanthropic Income	22,085	37,618	18,865	23,836	13,751
<b>Underlying income</b>	<b>2,150,142</b>	<b>1,977,337</b>	<b>1,891,802</b>	<b>1,751,007</b>	<b>1,675,052</b>
<b>Expenses per audited financial statements</b>	<b>2,125,294</b>	<b>1,963,522</b>	<b>1,948,290</b>	<b>1,759,976</b>	<b>1,711,292</b>
<b>Reconciling items:</b>					
Interest expense	27,244	14,000	13,334	13,996	14,985
Termination of interest rate swap	-	-	25,305	-	-
Impairment expense on available-for-sale financial assets	14,120	9,979	23,601	2,216	15,461
<b>Underlying expenses</b>	<b>2,083,930</b>	<b>1,939,543</b>	<b>1,886,050</b>	<b>1,743,764</b>	<b>1,680,846</b>
<b>Net Result per audited financial statements</b>	<b>161,654</b>	<b>150,807</b>	<b>182,942</b>	<b>116,606</b>	<b>105,481</b>
<b>Reconciling items:</b>					
Net discretionary financing income	54,119	74,260	155,810	70,204	33,383
Infrastructure grants	19,238	1,135	2,515	15,323	64,141
Endowment philanthropic Income	22,085	37,618	18,865	23,836	13,751
<b>Underlying operating result</b>	<b>66,212</b>	<b>37,794</b>	<b>5,752</b>	<b>7,243</b>	<b>(5,794)</b>
<b>Underlying operating margin</b>	<b>3.1%</b>	<b>1.9%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>(0.3%)</b>

#### Notes

1. Net discretionary financing income comprises total investment income excluding that relating to endowments and government grants. Financing expenditure comprising impairment of investments and interest expense is deducted.
2. Infrastructure grants are grants received for capital expenditure projects and are excluded due to mismatch between income recorded and expenditure (recorded in the Statement of Financial Position) which inflates the net result.
3. Endowment philanthropic income comprises 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.

### Events occurring after reporting date

Since the end of the 2016 financial year and the date of signing this report, there are no significant matters or circumstances that have arisen that have affected or may subsequently affect the financial position of the University or its subsidiaries. Note 29 of the financial statements includes items that have occurred since the end of 2016.

### Statutory requirements

Under the *Financial Management Act 1994* and associated Financial Reporting Directions, the University of Melbourne is required to provide details of expenditure on consultancies.

In 2016, there were 49 consultancies where total fees payable to the consultants were \$10,000 or greater. Total expenditure incurred during 2016 in relation to these consultancies is \$24.127 million (excluding GST). Details of individual consultancies can be viewed at <http://www.unimelb.edu.au/publications/>. In 2016, there were two consultancies where total fees payable to the consultants were less than \$10,000. Total expenditure incurred during 2016 in relation to these consultancies is \$13,241 (excluding GST).

## **Auditor-General's qualification**

The University of Melbourne has elected to recognise deferred revenue as a current liability in the financial statements for unexpended state and Australian Government grants providing a better indication of the University's financial performance. We regard receipt of these amounts as a reciprocal transfer where the grants have outstanding performance or return conditions. Under these conditions the amount received in advance is not recognised until we meet our obligations in the relevant year. This treatment has been applied in accordance with Australian Accounting Standard AASB 118 Revenue.

The Victorian Auditor-General has again taken the view that amounts received from State and Australian governments should be treated as income in the year of receipt and for that reason has qualified the University's financial report. We do not agree with the interpretation of the nature of this income.

The Australian Accounting Standards Board (AASB) has released two new accounting standards for revenue which will be applicable from 1 January 2019, AASB 15 Revenue from Contracts with Customers, and AASB 1058 Income of Not-for-Profit entities. We believe that introduction of these new standards will clarify our treatment and remove the current accounting qualification.

### **Allan Tait**

Chief Financial Officer  
15 March 2017

# The University of Melbourne

## Financial Statements

### Income Statement for year ended 31 December 2016

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	755,839	764,382	756,055	760,795
HELP – Australian Government payments	2	261,019	254,746	261,019	254,746
State and Local Government financial assistance	3	54,844	39,898	54,916	39,783
HECS-HELP – student payments		37,422	30,864	37,422	30,864
Fees and charges	4	834,505	742,819	784,708	672,003
Investment revenue	5	112,028	110,200	107,375	104,743
Consultancy and contracts		78,881	55,879	76,600	69,931
Gain/(loss) on disposal of assets	10	145	2,506	379	2,468
Other revenue	6	186,255	159,448	187,702	154,872
Other investment income	5	21,598	24,670	20,772	24,124
<b>Total income from continuing operations</b>		<b>2,342,536</b>	<b>2,185,412</b>	<b>2,286,948</b>	<b>2,114,329</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	7	1,149,856	1,086,021	1,102,925	1,030,288
Depreciation and amortisation	18, 19	128,493	131,433	125,109	126,806
Repairs and maintenance		74,088	54,147	73,243	52,386
Finance costs	8	27,396	14,208	27,244	14,000
Impairment of assets (excluding available-for-sale financial assets)	9	1,579	354	1,560	515
Other expenses	11	783,039	739,193	781,093	729,548
<b>Total expenses from continuing operations</b>		<b>2,164,451</b>	<b>2,025,356</b>	<b>2,111,174</b>	<b>1,953,543</b>
<b>Net result before impairment of available-for-sale financial assets</b>		<b>178,085</b>	<b>160,056</b>	<b>175,774</b>	<b>160,786</b>
Impairment expense on available-for-sale financial assets	9	14,120	12,430	14,120	9,979
<b>Net result</b>		<b>163,965</b>	<b>147,626</b>	<b>161,654</b>	<b>150,807</b>

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

## Comprehensive Income Statement for the year ended 31 December 2016

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Net result</b>		<b>163,965</b>	<b>147,626</b>	<b>161,654</b>	<b>150,807</b>
<b>Items that may be reclassified to profit or loss</b>					
Available-for-sale financial assets:					
- Valuation gain/(loss) taken to equity	25(a)	84,470	47,560	81,871	45,233
- Transferred to profit or loss on sale	25(a)	(27,202)	(26,007)	(26,376)	(25,736)
Valuation gain/(loss) on cash flow hedge	25(a)	4,545	(21,921)	4,545	(21,921)
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation:					
- Land and buildings	25(a)	154,314	25,060	151,701	-
- Works of art	25(a)	2,060	44	2,060	44
- Other collections	25(a)	10,803	100,986	10,803	100,986
Superannuation:					
- Increase/(decrease) deferred government contribution	13(a)	(4,822)	(1,668)	(4,822)	(1,668)
- (Increase)/decrease deferred government employee benefits	13(a)	4,822	1,668	4,822	1,668
Other		10	(28)	-	-
<b>Total comprehensive income</b>		<b>392,965</b>	<b>273,320</b>	<b>386,258</b>	<b>249,413</b>

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

## Statement of Financial Position as at 31 December 2016

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	12	413,844	295,119	372,287	250,174
Receivables	13	252,910	139,918	240,281	130,675
Non-current assets classified as held for sale	14	26,459	-	-	-
Other financial assets	15	9	8	-	-
Other non-financial assets	16	26,448	24,617	23,293	24,533
<b>Total current assets</b>		<b>719,670</b>	<b>459,662</b>	<b>635,861</b>	<b>405,382</b>
<b>Non-current assets</b>					
Receivables	13	113,050	126,969	113,210	127,129
Other financial assets	15	1,850,855	1,537,689	1,788,240	1,479,212
Other non-financial assets	16	9,092	41,297	9,092	41,297
Investments accounted for using the equity method	17	2	7	-	-
Property, plant and equipment	18	3,998,004	3,794,634	3,861,611	3,631,962
Intangible assets	19	43,540	43,761	41,966	42,841
<b>Total non-current assets</b>		<b>6,014,543</b>	<b>5,544,357</b>	<b>5,814,119</b>	<b>5,322,441</b>
<b>TOTAL ASSETS</b>		<b>6,734,213</b>	<b>6,004,019</b>	<b>6,449,980</b>	<b>5,727,823</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	20	126,241	114,950	103,954	89,282
Borrowings	21	54,786	4,560	54,101	3,824
Provisions	22	213,715	197,983	204,796	190,218
Other liabilities	23	350,500	313,265	336,120	302,988
<b>Total current liabilities</b>		<b>745,242</b>	<b>630,758</b>	<b>698,971</b>	<b>586,312</b>
<b>Non-current liabilities</b>					
Borrowings	21	551,714	325,065	551,391	324,190
Provisions	22	133,291	134,393	132,124	133,283
Other liabilities	23	2,388	2,451	2,274	2,337
Other financial liabilities	24	19,182	21,921	19,182	21,921
<b>Total non-current liabilities</b>		<b>706,575</b>	<b>483,830</b>	<b>704,971</b>	<b>481,731</b>
<b>TOTAL LIABILITIES</b>		<b>1,451,817</b>	<b>1,114,588</b>	<b>1,403,942</b>	<b>1,068,043</b>
<b>NET ASSETS</b>		<b>5,282,396</b>	<b>4,889,431</b>	<b>5,046,038</b>	<b>4,659,780</b>
<b>EQUITY</b>					
Reserves	25(a)	3,697,382	3,401,514	3,522,028	3,230,556
Retained surplus	25(b)	1,585,014	1,487,917	1,524,010	1,429,224
<b>TOTAL EQUITY</b>		<b>5,282,396</b>	<b>4,889,431</b>	<b>5,046,038</b>	<b>4,659,780</b>

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

## Statement of Changes in Equity for the year ended 31 December 2016

	Reserves	Retained Surplus	Total
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
<b>Balance at 1 January 2015</b>	<b>3,195,251</b>	<b>1,420,860</b>	<b>4,616,111</b>
Net result	-	147,626	147,626
Other comprehensive income			
Gain/(loss) on revaluation:			
- Land and buildings	25,060	-	25,060
- Works of art	44	-	44
- Other collections	100,986	-	100,986
Available-for-sale financial assets:			
- Valuation gain/(loss) 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)
Superannuation:			
- Increase/(decrease) deferred government contribution	(1,668)	-	(1,668)
- (Increase)/decrease deferred government employee benefits	1,668	-	1,668
Other	(28)	-	(28)
<b>Total comprehensive income</b>	<b>125,694</b>	<b>147,626</b>	<b>273,320</b>
Net transfers	80,569	(80,569)	-
<b>Balance at 31 December 2015</b>	<b>3,401,514</b>	<b>1,487,917</b>	<b>4,889,431</b>
<b>Balance at 1 January 2016</b>	<b>3,401,514</b>	<b>1,487,917</b>	<b>4,889,431</b>
Net result	-	163,965	163,965
Other comprehensive income			
Gain/(loss) on revaluation:			
- Land and buildings	154,314	-	154,314
- Works of art	2,060	-	2,060
- Other collections	10,803	-	10,803
Available-for-sale financial assets:			
- Valuation gain/(loss) taken to equity	84,470	-	84,470
- Transferred to profit or loss on sale	(27,202)	-	(27,202)
Valuation gain/(loss) on cash flow hedge	4,545	-	4,545
Superannuation:			
- Increase/(decrease) deferred government contribution	(4,822)	-	(4,822)
- (Increase)/decrease deferred government employee benefits	4,822	-	4,822
Other	10	-	10
<b>Total comprehensive income</b>	<b>229,000</b>	<b>163,965</b>	<b>392,965</b>
Net transfers	66,868	(66,868)	-
<b>Balance at 31 December 2016</b>	<b>3,697,382</b>	<b>1,585,014</b>	<b>5,282,396</b>

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

## Statement of Changes in Equity for the year ended 31 December 2016 (continued)

	Reserves	Retained Surplus	Total
	\$'000	\$'000	\$'000
<b>University</b>			
<b>Balance at 1 January 2015</b>	<b>3,051,180</b>	<b>1,359,187</b>	<b>4,410,367</b>
Net result	-	150,807	150,807
Other comprehensive income			
Gain/(loss) on revaluation:			
- Works of art	44	-	44
- Other collections	100,986	-	100,986
Available-for-sale financial assets:			
- Valuation gain/(loss) 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)
Superannuation:			
- Increase/(decrease) deferred government contribution	(1,668)	-	(1,668)
- (Increase)/decrease deferred government employee benefits	1,668	-	1,668
<b>Total comprehensive income</b>	<b>98,606</b>	<b>150,807</b>	<b>249,413</b>
Net transfers	80,770	(80,770)	-
<b>Balance at 31 December 2015</b>	<b>3,230,556</b>	<b>1,429,224</b>	<b>4,659,780</b>
<b>Balance at 1 January 2016</b>	<b>3,230,556</b>	<b>1,429,224</b>	<b>4,659,780</b>
Net result	-	161,654	161,654
Other comprehensive income			
Gain/(loss) on revaluation:			
- Land and buildings	151,701	-	151,701
- Works of art	2,060	-	2,060
- Other collections	10,803	-	10,803
Available-for-sale financial assets:			
- Valuation gain/(loss) taken to equity	81,871	-	81,871
- Transferred to profit or loss on sale	(26,376)	-	(26,376)
Valuation gain/(loss) on cash flow hedge	4,545	-	4,545
Superannuation:			
- Increase/(decrease) deferred government contribution	(4,822)	-	(4,822)
- (Increase)/decrease deferred government employee benefits	4,822	-	4,822
<b>Total comprehensive income</b>	<b>224,604</b>	<b>161,654</b>	<b>386,258</b>
Net transfers	66,868	(66,868)	-
<b>Balance at 31 December 2016</b>	<b>3,522,028</b>	<b>1,524,010</b>	<b>5,046,038</b>

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

## Statement of Cash Flows for the year ended 31 December 2016

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants		1,033,518	978,983	1,033,654	978,983
OS-HELP		3,548	2,767	3,548	2,767
State and Local Government grants		51,015	45,311	51,015	45,195
HECS-HELP student payment		37,422	30,879	37,422	30,879
Dividends received		93,620	100,895	89,616	96,498
Interest received		13,340	8,644	12,687	7,584
Receipts of student and other fee-for-service activities		845,677	816,182	798,275	745,829
Other operating inflows		271,706	199,225	268,057	208,503
Payments to employees		(1,145,159)	(1,077,602)	(1,097,892)	(1,022,668)
Payments to suppliers (inclusive of GST)		(608,935)	(637,051)	(579,138)	(596,214)
Interest and other costs of finance paid		(26,013)	(14,102)	(25,861)	(13,894)
GST recovered/(paid)		(109)	(6,678)	(109)	(6,568)
Other operating outflows		(246,339)	(205,922)	(264,676)	(238,812)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>26</b>	<b>323,291</b>	<b>241,531</b>	<b>326,598</b>	<b>238,082</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of assets		2,734	13,873	2,734	13,816
Proceeds from sale of other financial assets		76,881	163,357	70,197	162,841
Other investing inflows		3,759	4,472	-	-
Payments for property, plant and equipment		(128,878)	(155,745)	(128,165)	(151,579)
Payments for other financial assets		(419,798)	(193,059)	(412,019)	(190,472)
Payments for intangible assets		(15,773)	(15,909)	(14,582)	(15,475)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(481,075)</b>	<b>(183,011)</b>	<b>(481,835)</b>	<b>(180,869)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		233,211	42,931	233,211	42,971
Loans granted		(2,037)	(2,119)	(2,037)	(2,159)
Repayment of borrowings		(3,824)	(3,236)	(3,824)	(3,196)
Repayment of finance leases		(841)	(815)	-	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>226,509</b>	<b>36,761</b>	<b>227,350</b>	<b>37,616</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>68,725</b>	<b>95,281</b>	<b>72,113</b>	<b>94,829</b>
<b>Cash and cash equivalents at 1 January</b>		<b>295,119</b>	<b>199,838</b>	<b>250,174</b>	<b>155,345</b>
<b>Cash and cash equivalents at 31 December</b>	<b>12</b>	<b>363,844</b>	<b>295,119</b>	<b>322,287</b>	<b>250,174</b>

The above Cash Flow 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

### 1.1 Financial statements

The Financial Report includes separate financial statements for the University of Melbourne and the consolidated entity consisting of the University and its subsidiaries, referred to as the Group.

The principal address of the University is Grattan Street, Parkville, Victoria 3010, Australia.

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

The principal accounting policies adopted by the Group for the year ended 31 December 2016 are set out within these financial statements. These policies have been consistently applied to each year presented unless otherwise stated.

### 1.2 Basis of preparation

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

- 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.
- Prepared in accordance with the *Higher Education Support Act 2003*, *Financial Management Act 1994* and *Australian Charities and Not-for-profits Commission Act 2012*.
- Some of the requirements for not-for-profit entities are inconsistent with IFRS requirements to comply with the not-for-profit requirements of Australian Accounting Standards.
- Prepared on a going-concern basis, which assumes the continuity of normal operations. 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 1.75 (2015: 1.43).

- Presented in Australian dollars, which is the Group's functional and presentation currency.
- Rounded to the nearest thousand dollars unless otherwise specified.
- The University of Melbourne and its subsidiaries are exempt from income tax pursuant to Part 50.1 of the *Income Tax Assessment Act 1997*.
- Comparative amounts have been restated, where applicable, to conform with the current period presentation.

### 1.3 General policies

#### Foreign currency

- Foreign currency transactions are translated into the functional currency using the exchange rate at the date of transaction. Foreign currency differences from such transactions are recognised in profit or loss.
- Foreign currency differences 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 the hedges are effective.

#### Goods and Services Tax

- Income and expenses are recognised net 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 expense.
- Assets are recognised net of 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. 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 with net cash flow payable to/receivable from the ATO recorded separately. GST components of cash flows arising from investing or financing activities recoverable from, or payable to, the ATO are presented as operating cash flows.

### 1.4 Critical accounting estimates and judgements

Preparation of financial statements in conformity with Australian Accounting Standards requires use of certain critical accounting estimates. Estimates and judgements are continually evaluated by management and based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and are believed to be reasonable under the circumstances. Estimates and assumptions that have a risk of causing a material adjustment to carrying amounts of assets and liabilities are found in the following notes:

#### Estimates

- Impairment (Note 9)
- Fair value of derivatives and other financial instruments (Note 31 & 32)
- Other financial assets (Note 15)
- Property plant and equipment (Note 18)
- Intangible assets (Note 19)
- Provisions (Note 22)

#### Judgements

- Income (Note 2)
- Service concession arrangement (Note 28)
- Leases (Note 28)

### 1.5 Prior period adjustments

The University has several arrangements where contributions are made or received towards construction of buildings in exchange for the right to occupy space. In 2016, the accounting treatment for all such arrangements was revised leading to a restatement of prior period results. Previously, contributions made were disclosed as prepaid rental and expensed over the period of the lease, whereas contributions received were disclosed as rental in advance with rental revenue recognised over the period of the lease.

## Note 1 Statement of significant accounting policies (continued)

Contributions made are now treated as finance leases and amortised over the lower of the lease term and useful life of the asset. The change was deemed to not materially affect overall consolidated results, as such prior period results were not restated.

Contributions received are now treated as joint operations with only the portion of the building occupied by the University recognised as an asset. These changes have been applied retrospectively to the year ended 31 December 2015 in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The changes were not deemed material and inconsequential to the financial statements for a third balance sheet to be presented. The impact of the change is as follows:

- An increase to the 2015 net result of \$5.343 million due to a reduction in depreciation of \$8.988 million offset by a reduction to property additions of \$0.276 million and a reduction in rental income, disclosed in Note 4, of \$3.369 million.
- Decreases to opening 2015 retained earnings (\$34.961 million), property, plant & equipment (\$169.088 million) and other liabilities (\$94.227 million). An increase to receivables of \$39.900 million reflecting future contributions to be received.
- A decrease to closing 2015 retained earnings by \$29.618 million, being the \$34.961 million opening balance adjustment less a reduction to property additions of \$0.276 million, a decrease to 2015 depreciation of \$8.988 million and rental income of \$3.369 million.

### 1.6 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 or revised Standards and Interpretations adopted in these financial statements materially affecting the reported results or financial position, that were effective for the current annual reporting period.

#### Standards and Interpretations in issue not yet adopted

At the date of this report new Accounting Standards and Interpretations have been published that are not mandatory for the financial year ended 31 December 2016. 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.

## Note 1 Statement of significant accounting policies (continued)

Standard or interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments replaces the existing guidance in AASB 139 Financial Instruments. The key changes include simplified requirements for classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses, as opposed to the current approach that recognises impairment only when incurred.  The Group currently classifies its equity investments as available-for-sale financial assets which under AASB 9 will be categorised as Fair Value. The impact to the Group will depend on whether an irrevocable election to present gains and losses in other comprehensive income is made, otherwise investments will be classified as fair value through profit or loss.	1 January 2018	31 December 2018
AASB 15 Revenue from Contracts with Customers replaces existing guidance in AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions and provides a single, principles based five-step model to be applied to all contracts with customers. The core principle requires an entity to recognise revenue when the entity satisfies performance obligations by transferring promised goods or services to a customer.	1 January 2019	31 December 2019
AASB 1058 Income of Not-for-Profit Entities. This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities. The Standard replaces all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously prescribed by AASB 1004 Contributions.	1 January 2019	31 December 2019
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities. This Standard inserts authoritative Australian implementation guidance for not-for-profit entities to AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events.	1 January 2019	31 December 2019
Annual Improvements to Australian Accounting Standards 2014-5 arising from AASB 15 amends AASB 15 regarding the measurement of trade receivables and the recognition of dividends.	1 January 2017 (except amendments to AASB 9 effective 1 January 2018)	31 December 2017
AASB 16 Leases replaces existing guidance in AASB 117. Specifies how to recognise, measure, present and disclose leases using a single lessee accounting model. Key changes introduced include recognition of most Lessee operating leases on the balance sheet. Lessors continue to classify leases as operating or finance. The Group has a number of leases currently recognised as operating leases which it is believed will come on balance sheet under AASB 16. In general there will be a change from rent expense to depreciation and front-loaded interest expense. Lease expenses will be replaced by a leased asset and lease liability affecting financial ratios such as gearing.	1 January 2019	31 December 2019
AASB 136 Impairment of Assets amended to remove references to using depreciated replacement cost as a measure of value in use for not-for-profit entities. The impact to the Group is expected to be minimal as it will only have an effect if a Non-Cash-Generating Specialised asset is considered to be impaired. Using fair value to calculate the recoverable value will result in a higher recoverable value compared to using the depreciated replacement cost, hence there will be a lower impairment expense recognised.	1 January 2017	31 December 2017
AASB 124 Related Party Disclosures amended to extend scope to not-for-profit public sector entities. Initial assessment of the standard indicates minor additional disclosures will be required.	1 July 2016	31 December 2017

For the accounting standards AASB 15, AASB 1058, AASB 2016–8 and Annual Improvements to Australian Accounting Standards 2014–5 arising from AASB 15, management is currently assessing the effects of applying the new standard on the group's financial statements. Even though the criteria to defer income will change, it is unlikely there will be a significant impact on the financial statements given the Group currently defers unspent income for Government grants and receives a qualification for doing so. At this stage, the Group is not able to estimate the effect of the new rules on the Group's financial statements as the new standards were only finalised in December 2016. The Group will make a detailed assessment of the effect over the next year.

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

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Commonwealth Grant Scheme and other grants	36.1	299,731	283,697	299,866	283,697
Higher education loan programs	36.2	261,019	254,746	261,019	254,746
Scholarships	36.3	29,343	30,059	29,343	30,059
Education research	36.4	155,213	156,348	155,213	156,348
Capital funding	36.5	516	3,974	516	3,974
Australian Research Council	36.6	84,404	79,887	84,404	79,887
Other Australian Government financial assistance		186,632	210,417	186,713	206,830
<b>Total Australian Government financial assistance</b>		<b>1,016,858</b>	<b>1,019,128</b>	<b>1,017,074</b>	<b>1,015,541</b>

### Key estimates and judgements

The Group assesses all grants and contracts against funding agreements to determine if they are reciprocal or non-reciprocal in nature based on terms and conditions. The Group identifies revenue as reciprocal where terms and conditions of the grants or contracts require unspent monies or monies not spent in accordance with the terms and conditions to be repaid.

### Accounting policy

Revenue is measured at the fair value of the consideration received or receivable. Specific revenue recognition criteria are set out below.

Revenue type	Recognition
Non-reciprocal	Recognised upon receipt of funds or when recovery of the consideration is probable.
Reciprocal	Recognised in accordance with the percentage of completion method, measured by reference to total expenditure compared with funding provided to date, with any surplus revenue deferred as a liability until completion.
HELP student revenue	Recognised at beginning of the teaching period of each subject, following the assessment date. Revenue received from the Australian Government is disclosed above and revenue received directly from students as an upfront payment is disclosed on the face of the Income Statement.

## Note 3 State and Local Government financial assistance

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-capital research	34,612	26,735	34,612	26,735
Non-capital other	6,403	12,108	6,476	12,097
Capital	13,829	1,055	13,828	951
<b>Total State and Local Government financial assistance</b>	<b>54,844</b>	<b>39,898</b>	<b>54,916</b>	<b>39,783</b>

### Key estimates, judgements and accounting policy

State and Local Government financial assistance is measured and recognised in accordance with the policy set out in Note 2.

## Note 4 Fees and charges

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		640,094	530,148	636,863	526,899
Continuing education *		2,205	6,688	1,984	2,249
Fee-paying domestic postgraduate students *		59,995	49,968	44,214	40,995
Fee-paying domestic undergraduate students *		2,173	2,027	2,173	2,027
Other domestic course fees and charges		42,488	46,146	9,851	6,581
Sundry fees		5,105	16,270	10,281	15,780
<b>Total course fees and charges</b>		<b>752,060</b>	<b>651,247</b>	<b>705,366</b>	<b>594,531</b>
<b>Other non-course fees and charges</b>					
Student services and amenities fees from students	36.7	5,210	4,995	5,210	4,983
Hospital shared services fees		6,812	3,958	6,812	3,958
Parking fees		7,272	8,007	7,306	8,007
Rent/use of facilities charges		11,814	15,368	8,719	10,243
Student accommodation charges		9,725	8,970	9,728	8,970
Testing services		6,696	6,737	6,770	6,737
Veterinary Hospital services		12,306	11,545	12,306	11,545
Other		22,610	31,992	22,491	23,029
<b>Total other non-course fees and charges</b>		<b>82,445</b>	<b>91,572</b>	<b>79,342</b>	<b>77,472</b>
<b>Total fees and charges</b>		<b>834,505</b>	<b>742,819</b>	<b>784,708</b>	<b>672,003</b>

\* Course fees and charges exclude FEE-HELP payments which are disclosed in Note 36.

### Accounting policy

Fees and charges revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of the service. Where revenue of a reciprocal nature has been received in respect of programs or services to be delivered in the following year, such amounts are deferred as a liability.

Students are assessed at the earliest of the invoice date, due date or first payment date. Student fee income is recognised at the beginning of the teaching period of each subject.

## Note 5 Investment revenue and income

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Investment revenue</b>					
Interest		11,637	7,017	10,984	5,957
Dividends		98,693	101,523	94,688	97,126
Other investment revenue		1,698	1,660	1,703	1,660
<b>Total investment revenue</b>		<b>112,028</b>	<b>110,200</b>	<b>107,375</b>	<b>104,743</b>
<b>Other investment income</b>					
Realised gains/(losses) on disposal of investments		(5,604)	(1,562)	(5,604)	(1,612)
Transfer of gains/(losses) from equity on disposal of available-for-sale financial assets	25(a)	27,202	26,007	26,376	25,736
Other investment income		-	225	-	-
<b>Total other investment revenue</b>		<b>21,598</b>	<b>24,670</b>	<b>20,772</b>	<b>24,124</b>
<b>Total investment revenue and income</b>		<b>133,626</b>	<b>134,870</b>	<b>128,147</b>	<b>128,867</b>

### Accounting policy

Revenue type	Recognition
Interest	Recognised on an accruals basis taking into account interest rates applicable to the financial assets.
Dividends	Recognised when the Group's right to receive payment has been established.
Gains and losses from available-for-sale financial assets	Recognised in other comprehensive income until the financial asset is disposed. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

## Note 6 Other revenue

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Donations and bequests	58,063	52,802	57,716	51,637
Non-government grants	82,056	58,067	81,710	57,384
Commercial sales	29,237	30,984	27,904	27,112
Other revenue	16,899	17,595	20,372	18,739
<b>Total other revenue</b>	<b>186,255</b>	<b>159,448</b>	<b>187,702</b>	<b>154,872</b>

### Accounting policy

Revenue type	Recognition
Donations and bequests	Recognised when received.
Non-government grants	Refer to reciprocal revenue in Note 2.
Commercial sales	Includes event related revenue which is recognised as the event occurs.

## Note 7 Employee-related expenses

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Academic</b>				
Salaries	482,224	453,976	474,428	445,217
Contributions to superannuation and pension schemes	73,559	67,669	72,839	66,881
Payroll tax	27,025	24,690	26,546	24,165
Workers' compensation	2,776	2,468	2,738	2,461
Long service leave expense	13,605	10,546	13,433	10,410
Annual leave	39,452	34,413	40,109	34,266
Other	2,748	1,966	2,247	1,497
<b>Total academic</b>	<b>641,389</b>	<b>595,728</b>	<b>632,340</b>	<b>584,897</b>
<b>Non-academic</b>				
Salaries	380,776	370,860	353,658	337,412
Contributions to superannuation and pension schemes	51,465	49,138	48,638	45,677
Payroll tax	19,929	19,365	18,245	17,595
Workers' compensation	2,015	1,813	1,877	1,726
Long service leave expense	11,175	9,668	10,736	8,885
Annual leave	31,779	28,216	31,551	27,536
Other	11,328	11,233	5,880	6,560
<b>Total non-academic</b>	<b>508,467</b>	<b>490,293</b>	<b>470,585</b>	<b>445,391</b>
<b>Total employee-related expenses</b>	<b>1,149,856</b>	<b>1,086,021</b>	<b>1,102,925</b>	<b>1,030,288</b>
<b>Employee numbers</b>				
<b>Full-time equivalent staff numbers</b>	<b>7,463</b>	<b>7,403</b>	<b>7,161</b>	<b>6,861</b>

### Accounting policy

Refer to Note 22 for the accounting policy.

## Note 8 Finance costs

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest expense	27,318	14,106	27,244	14,000
Finance charges in respect of finance leases	78	102	-	-
<b>Total finance costs</b>	<b>27,396</b>	<b>14,208</b>	<b>27,244</b>	<b>14,000</b>

### Accounting policy

Borrowing costs are expensed when incurred. Interest expense is recognised using the effective interest rate method.

## Note 9 Impairment of assets

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Bad and doubtful debts	425	279	406	227
Impairment of other investments	1,154	75	1,154	288
<b>Impairment of assets excluding available-for-sale financial assets</b>	<b>1,579</b>	<b>354</b>	<b>1,560</b>	<b>515</b>
Impairment of available-for-sale financial assets	14,120	12,430	14,120	9,979
<b>Total impairment of assets</b>	<b>15,699</b>	<b>12,784</b>	<b>15,680</b>	<b>10,494</b>

### Key estimates and judgements

#### Available-for-sale financial assets

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

A significant or prolonged decline in the fair value of an asset below cost is considered to indicate impairment. The University has assumed that a significant decline in fair value occurs when market value has declined by greater than 20 per cent 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 acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement 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.

#### Non-financial assets

The Group assess impairment at each reporting date to determine if there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less costs to sell.

## Note 10 Loss/(gain) on disposal of assets

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Carrying amount of disposed assets	2,589	11,497	2,355	11,478
Proceeds from sale of assets	(2,734)	(14,003)	(2,734)	(13,946)
<b>Net loss/(gain) on disposal of assets</b>	<b>(145)</b>	<b>(2,506)</b>	<b>(379)</b>	<b>(2,468)</b>

### Accounting policy

An item of property, plant and equipment or intangible asset is de-recognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss on disposal is recognised in the Income Statement.

## Note 11 Other expenses

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Scholarships, grants and prizes	179,999	159,985	200,351	182,231
Non-capitalised equipment	21,576	18,080	21,576	18,046
Advertising, marketing and promotional expenses	15,722	12,186	11,576	7,826
Computer software and services	30,154	34,238	28,613	32,530
Consumable materials	51,597	54,684	51,474	53,785
Contracted and professional services	217,954	206,495	223,455	209,714
Course fees paid	64,488	58,404	64,488	58,397
Rent and leasing payments	18,859	25,432	18,099	24,405
Travel, staff development and training	57,925	56,603	55,475	52,605
Utilities and services	51,653	49,038	50,903	47,444
Other expenses	73,112	64,048	55,083	42,565
<b>Total other expenses</b>	<b>783,039</b>	<b>739,193</b>	<b>781,093</b>	<b>729,548</b>

### Accounting policy

Other expenses are recognised on an accruals basis.

## Note 12 Cash and cash equivalents

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank		277,456	262,363	257,202	246,100
Petty cash floats		124	114	85	74
Deposits at call/term deposits		136,264	32,642	115,000	4,000
<b>Cash and cash equivalents in the Statement of Financial Position</b>		<b>413,844</b>	<b>295,119</b>	<b>372,287</b>	<b>250,174</b>
Bank overdraft	21	(50,000)	-	(50,000)	-
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>		<b>363,844</b>	<b>295,119</b>	<b>322,287</b>	<b>250,174</b>

### Accounting policy

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. Refer to Note 21.

## Note 13 Receivables

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Trade receivables	57,523	66,533	45,326	57,880
Sundry debtors	186,561	65,385	185,857	65,502
Less allowance for impaired receivables	(616)	(489)	(304)	(1,157)
Deferred Government contribution for superannuation	9,402	8,450	9,402	8,450
Other	40	39	-	-
<b>Total current receivables</b>	<b>252,910</b>	<b>139,918</b>	<b>240,281</b>	<b>130,675</b>
<b>Non-current</b>				
Deferred Government contribution for superannuation	97,246	103,020	97,246	103,020
Other	15,804	23,949	20,420	28,565
Less allowance for impaired receivables	-	-	(4,456)	(4,456)
<b>Total non-current receivables</b>	<b>113,050</b>	<b>126,969</b>	<b>113,210</b>	<b>127,129</b>
<b>Total receivables</b>	<b>365,960</b>	<b>266,887</b>	<b>353,491</b>	<b>257,804</b>

### (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 not available to future University employees. 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. The University's obligation is limited to what is required to be paid for that year. This is refunded from the Australian Government on an emerging cost basis.

At 31 December 2016, the State Superannuation Fund was carrying total liabilities for member benefits greater than the value of the net market value of the plan's assets, based on actuarial valuation. As a result an unfunded superannuation liability exists and is recognised in the financial statements of the Scheme. The University recognises a receivable from the Australian Government in respect of unfunded superannuation schemes operated by the State Government. As at 31 December 2016 the University's unfunded superannuation liability determined by the Victorian Government Superannuation Office amounted to \$106.648 million (30 June 2015: \$111.470 million). Refer to Note 22 for the liability recorded. The increase/decrease in the asset and liability are disclosed in the Comprehensive Income Statement.

### (b) Allowance for impaired receivables

The movement in the allowance for impaired receivables during the year was as follows:

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Movement in allowance for impaired receivables</b>				
Balance at 1 January	489	1,133	5,613	5,602
Impairment loss/(reversal gain) recognised	179	157	9	306
Receivables written off during the year as uncollectible	(52)	(569)	(862)	(76)
Unused amount reversed	-	(232)	-	(219)
<b>Balance at 31 December</b>	<b>616</b>	<b>489</b>	<b>4,760</b>	<b>5,613</b>

## Note 13 Receivables (continued)

### (c) Interest rate and credit risk

The Group's receivables are non-interest bearing. Refer to Note 31.

### (d) Ageing of receivables

Included in the Group's receivables balance are \$0.616 million (2015: \$0.489 million) of debtors which are considered to be impaired and for which a provision has been provided. Of the Group's impaired receivables in 2016, 2 per cent were between one and three months past due (2015: 3 per cent), 10 per cent were between three and six months past due (2015: 28 per cent) and 88 per cent were more than six months overdue (2015: 69 per cent).

3 per cent of total receivables were past due but not impaired in 2016 (2015: 11 per cent). The Group has not provided for these receivables as it is considered that these amounts are recoverable.

#### Accounting policy

##### Trade receivables and sundry debtors

These are recognised initially at fair value and subsequently measured at amortised cost less any provision for impairment. Trade receivables are generally due for settlement within 30 days of the end of the month of invoice. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

Sundry debtors are mainly comprised of receivables within the investment portfolio, student debt and tax receivables. Receivables within the investment portfolio are recognised on trade date and student debtors are recognised on the date the student is assessed.

##### Other receivables

Other receivables mainly represent contributions the University has an unconditional right to receive towards the construction of a University building where the other party has a right to occupy space in the building.

##### Impairment allowance

Individual receivables which are known to be uncollectible are written off to the Income Statement. An allowance for impaired receivables is established when there is objective evidence 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 the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue).

The allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

## Note 14 Non-current assets classified as held for sale

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current assets classified as held for sale	26,459	-	-	-
<b>Total non-current assets classified as held for sale</b>	<b>26,459</b>	<b>-</b>	<b>-</b>	<b>-</b>

The non-current asset held for sale is comprised of the property at 70 Konyung Road, Mt Eliza as held by the Melbourne Business School Ltd Group. Refer to Note 29.

#### Accounting policy

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

## Note 15 Other financial assets

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Financial assets at fair value through profit or loss	9	8	-	-
<b>Total current other financial assets</b>	<b>9</b>	<b>8</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Available-for-sale financial assets	1,842,342	1,529,924	1,763,669	1,455,389
Investments in subsidiaries and other companies	8,513	7,765	24,571	23,823
<b>Total non-current other financial assets</b>	<b>1,850,855</b>	<b>1,537,689</b>	<b>1,788,240</b>	<b>1,479,212</b>
<b>Total other financial assets</b>	<b>1,850,864</b>	<b>1,537,697</b>	<b>1,788,240</b>	<b>1,479,212</b>

### Accounting policy

Management determines the classification of its investments at initial recognition.

#### Available-for-sale financial assets

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

Purchases and sales of investments are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs, subsequently they are measured at fair value and changes there in are recognised in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or are transferred and the Group has transferred substantially all the risks and rewards of ownership. Upon derecognition, the gain or loss accumulated in equity is recognised in the Income Statement.

#### Other investments

Investments in subsidiaries and other companies are carried at fair value. Where fair value is not readily available, investments are carried at the lower of cost and recoverable amount.

## Note 16 Other non-financial assets

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Prepayments	14,433	15,601	13,325	14,385
Accrued income	8,385	5,996	8,026	8,499
Other	3,630	3,020	1,942	1,649
<b>Total current other non-financial assets</b>	<b>26,448</b>	<b>24,617</b>	<b>23,293</b>	<b>24,533</b>
<b>Non-current</b>				
Prepayments	9,092	41,297	9,092	41,297
<b>Total non-current other non-financial assets</b>	<b>9,092</b>	<b>41,297</b>	<b>9,092</b>	<b>41,297</b>
<b>Total other non-financial assets</b>	<b>35,540</b>	<b>65,914</b>	<b>32,385</b>	<b>65,830</b>

### Accounting policy

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

## Note 17 Investments accounted for using the equity method

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Reconciliation</b>				
Balance at 1 January	7	7	-	-
Share of profit/(loss) for the year	(5)	-	-	-
<b>Balance at 31 December</b>	<b>2</b>	<b>7</b>	<b>-</b>	<b>-</b>

The Group has a 20 per cent interest in Uniseed Management Pty Ltd. The associate is not material to the Group.

## Note 18 Property, plant and equipment

Consolidated	Land	Buildings	Library collections
	\$'000	\$'000	\$'000
<b>At 1 January 2015</b>			
- At cost	-	-	124,008
- At valuation	1,092,417	2,272,306	-
Accumulated depreciation	-	(128,660)	(52,595)
<b>Net book amount</b>	<b>1,092,417</b>	<b>2,143,646</b>	<b>71,413</b>
<b>Year ended 31 December 2015</b>			
Opening net book amount	1,092,417	2,143,646	71,413
Reclassification	-	-	-
Additions	24,331	6,707	3,284
Disposals	(10,080)	(1,103)	(110)
Revaluation increment/(decrement)	24,345	714	-
Depreciation	-	(70,767)	(6,206)
Impairment gains/(losses)	-	-	-
Transfer from construction in progress	-	42,703	-
Write-ups/transfers/(write-offs)	-	-	-
<b>Closing net book amount</b>	<b>1,131,013</b>	<b>2,121,900</b>	<b>68,381</b>
<b>At 31 December 2015</b>			
- At cost	-	-	127,059
- At valuation	1,131,013	2,320,142	-
Accumulated depreciation	-	(198,242)	(58,678)
<b>Net book amount</b>	<b>1,131,013</b>	<b>2,121,900</b>	<b>68,381</b>
<b>Year ended 31 December 2016</b>			
Opening net book amount	1,131,013	2,121,900	68,381
Additions*	12,000	234	2,547
Disposals	(1,690)	(197)	(157)
Revaluation increment/(decrement)	152,920	1,392	-
Depreciation	-	(73,308)	(6,379)
Assets classified as held for sale	(13,420)	(11,779)	-
Transfer from construction in progress	-	106,045	-
Write-ups/transfers/(write-offs)	-	(2)	-
<b>Closing net book amount</b>	<b>1,280,823</b>	<b>2,144,285</b>	<b>64,392</b>
<b>At 31 December 2016</b>			
- At cost	-	-	129,290
- At valuation	1,280,823	2,409,900	-
Accumulated depreciation	-	(265,615)	(64,898)
<b>Net book amount</b>	<b>1,280,823</b>	<b>2,144,285</b>	<b>64,392</b>

The valuation techniques and significant unobservable inputs used in measuring fair value of property, plant and equipment are disclosed in Note 32.

\* 2016 additions do not equal payments for property, plant and equipment in the Statement of Cash Flows due to the adjustment in 2016 for contributions made. Refer to Note 1.5. The difference is offset in movement in other non-financial assets disclosed in Note 26.

Works of art & other collections	Plant and equipment	Leasehold property	Leased plant and equipment	Construction in progress	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	318,185	26,386	24,351	26,817	519,747
218,262	-	-	-	-	3,582,985
(26)	(262,519)	(7,924)	(15,844)	-	(467,568)
<b>218,236</b>	<b>55,666</b>	<b>18,462</b>	<b>8,507</b>	<b>26,817</b>	<b>3,635,164</b>
218,236	55,666	18,462	8,507	26,817	3,635,164
-	15	(15)	-	-	-
378	30,999	658	727	92,945	160,029
-	(205)	-	-	-	(11,498)
101,032	-	-	-	-	126,091
-	(26,438)	(1,873)	(5,425)	-	(110,709)
-	(8)	-	-	-	(8)
-	911	1,715	-	(45,329)	-
(1)	(2)	-	-	(4,432)	(4,435)
<b>319,645</b>	<b>60,938</b>	<b>18,947</b>	<b>3,809</b>	<b>70,001</b>	<b>3,794,634</b>
-	346,052	28,769	25,078	70,001	596,959
319,670	-	-	-	-	3,770,825
(25)	(285,114)	(9,822)	(21,269)	-	(573,150)
<b>319,645</b>	<b>60,938</b>	<b>18,947</b>	<b>3,809</b>	<b>70,001</b>	<b>3,794,634</b>
319,645	60,938	18,947	3,809	70,001	3,794,634
872	23,485	48,964	161	89,579	177,842
-	(546)	(34)	-	-	(2,624)
12,864	-	-	-	-	167,176
-	(25,431)	(4,633)	(2,750)	-	(112,501)
(155)	(1,105)	-	-	-	(26,459)
-	509	-	-	(106,554)	-
(1)	-	(61)	-	-	(64)
<b>333,225</b>	<b>57,850</b>	<b>63,183</b>	<b>1,220</b>	<b>53,026</b>	<b>3,998,004</b>
-	356,552	89,075	24,734	53,026	652,677
333,251	-	-	-	-	4,023,974
(26)	(298,702)	(25,892)	(23,514)	-	(678,647)
<b>333,225</b>	<b>57,850</b>	<b>63,183</b>	<b>1,220</b>	<b>53,026</b>	<b>3,998,004</b>

## Note 18 Property, plant and equipment (continued)

University	Land	Buildings	Library collections
	\$'000	\$'000	\$'000
<b>At 1 January 2015</b>			
- At cost	-	-	123,494
- At valuation	1,018,242	2,215,754	-
Accumulated depreciation	-	(124,876)	(52,123)
<b>Net book amount</b>	<b>1,018,242</b>	<b>2,090,878</b>	<b>71,371</b>
<b>Year ended 31 December 2015</b>			
Opening net book amount	1,018,242	2,090,878	71,371
Additions	24,331	6,707	3,246
Disposals	(10,080)	(1,100)	(108)
Revaluation increment/(decrement)	-	-	-
Depreciation	-	(68,949)	(6,184)
Transfer from construction in progress	-	42,073	-
Write-ups/transfers/(write-offs)	-	-	-
<b>Closing net book amount</b>	<b>1,032,493</b>	<b>2,069,609</b>	<b>68,325</b>
<b>At 31 December 2015</b>			
- At cost	-	-	126,535
- At valuation	1,032,493	2,263,359	-
Accumulated depreciation	-	(193,750)	(58,210)
<b>Net book amount</b>	<b>1,032,493</b>	<b>2,069,609</b>	<b>68,325</b>
<b>Year ended 31 December 2016</b>			
Opening net book amount	1,032,493	2,069,609	68,325
Additions*	12,000	234	2,547
Disposals	(1,690)	(198)	(158)
Revaluation increment/(decrement)	151,701	-	-
Depreciation	-	(71,886)	(6,379)
Transfer from construction in progress	-	106,046	-
Write-ups/transfers/(write-offs)	-	(1)	-
<b>Closing net book amount</b>	<b>1,194,504</b>	<b>2,103,804</b>	<b>64,335</b>
<b>At 31 December 2016</b>			
- At cost	-	-	128,766
- At valuation	1,194,504	2,369,419	-
Accumulated depreciation	-	(265,615)	(64,431)
<b>Net book amount</b>	<b>1,194,504</b>	<b>2,103,804</b>	<b>64,335</b>

The valuation techniques and significant unobservable inputs used in measuring fair value of property, plant and equipment are disclosed in Note 32.

\* 2016 additions do not equal payments for property, plant and equipment in the Statement of Cash Flows due to the adjustment in 2016 for contributions made. Refer to Note 1.5. The difference is offset in movement in other non-financial assets disclosed in Note 26.

Works of art & other collections	Plant and equipment	Leasehold property	Leased plant and equipment	Construction in progress	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	299,051	21,563	21,349	25,934	491,391
217,925	-	-	-	-	3,451,921
-	(248,912)	(5,341)	(14,665)	-	(445,917)
<b>217,925</b>	<b>50,139</b>	<b>16,222</b>	<b>6,684</b>	<b>25,934</b>	<b>3,497,395</b>
217,925	50,139	16,222	6,684	25,934	3,497,395
378	29,961	-	-	91,238	155,861
-	(188)	-	-	-	(11,476)
101,031	-	-	-	-	101,031
-	(25,340)	(1,248)	(4,693)	-	(106,414)
-	-	1,629	-	(43,702)	-
-	(1)	-	(1)	(4,433)	(4,435)
<b>319,334</b>	<b>54,571</b>	<b>16,603</b>	<b>1,990</b>	<b>69,037</b>	<b>3,631,962</b>
-	325,181	23,215	21,349	69,037	565,317
319,334	-	-	-	-	3,615,186
-	(270,610)	(6,612)	(19,359)	-	(548,541)
<b>319,334</b>	<b>54,571</b>	<b>16,603</b>	<b>1,990</b>	<b>69,037</b>	<b>3,631,962</b>
319,334	54,571	16,603	1,990	69,037	3,631,962
872	23,298	48,964	-	89,214	177,129
-	(345)	-	-	-	(2,391)
12,864	-	-	-	-	164,565
-	(24,766)	(4,631)	(1,990)	-	(109,652)
-	-	-	-	(106,046)	-
(1)	(1)	-	-	1	(2)
<b>333,069</b>	<b>52,757</b>	<b>60,936</b>	<b>-</b>	<b>52,206</b>	<b>3,861,611</b>
-	338,490	83,644	21,349	52,206	624,455
333,069	-	-	-	-	3,896,992
-	(285,733)	(22,708)	(21,349)	-	(659,836)
<b>333,069</b>	<b>52,757</b>	<b>60,936</b>	<b>-</b>	<b>52,206</b>	<b>3,861,611</b>

## Note 18 Property, plant and equipment (continued)

### Key estimates and judgements

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

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 of Melbourne'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%
- Leasehold property is amortised over the lower of the lease term or useful life of the property

#### 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%
- Leased plant and equipment 25%

#### Library collection

- Monographs 5%
- Periodicals 3.33%
- Audio-visual materials 20%

There were no changes to depreciation rates in 2016. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Acquisitions are depreciated from date of purchase and disposals are depreciated up to date of sale.

### Accounting policy

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. There has been no change to the capitalisation threshold from the prior year.

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

In accordance with not-for-profit requirements of AASB 116, revaluation increments are recognised in the asset revaluation reserve. Revaluation reserves are not transferred to retained earnings on derecognition of the relevant asset but retained within the asset revaluation reserve except to the extent an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result.

#### a) Land and buildings

Land and buildings are initially recorded at cost, which is considered to equate to fair value. Subsequent to initial recognition, land and buildings are recorded at fair value. At the date of revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset. Net value is then restated to the revalued amount of the asset. 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. In addition, desktop valuations are undertaken in intervening years to mitigate risk of any material change. The carrying value of land and buildings is reviewed annually to assess whether there has been a material change in the valuation of land and buildings required to be recorded in the financial statements.

#### b) Works of art and 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. A rolling valuation plan is in place for valuing these collections.

#### c) Library collection

The University's general library collection, which excludes the rare book collection, included as part of other collections and electronic publications included as intangible assets, is recorded at cost less any accumulated depreciation and, where applicable, any impairment losses.

#### d) 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.

#### e) Leasehold improvements

Leasehold improvements are recorded at cost less amortisation and, where applicable, any impairment losses.

#### f) 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.

#### g) Construction in progress

Construction in progress is recorded in the Statement of Financial Position at cost. Capital expenditure relating to 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.

#### h) 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 expensed in the period they are incurred.

## Note 18 Property, plant and equipment (continued)

### i) Contributions received or paid for buildings

Contributions are both received from and made to third parties towards construction of buildings in exchange for the right to occupy space. Contributions received are treated as Joint Operations where evidence of joint control exists. Each party only recognises their share of the building.

Contributions paid to third parties are treated as finance leases where an assessment has been made that the risks and rewards incidental to ownership are transferred to the Group on making the contribution.

## Note 19 Intangible assets

	Consolidated			University		
	Electronic library \$'000	Software \$'000	Total \$'000	Electronic library \$'000	Software \$'000	Total \$'000
<b>At 1 January 2015</b>						
At cost	66,233	32,410	98,643	66,233	27,160	93,393
Accumulated depreciation	(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	(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>						
At cost	81,708	32,721	114,429	81,708	27,221	108,929
Accumulated depreciation	(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>
<b>Year ended 31 December 2016</b>						
Opening net book amount	31,148	12,613	43,761	31,148	11,693	42,841
Additions	14,582	1,191	15,773	14,582	-	14,582
Disposals	-	(2)	(2)	-	-	-
Amortisation	(11,983)	(4,009)	(15,992)	(11,984)	(3,473)	(15,457)
<b>Closing net book amount</b>	<b>33,747</b>	<b>9,793</b>	<b>43,540</b>	<b>33,746</b>	<b>8,220</b>	<b>41,966</b>
<b>At 31 December 2016</b>						
At cost	96,290	33,584	129,874	96,290	26,956	123,246
Accumulated depreciation	(62,543)	(23,791)	(86,334)	(62,544)	(18,736)	(81,280)
<b>Net book amount</b>	<b>33,747</b>	<b>9,793</b>	<b>43,540</b>	<b>33,746</b>	<b>8,220</b>	<b>41,966</b>

### Accounting policy

Asset type	Recognition
Software	Major computer software is recognised 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 per cent and 33.33 per cent (2015: between 14.29 per cent and 33.33 per cent).
Electronic library	Electronic library materials are acquired from third parties. They are capitalised and amortised on a straight line basis at 25 per cent (2015: 25 per cent).

## Note 20 Trade and other payables

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Trade creditors	47,576	39,191	36,838	19,572
Sundry creditors	39,160	24,098	30,111	22,350
Accrued expenses	39,505	51,661	37,005	47,360
<b>Total current payables</b>	<b>126,241</b>	<b>114,950</b>	<b>103,954</b>	<b>89,282</b>

### Accounting policy

Payables represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days commencing from the month following recognition. Accrued expenses relate to expenses incurred not yet invoiced.

## Note 21 Borrowings

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Unsecured bank borrowings	4,101	3,824	4,101	3,824
Finance lease liabilities	685	736	-	-
Bank overdraft	50,000	-	50,000	-
<b>Total current borrowings</b>	<b>54,786</b>	<b>4,560</b>	<b>54,101</b>	<b>3,824</b>
<b>Non-current</b>				
Unsecured bank borrowings	32,074	35,713	32,074	35,713
Unsecured bond issue	519,008	288,168	519,008	288,168
Finance lease liabilities	632	1,184	-	-
Other borrowings	-	-	309	309
<b>Total non-current borrowings</b>	<b>551,714</b>	<b>325,065</b>	<b>551,391</b>	<b>324,190</b>
<b>Total borrowings</b>	<b>606,500</b>	<b>329,625</b>	<b>605,492</b>	<b>328,014</b>

### (a) Bond issuance

In 2014 the University issued domestic Australian dollar Medium Term Notes (MTN) to the value of \$250.000 million. The bond coupon rate is 4.25 per cent fixed for seven years. The amortised cost at 31 December 2016 totals \$247.627 million (2015: \$247.161 million).

### (b) US Private Placement

The University completed its first offering in the US Private Placement market during 2015. This comprised four tranches of senior notes totalling the equivalent of \$274.300 million AUD. \$41.250 million AUD was issued in 2015 for 20 years with three further tranches issued in 2016. These were made up of \$30.000 million AUD for 20 years, \$20.000 million AUD for 25 years and \$131.000 million USD for 30 years. The repayment date is at the end of the respective tranche tenures. The amortised cost at 31 December 2016 totals \$271.381 million (2015: \$41.007 million).

### (c) Loan covenant

Borrowings are not subject to covenants apart from an annual requirement to supply the Group's audited financial statements and budget.

### (d) Financing arrangements

The bank overdraft is unsecured with an interest rate of 2.29 per cent. The University has no other financing arrangements in place at 31 December 2016 (2015: nil).

## Note 21 Borrowings (continued)

### (e) 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>2016</b>						
Less than one year	728	43	685	-	-	-
Between one and five years	654	22	632	-	-	-
More than five years	-	-	-	-	-	-
	<b>1,382</b>	<b>65</b>	<b>1,317</b>	-	-	-

	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>	-	-	-

#### Accounting policy

Borrowings are initially recognised at fair value net of transaction costs. 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 borrowings using the effective interest rate method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

A finance lease is recognised when the Group, as lessee, has substantially all the risks and rewards of ownership. Finance leases are capitalised at inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. 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 costs. 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.

## Note 22 Provisions

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>					
<b>Current provisions expected to be settled within 12 months</b>					
Employee benefits:					
Annual Leave		57,668	52,973	53,975	49,393
Long service leave		22,337	21,318	18,059	17,200
Deferred Government superannuation obligation	13(a)	9,402	8,450	9,402	8,450
WorkCover claims		1,748	1,458	1,748	1,458
Restructure		11,606	6,766	10,658	6,699
		<b>102,761</b>	<b>90,965</b>	<b>93,842</b>	<b>83,200</b>
<b>Current provisions expected to be settled after more than 12 months</b>					
Employee benefits:					
Annual Leave		16,186	17,031	16,186	17,031
Long service leave		94,768	89,987	94,768	89,987
		<b>110,954</b>	<b>107,018</b>	<b>110,954</b>	<b>107,018</b>
<b>Total current provisions</b>		<b>213,715</b>	<b>197,983</b>	<b>204,796</b>	<b>190,218</b>
<b>Non-current</b>					
Employee benefits:					
Long service leave		29,373	25,162	28,206	24,052
Deferred Government superannuation obligation	13(a)	97,246	103,020	97,246	103,020
WorkCover claims		6,672	6,211	6,672	6,211
<b>Total non-current provisions</b>		<b>133,291</b>	<b>134,393</b>	<b>132,124</b>	<b>133,283</b>
<b>Total provisions</b>		<b>347,006</b>	<b>332,376</b>	<b>336,920</b>	<b>323,501</b>

### 22(a) 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–2016	WorkCover claims	Restructure	Total
	\$'000	\$'000	\$'000
Carrying amount at start of year	7,669	6,766	14,435
Additional provisions recognised	751	6,686	7,437
Amounts used	-	(1,464)	(1,464)
Unused amounts reversed	-	(382)	(382)
<b>Carrying amount at end of year</b>	<b>8,420</b>	<b>11,606</b>	<b>20,026</b>

## Note 22 Provisions (continued)

### Key estimates, judgements and accounting policy

#### a) Employee benefits

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

Employee benefits are expensed as the related service is provided. Provision is made for employee benefit liabilities including wages, annual leave and long service leave, arising from services rendered by employees at the reporting date.

Liabilities for long service leave are discounted to determine present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The discount rate of 2.3 per cent (2015: 2.5 per cent) is based on average Indicative Mid Rates of Commonwealth Government Securities.

#### b) Superannuation

Employee contributory superannuation funds managed outside of the University of Melbourne 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.

#### c) Restructure

Provisions for restructuring are recognised where steps have been taken to implement a detailed plan, including discussions with affected Divisions of the University, prior to reporting date.

#### d) WorkCover

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 reporting date.

## Note 23 Other liabilities

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Australian Government unspent financial assistance	142,389	137,480	142,019	136,975
Income received in advance	102,532	72,609	100,372	72,609
Student fees received in advance	83,107	78,684	75,020	71,081
Other	22,472	24,492	18,709	22,323
<b>Total other current liabilities</b>	<b>350,500</b>	<b>313,265</b>	<b>336,120</b>	<b>302,988</b>
<b>Non-current</b>				
Other income in advance	2,388	2,451	2,274	2,337
<b>Total other non-current liabilities</b>	<b>2,388</b>	<b>2,451</b>	<b>2,274</b>	<b>2,337</b>
<b>Total other liabilities</b>	<b>352,888</b>	<b>315,716</b>	<b>338,394</b>	<b>305,325</b>

### Key estimates, judgements and accounting policy

Australian Government unspent financial assistance represents Australian Government grants received which the University regards as reciprocal and represents funding received but not spent. Refer to Note 2.

Income received in advance represents grants and contracts received from other sources which the University regards as reciprocal and represents the amounts received but not spent.

Student fees received in advance arise when students pay all or part of their fees in advance of services being delivered.

## Note 24 Other financial liabilities

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Non-current</b>				
Cross currency interest rate swap	19,182	21,921	19,182	21,921
<b>Total other financial liabilities</b>	<b>19,182</b>	<b>21,921</b>	<b>19,182</b>	<b>21,921</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 \$131.000 million USD. The CCIRS contracts were designed as cash flow hedges of a highly probable forecast transaction, being the drawdown from the USD denominated debt under the USPP on 17 February 2016. The fair value of the CCIRS contracts as at 31 December 2016 was \$19.182 million (2015: \$21.921 million).

### Accounting policy

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially recognised at fair value on the date a contract is entered into and are subsequently measured 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 fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. Any ineffective portion is recognised immediately in the Income Statement. Amounts deferred in equity are recycled to the Income Statement when the hedged item is recognised.

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 the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Income Statement.

## Note 25 Reserves and retained surplus

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 25(a) Reserves</b>				
Trust fund reserve	621,270	535,836	621,270	535,836
Asset revaluation reserve				
- land and buildings	2,507,486	2,353,172	2,394,786	2,243,085
- other collections	247,947	237,144	247,947	237,144
- works of art	78,723	76,663	78,604	76,544
Available-for-sale revaluation reserve	211,881	154,613	192,533	137,038
Hedging reserve	(17,376)	(21,921)	(17,376)	(21,921)
General reserve	4,725	23,291	4,264	22,830
Members capital reserve	30,405	30,405	-	-
Contributed equity	12,339	12,339	-	-
Foreign currency translation reserve	(18)	(28)	-	-
<b>Total Reserves</b>	<b>3,697,382</b>	<b>3,401,514</b>	<b>3,522,028</b>	<b>3,230,556</b>
<b>Movements in reserves</b>				
<b>Trust fund reserve</b>				
Balance beginning of year	535,836	456,105	535,836	456,105
Transfer from/(to) retained surplus	85,434	79,731	85,434	79,731
<b>Balance end of year</b>	<b>621,270</b>	<b>535,836</b>	<b>621,270</b>	<b>535,836</b>
Reserve reflects net surpluses derived from donations and bequests which can only be applied to the purpose they were donated for.				
<b>Land and buildings asset revaluation reserve</b>				
Balance beginning of year	2,353,172	2,328,112	2,243,085	2,243,085
Changes due to revaluation	154,314	25,060	151,701	-
<b>Balance end of year</b>	<b>2,507,486</b>	<b>2,353,172</b>	<b>2,394,786</b>	<b>2,243,085</b>

## Note 25 Reserves and retained surplus (continued)

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 25(a) reserves (continued)</b>				
<b>Other collections asset revaluation reserve</b>				
Balance beginning of year	237,144	136,158	237,144	136,158
Changes due to revaluation	10,803	100,986	10,803	100,986
<b>Balance end of year</b>	<b>247,947</b>	<b>237,144</b>	<b>247,947</b>	<b>237,144</b>
<b>Works of art asset revaluation reserve</b>				
Balance beginning of year	76,663	76,619	76,544	76,500
Changes due to revaluation	2,060	44	2,060	44
<b>Balance end of year</b>	<b>78,723</b>	<b>76,663</b>	<b>78,604</b>	<b>76,544</b>
Asset revaluation reserves arise from the revaluation of the specific asset classes of land, buildings, other collections and works of art.				
<b>Available-for-sale revaluation reserve</b>				
Balance beginning of year	154,613	133,060	137,038	117,541
Transfers to profit or loss on sale	(27,202)	(26,007)	(26,376)	(25,736)
Changes due to revaluation of investments	84,470	47,560	81,871	45,233
<b>Balance end of year</b>	<b>211,881</b>	<b>154,613</b>	<b>192,533</b>	<b>137,038</b>
Reserve arises from the revaluation of available-for-sale investments.				
<b>Hedging reserve</b>				
Balance beginning of year	(21,921)	-	(21,921)	-
Valuation gains/(losses)	4,545	(21,921)	4,545	(21,921)
<b>Balance end of year</b>	<b>(17,376)</b>	<b>(21,921)</b>	<b>(17,376)</b>	<b>(21,921)</b>
Reserve arises from hedging gains and losses recognised on effective portion of cash flow hedges.				
<b>General reserve</b>				
Balance beginning of year	23,291	22,453	22,830	21,791
Transfer from/(to) retained surplus	(18,566)	838	(18,566)	1,039
<b>Balance end of year</b>	<b>4,725</b>	<b>23,291</b>	<b>4,264</b>	<b>22,830</b>
Reserve is maintained for a number of general purposes.				
<b>Foreign currency translation reserve</b>				
Balance beginning of year	(28)	-	-	-
Translation gains/(losses)	10	(28)	-	-
<b>Balance end of year</b>	<b>(18)</b>	<b>(28)</b>	<b>-</b>	<b>-</b>

Reserve is maintained for translation of foreign currency balances at reporting date.

### Reserves with no movement

Members capital reserve is maintained by Melbourne Business School Limited Group (MBS). The members capital reserve represents initial donor member contributions to the School, which were received in exchange for voting rights. Donor members are members other than the University of Melbourne.

Contributed Equity represents the net fair value of assets identified upon acquisition of Mt Eliza Graduate School of Business Limited (MEBS). In 2004 MBS acquired the net assets of MEBS, which at the time were valued at \$12.339 million. In exchange for these assets donor members of MEBS received voting rights in MBS.

## Note 25 Reserves and retained surplus (continued)

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Note 25(b) Retained surplus</b>				
Balance beginning of year	1,487,917	1,420,860	1,429,224	1,359,187
Net result for the year	163,965	147,626	161,654	150,807
Transfers from/(to) reserves	(66,868)	(80,569)	(66,868)	(80,770)
<b>Balance end of year</b>	<b>1,585,014</b>	<b>1,487,917</b>	<b>1,524,010</b>	<b>1,429,224</b>

## Note 26 Reconciliation of net result for the year to net cash flows from operating activities

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Net result for the year</b>	<b>163,965</b>	<b>147,626</b>	<b>161,654</b>	<b>150,807</b>
<b>Add/(less) non-cash flows in net profit/(loss)</b>				
Depreciation and amortisation	128,493	131,433	125,109	126,806
Impairment losses	15,699	12,786	15,680	10,483
Revaluation gains on other financial assets at fair value	-	(225)	-	-
Loss/(gain) on sale/redemption of investments	5,604	1,562	5,604	1,612
Transfer of (gain)/loss from equity on disposal of available-for-sale financial assets	(27,202)	(26,007)	(26,376)	(25,736)
Net (gain)/loss on sale of non-current assets	(145)	(2,506)	(379)	(2,468)
Other	(2,858)	(4,910)	1,148	(538)
<b>Changes in assets and liabilities</b>				
Decrease/(increase) in receivables*	(4,871)	9,526	(1,486)	1,850
Decrease/(increase) in other non-financial assets**	(18,590)	(8,493)	(15,518)	(11,103)
Increase/(decrease) in trade and other payables	11,291	(11,726)	14,672	(7,525)
Increase/(decrease) in provisions	14,630	(26,527)	13,419	(26,150)
Increase/(decrease) in other liabilities	37,275	18,992	33,071	20,044
<b>Net cash inflow from operating activities</b>	<b>323,291</b>	<b>241,531</b>	<b>326,598</b>	<b>238,082</b>

\* The movement in receivables does not agree to the balance sheet movement due to adjustment in 2016 for investment balances receivable which is included under investing activities.

\*\* The movement in other non-financial assets does not agree to the balance sheet movement due to the adjustment in 2016 for contributions made. Refer to Note 1.5. The difference is offset in payments for property, plant and equipment in the Statement of Cash Flows.

## Note 27 Contingent assets and liabilities

The Group has the following material contingent liabilities as at 31 December 2016:

- The University has issued a letter of indemnity to the National Australia Bank to cover the Bank's guarantee to the Victorian WorkCover Authority under the University's WorkCover Self Insurance Scheme. The amount of the guarantee in place is \$11.271 million (2015: \$10.302 million) and the actuarial assessment of claims liability as at 31 December 2016 is \$8.420 million (2015: \$7.669 million).
- 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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	77,137	170,173	77,137	170,158
Later than one year	2,404	28,490	2,404	28,490
<b>Total property, plant and equipment commitments</b>	<b>79,541</b>	<b>198,663</b>	<b>79,541</b>	<b>198,648</b>
<b>Note 28.2 Lease commitments – as Lessee</b>				
Future minimum lease payments in relation to non-cancellable operating leases at the reporting date but not recognised as liabilities, payable:				
Within one year	7,446	7,203	7,419	6,683
Later than one year	14,856	13,055	14,800	11,839
Later than five years	10,784	9,732	10,784	9,732
<b>Total lease commitments – as Lessee</b>	<b>33,086</b>	<b>29,990</b>	<b>33,003</b>	<b>28,254</b>
<b>Note 28.3 Lease commitments – as Lessor *</b>				
Future minimum rentals receivable under non-cancellable operating leases at the reporting date but not recognised as assets, receivable:				
Within one year	4,728	7,563	3,893	5,531
Later than one year	4,564	7,769	4,283	4,677
Later than five years	1,461	-	1,461	-
<b>Total lease commitments – as Lessor</b>	<b>10,753</b>	<b>15,332</b>	<b>9,637</b>	<b>10,208</b>
<b>Note 28.4 Other expenditure commitments</b>				
Within one year	2,914	2,912	2,914	2,863
Later than one year	8,371	10,065	8,371	10,040
Later than five years	7,438	8,125	7,438	8,125
<b>Total other expenditure commitments</b>	<b>18,723</b>	<b>21,102</b>	<b>18,723</b>	<b>21,028</b>

\* The University of Melbourne 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.

### Key estimates, judgements and accounting policy

Commitments are disclosed exclusive of GST.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases and recognised in the Income Statement over the lease term.

#### Service concession arrangement

The University entered into an arrangement where student accommodation was constructed and is operated by a private sector body on University land under a 38-year lease. The 648 bed student accommodation facility opened in early 2016. Under 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 University does not share relevant risks and rewards and is not involved in operational or financial decisions. In determining treatment of the service concession arrangement the Group has determined the lease over the land to be an operating lease.

## Note 29 Subsequent events

On 2 March 2017 the Mount Eliza property held for sale in Note 14 was settled.

Apart from the item noted above, there are no matters or circumstances that have arisen since the end of the financial year that have affected the financial position of the Group.

## Note 30 Subsidiaries

### Note 30.1 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Principal activities	Principal place of business	Ownership interest	
			2016	2015
Melbourne Business School Limited Group	Provision of educational services.	Australia	45%	45%
UOM Commercial Ltd Group	Commercialisation of research and teaching of the University of Melbourne.	Australia	100%	100%

The following subsidiaries are not consolidated in the financial statements as their results, assets, liabilities and equity do not materially impact, individually and in aggregate, the consolidated financial statements.

Name of entity	Principal activities	Principal place of business	Ownership interest	
			2016	2015
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%	100%
Australian Music Examinations Board (Victoria) Limited	Provides system of graded examinations in relation to music and speech in Victoria.	Australia	100%	100%
Australian National Academy of Music Ltd Group	Provides national centre of excellence with practical music education and training.	Australia	75%	75%
Melbourne Dental Clinic Ltd	Operates and manages dental clinics to provide students at the University with world class clinical training.	Australia	100%	100%
Melbourne University Publishing Limited	To publish 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	Undertakes University profiling, student recruitment, alumni support and donor relationship development.	Singapore	100%	100%

### Accounting policy

Subsidiaries are entities controlled by the Group. The Group assesses whether it has the power to direct relevant activities of the investee by considering the rights it holds to control decisions, such as the mix between education and research, student fees and target student mix.

The financial statements of subsidiaries that materially impact the Group are included in the consolidated financial statements from the date control commences until the date control ceases. The assessment includes both a qualitative and quantitative assessment of materiality. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

The University made an assessment of all its subsidiaries in 2016 and determined only subsidiaries materially impacting consolidated financial statements would be consolidated. For 2016 this included Melbourne Business School Limited Group and UOM Commercial Limited Group. An assessment of subsidiaries for material impact to the consolidated financial statements will be performed annually.

Although the Group owns less than 50 per cent of Melbourne Business School Limited Group, the Group has control and concludes no non-controlling interest (NCI) on the basis the NCI has no share in the net assets.

There are no restrictions on the Group's ability to access or use assets and settle liabilities of the Group.

### Note 30.2 Non-controlling Interests

There are no subsidiaries that have material non-controlling interests to the Group.

## Note 31 Financial risk management

### Financial risk management objectives and policies

The Group is exposed to key financial risks including market risk, credit risk and liquidity risk. The University's Council has overall responsibility for the establishment and oversight of the Group's risk management framework. 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.
- The Risk Committee, which is responsible for monitoring risk management policies.

### Risk exposures

The main risks the Group is exposed to through its financial instruments are:

#### (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.

##### (i) Interest rate risk

The Group's exposure to movements in interest rates primarily relates to the Group's interest bearing investments and borrowings. The Group manages its interest rate risk by monitoring the interest rate profile of these assets and liabilities and taking action to mitigate this risk where necessary. All borrowings are subject to approval by University Council and the Treasurer of Victoria. Borrowings for the Business and Economics building are fixed at 7.03 per cent, the bond interest rate is fixed at 4.25 per cent and the US Private Placement is fixed at rates between 4.36 per cent and 5.49 per cent.

If interest rates were one per cent lower/higher for interest bearing investments than the reporting date rates, with all other variables held constant, the Group's net result for the year would have been \$4.137 million lower/higher, reflecting the lower/higher interest income earned on affected balances (2015: \$2.950 million lower/higher).

##### (ii) Foreign currency risk

The Group's main exposure to foreign currency risk arises from overseas equity investments, US denominated debt, and future revenues and payments in foreign currencies. The Group is mainly exposed to US dollars and Euros. At the reporting date, if the Australian dollar weakened/strengthened by 10 per cent against relevant foreign currency investments with all other variables held constant, the Group's equity balance would have been \$2.919 million lower/higher (2015: \$21.908 million lower/higher), due to changes in fair value of available-for-sale financial assets. There would have been no change to net result for the year (2015: nil).

The Group holds derivative financial instruments to hedge foreign currency risk exposure within its investment portfolio. Derivatives are initially recognised at fair value on the date a contract is entered into and 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.

Foreign exchange risk on principal and interest payments on foreign-currency denominated long-term borrowings is managed through use of cross currency interest rate swaps (fixed to fixed), whereby a foreign currency exposure is converted to a functional currency exposure.

The Group hedges large payments and receipts denominated in foreign currencies to manage foreign currency risk. At 31 December 2016, the University had the AUD equivalent of \$5.717 million of such hedges in place (2015: \$2.169 million).

##### (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, are publicly traded on equity exchanges and are mainly included in the S&P/ASX 200 Index.

At the reporting date, if the value of marketable securities were 10 per cent lower/higher with all other variables held constant, the Group's equity would have been \$184.234 million lower/higher (2015: \$152.992 million lower/higher), due to changes in fair value of available-for-sale financial assets. There would have been no change to net result for the year (2015: 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 from financial investments, derivative counterparties and the Group's receivables from customers.

Financial investments and 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 characteristics of each customer. Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. 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 the 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 maintenance of sufficient liquid assets and borrowing facilities, and active monitoring of cash flow forecasts.

## Note 31 Financial risk management (continued)

The following table summarises maturity of the Group's financial liabilities:

	Non-interest bearing	Interest earning maturing In			Adjustment	Consolidated carrying amount per statement of financial position	Weighted average effective interest rate
		1 year or less	Contracted cash flows between 1 to 5 years	More than 5 years			
		\$'000	\$'000	\$'000			
<b>2016</b>							
<b>Financial liabilities</b>							
Trade and other payables	126,241	-	-	-	-	126,241	
Borrowings	-	57,161	26,323	536,066	(13,050)	606,500	4.80
Other financial liabilities	19,182	-	-	-	-	19,182	
<b>Total financial liabilities</b>	<b>145,423</b>	<b>57,161</b>	<b>26,323</b>	<b>536,066</b>	<b>(13,050)</b>	<b>751,923</b>	
<b>2015</b>							
<b>Financial liabilities</b>							
Trade and other payables	114,950	-	-	-	-	114,950	
Borrowings	-	7,249	26,932	310,460	(15,016)	329,625	4.81
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>	

## Note 32 Fair value measurements

### (a) Fair value measurements

The carrying amounts and aggregate fair values of financial assets and liabilities where they differ at reporting date are:

	Carrying amount		Fair value	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Financial liabilities</b>				
Borrowings	606,500	329,625	619,550	344,641
<b>Total financial liabilities</b>	<b>606,500</b>	<b>329,625</b>	<b>619,550</b>	<b>344,641</b>

All other financial assets and liabilities have carrying values that are a reasonable approximation of fair value.

### Key estimates and judgements

Note 32(c) outlines key estimates and judgements used by the Group in measurement of the fair value of financial assets and liabilities.

### Accounting policy

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).

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The level in the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

## Note 32 Fair value measurements (continued)

### (b) Fair value hierarchy

Fair value measurements at 31 December 2016	2016	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit of loss	9	9	-	-
Available-for-sale financial assets	1,842,342	1,175,636	666,706	-
Other financial assets	8,513	-	-	8,513
<b>Total financial assets</b>	<b>1,850,864</b>	<b>1,175,645</b>	<b>666,706</b>	<b>8,513</b>
<b>Non-financial assets</b>				
Property, plant and equipment	3,759,434	-	694,832	3,064,602
<b>Total non-financial assets</b>	<b>3,759,434</b>	<b>-</b>	<b>694,832</b>	<b>3,064,602</b>
<b>Financial liabilities</b>				
Borrowings	619,550	-	619,550	-
Other financial liabilities	19,182	-	19,182	-
<b>Total liabilities</b>	<b>638,732</b>	<b>-</b>	<b>638,732</b>	<b>-</b>
<b>Fair value measurements at 31 December 2015</b>				
	2015	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit of 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	3,573,526	-	505,609	3,067,917
<b>Total non-financial assets</b>	<b>3,573,526</b>	<b>-</b>	<b>505,609</b>	<b>3,067,917</b>
<b>Financial liabilities</b>				
Borrowings	344,641	-	344,641	-
Other financial liabilities	21,921	-	21,921	-
<b>Total liabilities</b>	<b>366,562</b>	<b>-</b>	<b>366,562</b>	<b>-</b>

There were no non-recurring fair value measurements.

### (c) Valuation techniques used to derive Level 2 and Level 3 fair values

#### Land and buildings (Levels 2 and 3)

The fair value of land and buildings was determined by independent property valuers, Colliers International Consultancy and Valuation Pty Limited, having appropriately recognised qualifications and experience.

Given the nature and use of 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 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 per cent is considered to use Level 3 inputs as the unobservable input is considered significant. Land valuation for other remaining land properties is categorised as Level 2 based on the inputs to the valuation using the market approach.

The direct comparison approach is used to value a number of buildings located outside of the University's campus. The direct comparison approach in this process is considered to utilise Level 2 inputs.

#### Works of art and other collections (Level 3)

The fair value of works of art and other collections was determined by independent valuers, Simon Storey Valuers, having appropriately recognised qualifications and experience. Random statistical sampling is used to value the larger collections. The sample valuations are projected to estimate total value using the number raised estimation methodology. Due to the unique nature and use of the collections with limited comparable sales, the valuation is considered to utilise Level 3 inputs.

## Note 32 Fair value measurements (continued)

### Available-for-sale financial assets (Levels 2 and 3)

Fair value of available-for-sale financial assets that are not traded in active markets 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, with fair values based on broker quotes. Similar contracts are traded in an active market and the quotes reflect actual transactions in similar instruments.

### (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 2016 and 2015:

Level 3 Fair value measurements at 31 December 2016	Other financial assets	Buildings	Works of art & other collections	Land	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>7,765</b>	<b>2,095,852</b>	<b>319,645</b>	<b>652,420</b>	<b>3,075,682</b>
Additions	748	234	872	12,000	13,854
Transfer from construction in progress	-	106,046	-	-	106,046
Disposals	-	(198)	-	-	(198)
Depreciation	-	(72,640)	-	-	(72,640)
Revaluation	-	1,392	12,864	78,320	92,576
Transfers from Level 3 to Level 2	-	-	-	(130,271)	(130,271)
Assets classified as held for sale	-	(11,779)	(155)	-	(11,934)
<b>Closing balance</b>	<b>8,513</b>	<b>2,118,907</b>	<b>333,226</b>	<b>612,469</b>	<b>3,073,115</b>

Level 3 Fair value measurements at 31 December 2015	Other financial assets	Buildings	Works of art & other collections	Land	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>10,123</b>	<b>2,116,925</b>	<b>218,236</b>	<b>652,420</b>	<b>2,997,704</b>
Additions	500	8,176	378	-	9,054
Transfer from construction in progress	-	41,247	-	-	41,247
Disposals	(2,858)	(1,102)	-	-	(3,960)
Depreciation	-	(70,108)	-	-	(70,108)
Revaluation	-	714	101,031	-	101,745
<b>Closing balance</b>	<b>7,765</b>	<b>2,095,852</b>	<b>319,645</b>	<b>652,420</b>	<b>3,073,682</b>

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Description	Fair Value 2016 \$'000	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Land	612,469	Community Service Obligation (CSO)	5 per cent increase in CSO would decrease fair value of land by \$37.637 million.
Buildings	2,118,907	Average cost per asset	5 per cent increase in average cost would increase fair value of buildings by \$105.945 million.
		Useful life	Increase in the useful life of buildings by one year would decrease annual depreciation by \$1.772 million thereby increasing the fair value.
Works of art and other collections	333,226	Average value per item	5 per cent increase in average value would increase fair value of works of art and other collections by \$16.661 million.
Other financial assets	8,513	Value of assets	5 per cent increase in value would increase fair value of other financial assets by \$0.426 million.

## Note 33 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by auditors of the Group, its related practices and non-related audit firms:

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Audit of the financial statements</b>				
Fees paid or payable to the Victorian Auditor General's Office	409	386	306	280
Fees paid or payable to KPMG	101	102	-	-
Fees paid or payable to BDO	-	80	-	-
Fees paid or payable to other	-	32	-	-
<b>Total remuneration for audit services</b>	<b>510</b>	<b>600</b>	<b>306</b>	<b>280</b>
<b>Other audit and assurance services</b>				
Fees paid or payable to Deloitte	-	110	-	110
Fees paid or payable to other	49	14	49	14
<b>Total remuneration for other audit and assurance services</b>	<b>49</b>	<b>124</b>	<b>49</b>	<b>124</b>

## Note 34 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.

### (c) Members of Council and specified executive officers

Disclosures relating to Members of Council and specified executives are set out in Note 35.

### (d) Transactions with related parties

The following transactions occurred with related parties:

	University	
	2016 \$'000	2015 \$'000
<b>Subsidiaries</b>		
Funding provided	20,590	16,473
Rent in-kind provided	5,345	5,282
Sale of goods and services	34,410	32,364
Purchase of goods	23,850	29,390
Loan repayments	160	40
Interest revenue	13	4
Interest expense	-	103

## Note 34 Related party transactions (continued)

### (e) Outstanding balances

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

	University	
	2016 \$'000	2015 \$'000
<b>Subsidiaries</b>		
Current receivables (sale of goods and services)	3,136	9,498
Non-current receivables (loans)	4,456	4,616
Current payables (purchases of goods)	2,621	4,201
Non-current payables (loans)	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 signing of its 2017 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 personnel hold a position in another entity that results in them having control or significant influence over the financial or operating policies of that entity. These entities transacted with the University in the reporting period on normal arm's length commercial terms and conditions.

- Mr A Peake, Partner at PwC Australia
- Ms E Alexander, Chairperson of Medibank

Other related party transactions requiring disclosure under directions of the Minister for Finance have been considered and there are no matters to report.

Outstanding balances are unsecured and repayable in cash.

## Note 35 Key management personnel disclosures

### (a) Names of responsible persons

Ms Elizabeth Alexander (Chancellor) (until 31 December 2016)	Mr Declan McConigle (until 31 December 2016)
Prof Robin John Batterham	Mr Ross McPherson
Dr Craig Bird (until 31 December 2016)	The Hon Justice J E Middleton
Prof Glyn C Davis (Vice-Chancellor)	Mr Martyn Myer
Prof Marilyns Guillemin (appointed 1 October 2016)	Mr Anthony Peake
Ms Jane Hansen (appointed 1 January 2016)	Ms Wendy Stops (appointed 1 January 2016)
Mr Tyson Holloway-Clarke (appointed 1 October 2016)	Prof Rachel Webster (until 31 December 2016)
Prof Barry Hughes	Dr Frederik Vervaet
Mr Robert Niven Johanson	Ms Kara Hadgraft

Consolidated values 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 management of affairs of the University for the year is outlined below:

	Consolidated	
	2016 \$'000	2015 \$'000
Short-term benefits	330	257
<b>Total remuneration of responsible persons</b>	<b>330</b>	<b>257</b>

## Note 35 Key management personnel disclosures (continued)

The number of University Council members and their remuneration for the reporting period is shown in the table below in their relevant income bands. Remuneration of responsible persons only relates to remuneration for acting in the capacity as a member of Council. Staff of the University are not eligible to be remunerated for acting in the capacity as a member of Council.

	Consolidated total remuneration	
	2016 No.	2015 No.
Nil	9	5
\$1-\$9,999	-	4
\$10,000-\$19,999	2	3
\$30,000-\$39,999	6	3
\$40,000-\$49,999	-	1
\$70,000-\$79,999	1	1
<b>Total number</b>	<b>18</b>	<b>17</b>

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 are outlined below:

	Consolidated	
	2016 \$'000	2015 \$'000
Short-term benefits	9,476	8,889
Post-employment benefits	1,426	1,476
Other long-term benefits	112	61
<b>Total remuneration of executive officers</b>	<b>11,014</b>	<b>10,426</b>

As a responsibility of office, one executive included below 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 \$252,924 (2015: \$246,866), which is included in the remuneration reported above.

## Note 35 Key management personnel disclosures (continued)

The number of executive officers 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	
	2016 No.	2015 No.	2016 No.	2015 No.
\$100,000–\$109,999	-	1	-	1
\$110,000–\$119,999	-	1	-	1
\$130,000–\$139,999	-	1	1	-
\$160,000–\$169,999	-	-	-	2
\$170,000–\$179,999	1	2	1	-
\$180,000–\$189,999	1	-	-	1
\$190,000–\$199,999	-	1	-	-
\$210,000–\$219,999	-	1	-	-
\$240,000–\$249,999	-	-	-	1
\$250,000–\$259,999	-	-	2	-
\$260,000–\$269,999	-	-	-	1
\$280,000–\$289,999	-	1	1	-
\$290,000–\$299,999	-	-	-	1
\$300,000–\$309,999	1	-	-	1
\$310,000–\$319,999	1	1	2	-
\$320,000–\$329,999	-	-	-	1
\$330,000–\$339,999	1	-	2	1
\$340,000–\$349,999	-	2	2	2
\$350,000–\$359,999	2	1	1	-
\$360,000–\$369,999	1	-	-	-
\$370,000–\$379,999	-	1	1	3
\$380,000–\$389,999	-	-	-	1
\$390,000–\$399,999	-	1	2	-
\$400,000–\$409,999	3	2	2	-
\$410,000–\$419,999	-	-	1	-
\$420,000–\$429,999	1	1	-	2
\$430,000–\$439,999	1	-	-	1
\$440,000–\$449,999	-	-	1	-
\$460,000–\$469,999	1	1	1	-
\$470,000–\$479,999	-	-	-	1
\$480,000–\$489,999	-	1	-	-
\$490,000–\$499,999	-	2	-	-
\$500,000–\$509,999	1	-	-	-
\$510,000–\$519,999	-	1	-	-
\$520,000–\$529,999	2	1	-	-
\$530,000–\$539,999	2	-	-	-
\$540,000–\$549,999	-	-	-	1
\$570,000–\$579,999	-	-	1	-
\$600,000–\$609,999	1	1	-	-
\$610,000–\$619,999	-	-	1	-
\$660,000–\$669,999	1	-	-	-
\$670,000–\$679,999	-	-	-	1
\$870,000–\$879,999	1	-	-	-
\$910,000–\$919,999	-	1	-	-
\$990,000–\$999,999	-	-	-	1
\$1,010,000–\$1,019,999	-	-	1	-
\$1,110,000–\$1,119,999	-	1	-	-
\$1,140,000–\$1,149,999	1	-	-	-
<b>Total number of executives*</b>	<b>23</b>	<b>26</b>	<b>23</b>	<b>24</b>
<b>Total annualised employee equivalent (AEE)</b>	<b>21.1</b>	<b>19.4</b>	<b>21.1</b>	<b>18.2</b>

\* In 2015 variance between base and total numbers is due to base remuneration being less than \$100,000 for two executives.

### d) Ministers

Responsible Ministers for the reporting period were the Hon Steve Herbert, Minister for Training and Skills (until 9 November 2016) and the Hon Gayle Tierney, Minister for Training and Skills. 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 2016 (2015: nil).

## Note 36 Acquittal of Australian Government financial assistance (University only)

### Note 36.1 CGS and other grants

	Commonwealth Grants Scheme*		Partnership and Participation Program**		Disability Support Program		National Institutes	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	279,992	265,939	1,959	2,003	394	279	5,468	5,377
Net accrual adjustments	-	-	-	-	-	-	-	-
<b>Revenue for the period</b>	<b>279,992</b>	<b>265,939</b>	<b>1,959</b>	<b>2,003</b>	<b>394</b>	<b>279</b>	<b>5,468</b>	<b>5,377</b>
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	279,992	265,939	1,959	2,003	394	279	5,468	5,377
Less expenses including accrued expenses	(279,992)	(265,939)	(1,959)	(2,003)	(394)	(279)	(5,468)	(5,377)
<b>Surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Promotion of Excellence in Learning & Teaching		Superannuation Program		Australian Maths and Science Partnership Program	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)	435	715	9,885	8,244	243	243
Net accrual adjustments	-	-	-	-	-	-
<b>Revenue for the period</b>	<b>435</b>	<b>715</b>	<b>9,885</b>	<b>8,244</b>	<b>243</b>	<b>243</b>
Surplus/(deficit) from the previous year	-	-	(128)	(131)	-	-
Total revenue including accrued revenue	435	715	9,757	8,113	243	243
Less expenses including accrued expenses	(435)	(715)	(9,757)	(8,241)	(243)	(243)
<b>Surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128)</b>	<b>-</b>	<b>-</b>

\* 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	Improving the Quality of Maths and Science Teaching		AMSI Vacation Schools		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		990	897	501	500	299,867	284,197
Net accrual adjustments		-	-	-	(500)	-	(500)
<b>Revenue for the period</b>	<b>2</b>	<b>990</b>	<b>897</b>	<b>501</b>	<b>-</b>	<b>299,867</b>	<b>283,697</b>
Surplus/(deficit) from the previous year		-	-	-	-	(128)	(131)
Total revenue including accrued revenue		990	897	501	-	299,739	283,566
Less expenses including accrued expenses		(990)	(897)	(501)	-	(299,739)	(283,694)
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128)</b>

## Note 36 Acquittal of Australian Government financial assistance (University only) (continued)

### Note 36.2 Higher education loan programs (excluding OS-HELP)

	Note	HECS-HELP (Australian Govt payments only)		FEE-HELP		SA-HELP		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		151,745	150,596	111,688	106,225	3,063	3,381	266,496	260,202
Net accrual adjustments		(2,203)	(103)	(3,573)	(5,332)	299	(21)	(5,477)	(5,456)
<b>Revenue for the period</b>	<b>2</b>	<b>149,542</b>	<b>150,493</b>	<b>108,115</b>	<b>100,893</b>	<b>3,362</b>	<b>3,360</b>	<b>261,019</b>	<b>254,746</b>
Surplus/(deficit) from previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		149,542	150,493	108,115	100,893	3,362	3,360	261,019	254,746
Less expenses including accrued expenses		(149,542)	(150,493)	(108,115)	(100,893)	(3,362)	(3,360)	(261,019)	(254,746)
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 36.3 Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships <sup>#</sup>	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)	26,872	27,634	2,142	2,211	-	(15)
Net accrual adjustments	-	-	-	-	140	88
<b>Revenue for the period</b>	<b>26,872</b>	<b>27,634</b>	<b>2,142</b>	<b>2,211</b>	<b>140</b>	<b>73</b>
Surplus/(deficit) from previous year	(3,288)	(1,462)	111	1,035	(122)	(73)
Total revenue including accrued revenue	23,584	26,172	2,253	3,246	18	-
Less expenses including accrued expenses	(26,995)	(29,460)	(2,253)	(3,135)	(138)	(122)
<b>Surplus/(deficit) for reporting period</b>	<b>(3,411)</b>	<b>(3,288)</b>	<b>-</b>	<b>111</b>	<b>(120)</b>	<b>(122)</b>

	Note	Commonwealth Accommodation Scholarships <sup>#</sup>		Indigenous Access Scholarships		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		-	-	-	-	29,014	29,830
Net accrual adjustments		96	59	93	82	329	229
<b>Revenue for the period</b>	<b>2</b>	<b>96</b>	<b>59</b>	<b>93</b>	<b>82</b>	<b>29,343</b>	<b>30,059</b>
Surplus/(deficit) from the previous year		34	59	4	4	(3,261)	(437)
Total revenue including accrued revenue		130	118	97	86	26,082	29,622
Less expenses including accrued expenses		(91)	(84)	(97)	(82)	(29,574)	(32,883)
<b>Surplus/(deficit) for reporting period</b>		<b>39</b>	<b>34</b>	<b>-</b>	<b>4</b>	<b>(3,492)</b>	<b>(3,261)</b>

<sup>#</sup> Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

## Note 36 Acquittal of Australian Government financial assistance (University only) (continued)

### Note 36.4 Education research

	Joint Research Engagement		JRE Engineering Cadetships <sup>#</sup>		Research Training Scheme		Research Infrastructure Block Grants	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)	32,646	33,091	-	535	65,992	68,081	30,263	30,564
Net accrual adjustments	-	-	(738)	(535)	-	-	-	-
<b>Revenue for the period</b>	<b>32,646</b>	<b>33,091</b>	<b>(738)</b>	<b>-</b>	<b>65,992</b>	<b>68,081</b>	<b>30,263</b>	<b>30,564</b>
Surplus/(deficit) from previous year	-	-	1,273	738	-	-	-	-
Total revenue including accrued revenue	32,646	33,091	535	738	65,992	68,081	30,263	30,564
Less expenses including accrued expenses	(32,646)	(33,091)	738	535	(65,992)	(68,081)	(30,263)	(30,564)
<b>Surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>	<b>1,273</b>	<b>1,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Note	Sustainable Research Excellence in Universities		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from the Australian Government for programs)		27,050	24,612	155,951	156,883
Net accrual adjustments		-	-	(738)	(535)
<b>Revenue for the period</b>	<b>2</b>	<b>27,050</b>	<b>24,612</b>	<b>155,213</b>	<b>156,348</b>
Surplus/(deficit) from previous year		-	-	1,273	738
Total revenue including accrued revenue		27,050	24,612	156,486	157,086
Less expenses including accrued expenses		(27,050)	(24,612)	(155,213)	(155,813)
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>1,273</b>	<b>1,273</b>

<sup>#</sup> The reported surplus for JRE Engineering Cadetships of \$1.273 million for 2016 are expected to be rolled over for future use.

### Note 36.5 Capital funding

	Note	Education Investment Fund		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		-	-	-	-
Net accrual adjustments		516	3,974	516	3,974
<b>Revenue for the period</b>	<b>2</b>	<b>516</b>	<b>3,974</b>	<b>516</b>	<b>3,974</b>
Surplus/(deficit) from previous year		-	4,505	-	4,505
Total revenue including accrued revenue		516	8,479	516	8,479
Less expenses including accrued expenses		(516)	(8,479)	(516)	(8,479)
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 36 Acquittal of Australian Government financial assistance (University only) (continued)

### Note 36.6 Australian Research Council grants

#### Note 36.6(a) Discovery

		Projects		Fellowships		Indigenous Researchers Development		Total	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		27,042	24,002	24,918	23,983	306	308	52,266	48,293
Net accrual adjustments		1,020	476	1,031	53	(22)	13	2,029	542
<b>Revenue for the period</b>	<b>2</b>	<b>28,062</b>	<b>24,478</b>	<b>25,949</b>	<b>24,036</b>	<b>284</b>	<b>321</b>	<b>54,295</b>	<b>48,835</b>
Surplus/(deficit) from previous year		310	629	-	-	-	-	310	629
Total revenue including accrued revenue		28,372	25,107	25,949	24,036	284	321	54,605	49,464
Less expenses including accrued expenses		(27,298)	(24,797)	(25,949)	(24,036)	(284)	(321)	(53,531)	(49,154)
<b>Surplus/(deficit) for reporting period</b>		<b>1,074</b>	<b>310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,074</b>	<b>310</b>

#### Note 36.6(b) Linkages

		Infrastructure		Projects		Industrial		Total	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		3,368	2,741	11,066	11,055	2,420	2,652	16,854	16,448
Net accrual adjustments		2,472	816	(2,103)	318	(221)	(288)	148	846
<b>Revenue for the period</b>	<b>2</b>	<b>5,840</b>	<b>3,557</b>	<b>8,963</b>	<b>11,373</b>	<b>2,199</b>	<b>2,364</b>	<b>17,002</b>	<b>17,294</b>
Surplus/(deficit) from previous year		(370)	(1,006)	713	900	610	(18)	953	(124)
Total revenue including accrued revenue		5,470	2,551	9,676	12,273	2,809	2,346	17,955	17,170
Less expenses including accrued expenses		(5,568)	(2,921)	(8,879)	(11,560)	(1,688)	(1,736)	(16,135)	(16,217)
<b>Surplus/(deficit) for reporting period</b>		<b>(98)</b>	<b>(370)</b>	<b>797</b>	<b>713</b>	<b>1,121</b>	<b>610</b>	<b>1,820</b>	<b>953</b>

## Note 36 Acquittal of Australian Government financial assistance (University only) (continued)

### Note 36.6(c) Networks and centres and special research initiatives

	Note	Research Networks		Centres		Subtotal Networks and Centres		Special Research Initiatives		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during reporting period (total cash received from Australian Government for the programs)		-	-	7,253	7,132	7,253	7,132	3,505	3,446	10,758	10,578
Net accrual adjustments		57	-	(78)	(1,248)	(21)	(1,248)	2,370	4,428	2,349	3,180
<b>Revenue for the period</b>	<b>2</b>	<b>57</b>	<b>-</b>	<b>7,175</b>	<b>5,884</b>	<b>7,232</b>	<b>5,884</b>	<b>5,875</b>	<b>7,874</b>	<b>13,107</b>	<b>13,758</b>
Surplus/(deficit) from the previous year		-	-	1,841	277	1,841	277	(393)	(314)	1,448	(37)
Total revenue including accrued revenue		57	-	9,016	6,161	9,073	6,161	5,482	7,560	14,555	13,721
Less expenses including accrued expenses		-	-	(6,651)	(4,320)	(6,651)	(4,320)	(5,386)	(7,953)	(12,037)	(12,273)
<b>Surplus/(deficit) for reporting period</b>		<b>57</b>	<b>-</b>	<b>2,365</b>	<b>1,841</b>	<b>2,422</b>	<b>1,841</b>	<b>96</b>	<b>(393)</b>	<b>2,518</b>	<b>1,448</b>

### Note 36.7 OS-HELP

	OS-HELP	
	2016 \$'000	2015 \$'000
Cash received during the reporting period	3,548	2,767
Cash spent during the reporting period	(3,053)	(2,694)
<b>Net cash received</b>	<b>495</b>	<b>73</b>
Cash surplus/(deficit) from the previous period	1,291	1,218
<b>Cash surplus/(deficit) for reporting period</b>	<b>1,786</b>	<b>1,291</b>

### Note 36.8 Student Services and Amenities Fee

	Note	Student Services and Amenities Fee	
		2016 \$'000	2015 \$'000
Unspent/(overspent) revenue from previous period		7,718	4,164
SA-HELP revenue earned		3,362	3,360
Student Services Fees direct from students	<b>4</b>	5,210	4,983
<b>Total revenue expendable in period</b>		<b>16,290</b>	<b>12,507</b>
Student services expenses during period		(9,352)	(4,789)
<b>Unspent/(overspent) Student Services and Amenities Fee</b>		<b>6,938</b>	<b>7,718</b>

# Statement by Vice-Chancellor and Chief Financial Officer

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The University Council at its meeting held on 15 March 2017 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:

- (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 2016 and the financial position of its operations for the year ended on that date,
- (ii) 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 2016 reporting period as issued by the Australian Government Department of Education,
- (iii) the Group has complied with all material requirements of applicable legislation, contracts, agreements and various program guidelines that apply to Australian Government financial assistance identified in these financial statements,
- (iv) 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,
- (v) the amount of Australian Government financial assistance received during the financial year ended 31 December 2016 was expended for the purposes for which it was provided.



Professor Glyn Davis  
Vice-Chancellor  
15 March 2017



Allan Tait  
Chief Financial Officer  
15 March 2017

## AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

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

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

MELBOURNE  
22 March 2017



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

## INDEPENDENT AUDITOR'S REPORT

### To the Council of the University of Melbourne

#### Qualified opinion

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

- consolidated entity and university statements of financial position as at 31 December 2016
- consolidated entity and university income statements and comprehensive income statements for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- statement by the Vice-Chancellor and Chief Financial Officer.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the financial report is in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- giving a true and fair view of the financial position of the university and the consolidated entity as at 31 December 2016 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### Basis for qualified opinion

The University of Melbourne has recognised a liability of \$223 million in the statement of financial position (2015: \$213 million) that represents grants and contributions received but not spent during the year ended 31 December 2016.

As stated in Note 2 to the financial report, the University regards the receipt of such income as a reciprocal transfer and defers the income until the services required by the grant are provided. In my opinion, these grants are non-reciprocal in nature and, as required by Australian Accounting Standard AASB 1004 *Contributions*, the income should be recognised in the reporting period in which the associated cash is received. The University's accounting policy represents a departure from the requirements of AASB 1004. 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 report since that time.

The following adjustments to the financial report are required to recognise grants as income for both the University of Melbourne and the consolidated group in accordance with AASB 1004: *Other current liabilities* be reduced by \$223 million (2015: \$213 million) and the *Net result* and *Total comprehensive income* be increased by \$10 million (2015: reduced by \$4 million).

## Independent Auditor's Report (continued)

### Basis for qualified opinion (continued)

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

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

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

### Council's responsibilities for the financial report

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

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

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council

## Independent Auditor's Report (continued)

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

- conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the university and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the university and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the university and the consolidated entity. I remain solely responsible for my audit opinion.

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

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

MELBOURNE  
22 March 2017



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# Disclosure index

Item No.	Source reference	Disclosure	Page No./s
<b>Standing directions of the minister for finance</b>			
1	FRD 22G	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994 (FMA).	1-64
2	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions and Australian Accounting Standards.	3
3	SD 5.2.3	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	3
4	SD 5.2.2	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; and</li> <li>■ FMA.</li> </ul>	79, 120
5	FDR 22G and FMA	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>	73-119
6	SD 5.2.2(a) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none"> <li>■ Present fairly the financial transactions during reporting period and the financial position at end of the period;</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>	120
7	FDR 30C	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>	67-71, 73-79 82-119
8	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee established by the Responsible Body or Responsible Body prior to finalisation and submission.	41
9	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework.	53
10	FRD 03A	Accounting for Dividends	NA
11	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	80
12	FRD 10A	Disclosure Index	125-127

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13	FRD 11A	Disclosure of Ex-gratia Payments	NA
14	FRD 17B	Long Service leave and annual leave for employees	85, 100
15	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	112-114
16	FRD 22G	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following</p> <ol style="list-style-type: none"> <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>	71
17	FRD 22G	Manner of establishment and the relevant Minister	38, 114
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22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	1-64
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at 6.10 (a) to (e) in the FRD	48-52
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	8-9, 30, 33
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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	8-9, 30, 32, 33
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
33	FRD 22G	Summary of application and operation of the Freedom of Information Act 1982	61
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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))	62
40	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	NA
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	NA
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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>	54–59

