

2018 ANNUAL REPORT



THE UNIVERSITY OF
MELBOURNE

GROWING TODAY. BUILDING THE IDEAS OF TOMORROW



New Fishermans Bend Campus 2022* **Engineering ideas for the 21st century**

The University is creating a world-class engineering school for the 21st century, including a new purpose-built engineering campus at Melbourne's Fishermans Bend – Australia's newest design and engineering precinct.



Southbank Campus Redevelopment 2019* **Melbourne's new creative centre**

This ambitious \$200 million project, including the new Melbourne Conservatorium, brings music and fine arts students together at the heart of the Melbourne Arts Precinct. It supports the Faculty of Fine Arts and Music's standing as a world-leading arts education institution with cutting-edge facilities and strong industry links.



New Student Precinct 2022* **Bringing the campus community together**

Co-created with students, the New Student Precinct at Parkville will provide a place for students to connect, engage and innovate. This vibrant precinct will bring together student services with study spaces, arts and cultural facilities with food and retail outlets; all in close proximity to the Parkville campus.



Science Gallery Melbourne 2020* **Growing minds in arts and science**

The newest addition to an acclaimed international network with eight nodes worldwide, the landmark Science Gallery Melbourne will be embedded in the University of Melbourne's new innovation precinct, providing a dynamic venue for growing minds in arts and science.



Old Quadrangle Redevelopment 2019* **Reaffirming the heart of the University**

Following an extensive restoration and the incorporation of cultural and event spaces, the Old Quad will be reaffirmed as the University's cultural, civic and ceremonial heart.



Western Edge Biosciences Parkville 2019* **Where modern facilities meet our living heritage**

Bringing three faculties together for the first time, our Western Edge Biosciences program will create world-leading teaching, learning and research facilities for an advanced student experience for the next generation of bioscientists, veterinarians and doctors.



Werribee Campus Redevelopment 2019* **Victoria's world-class home for veterinary education and animal treatment**

Through a \$63 million investment, the University is expanding its Veterinary School and U-Vet Animal Hospital at Werribee to deliver greater treatment, training and client facilities for Victoria's only globally accredited veterinary medicine degree.



Melbourne Connect 2020* **Solving challenges collaboratively**

The University of Melbourne, in partnership with a consortium led by Lendlease, is developing Melbourne Connect, Australia's leading innovation precinct on the former site of the Royal Women's Hospital. The precinct is designed to co-locate leading industry, government, entrepreneurs, students and researchers to work together to develop innovative solutions to major societal challenges.



New Student Accommodation 2020* **Home away from home**

The Melbourne Student Accommodation Program will provide students with high-quality, secure and affordable accommodation within close proximity to the Parkville campus. The Program is expected to deliver 6000 accommodation placements by 2020 – offering students a wide variety of accommodation options that range in price, amenity and services.



* Anticipated completion date

For over 160 years the University of Melbourne has focused on the future. That's why we're renewing our campus infrastructure – to build the ideas of tomorrow.

Campus locations

- 1. Parkville
- 2. Southbank
- 3. Burnley
- 4. Hawthorn
- 5. Fishermens Bend
- 6. Werribee
- 7. Creswick
- 8. Shepparton
- 9. Dookie

9

8

7

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6

Artist's impression, Ian Potter Auditorium, Southbank, part of the ambitious \$200 million capital works project to boost the standing of the Faculty of Fine Arts and Music as a world-leading, cutting-edge arts facility with strong industry links.

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MESSAGE FROM THE CHANCELLOR

The Hon. Gayle Tierney MLC
Minister for Training and Skills
and Minister for Higher Education
Level 1, 2 Treasury Place
East Melbourne Vic 3002

29 March 2019

Dear Minister

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 2018.

The University of Melbourne Council endorsed the Annual Report at its meeting on 14 March. The Annual Report is prepared in accordance with the requirements of the financial reporting directions under the *Financial Management Act 1994*. This Council remains a group of leaders mindful of their important duty to serve the University of Melbourne and the broader society of which it forms a part. The Council exercises broad oversight of the University's operations, whose day-to-day work is the responsibility of the Vice-Chancellor and the University's staff members.

As you will read in this report, the University has taken significant steps in 2018 towards discharge of its wider social responsibilities. These include steps to deepen its relationship with Indigenous Australians through the adoption of the third Reconciliation Action Plan, and its related commitments. It has also continued to excel academically, a point reflected in its continued position as the leading Australian university according to both the Academic Ranking of World Universities and the Times Higher Education World University Rankings.

I am also delighted to report that in 2018, after an exhaustive search within Australia and internationally, the University welcomed its 20th Vice-Chancellor, Professor Duncan Maskell, who succeeded Professor Glyn Davis on 1 October. University Council looks forward to working closely with Vice-Chancellor Maskell in the years to come.

Yours sincerely

Allan J Myers AC QC
Chancellor



MESSAGE FROM THE VICE-CHANCELLOR

It was a privilege for me to take up the role of Vice-Chancellor of the University of Melbourne in 2018. I come to this university from another great university, the University of Cambridge, full of enthusiasm to lead Melbourne through its next stage as it becomes an even stronger force in international higher education.

I am mindful of inheriting a great legacy of work by my predecessor, Vice-Chancellor Glyn Davis. In the time period covered by this Annual Report, the University has brought to completion many of the key objectives expressed through the Growing Esteem strategy, and continued to build prudently for the future.

Among its positive and forward-looking initiatives in 2018 were the beginning of construction of the new Student Precinct at Parkville, the creation of the Melbourne School of Professional and Continuing Education, and the continued recruitment and development of high-citation researchers within the University community. I am also delighted that the University has surpassed its Advancement targets for the year.

Today the University's global standing is strong – and it should grow stronger in years ahead. I particularly look forward to helping develop the next University strategy. I am especially keen to support the University's Indigenous relationships and its continuing leadership in Reconciliation, and its valuing of diversity and an inclusive culture for students and staff members.

I look forward eagerly to the next stage of building as we continue to leverage Melbourne's unique position as a university of excellence in a great city and in the wider world.

Yours sincerely

Professor Duncan Maskell
Vice-Chancellor

2018 AT A GLANCE

#1
in Australia
THE Global Rankings

#32
in the world
in the THE
Global Rankings

\$460m
research
income*

7309
research
publications

22,234
total award
completions

#6
in the world
in graduate
employability⁺

52,745
students
(EFTSL)

#1
in Australia
in the ARWU

51%
undergraduate
49%
graduate

8983
staff
(FTE)

140+
student
nationalities

42%
international
students

90%
of staff and students
walk, ride or catch
public transport
to campus

385,000+
living alumni

3500+
participants in
alumni mentor
programs

The Old Arts building sits alongside the Old Quadrangle in the heart of the University of Melbourne's Parkville campus. While echoing the Gothic-inspired architecture of the Old Quad – whose foundation stone was laid in 1854 – Olds Arts was actually built in the 1920s.

*Estimated, confirmation from HERDC due June 2019
+in the QS Graduate Employability Ranking

OUR HISTORY

1853

Laying a foundation for excellence

The University of Melbourne was proclaimed by the newly formed Parliament of Victoria in 1853 and its foundation stone laid in 1854. The University has been synonymous with Melbourne's intellectual growth and global reputation ever since.



1880

Welcoming women to an all-male bastion

In 1880 the University of Melbourne admitted women for the first time. Australia's first female graduate, Bella Guerin, graduated with a Bachelor of Arts in 1883. The country's first registered female medical students also graduated from the University of Melbourne in 1891.

1900s

Broadening and deepening our discipline offerings

In the early 1900s the University of Melbourne began to offer more professional courses, such as agriculture, dentistry, education and commerce.

2008

Introducing an innovative new curriculum

In 2008 the introduction of the Melbourne Model marked another historic transformation of the University, delivering broad undergraduate programs, smaller class sizes, team-based learning and a unique university experience.



2010

Committed to reconciliation

With its first Reconciliation Action Plan in 2010, the University of Melbourne made an official commitment to using its teaching and learning, research and engagement expertise and resources to make a sustainable contribution to better health, education and living standards for Indigenous Australians, and recognising the contribution of Aboriginal and Torres Strait Islander peoples and knowledges in support of this aim.

2018

Best in Australia, one of the finest universities in the world

Today the University of Melbourne is the leading centre for higher education and research in Australia. With strong research performance, excellence in teaching and learning, and intellectual and social capital, the University is positioned with the world's leading universities and currently ranked number 1 in Australia and number 32 in the world.



FEBRUARY

Student Precinct construction commenced

Works on the world-class student precinct on the Parkville campus commenced. To include nine buildings delivering new and refurbished buildings and landscape spaces, this signature project benefited from the contributions of over 12 000 students who influenced the direction of the Precinct through our co-creation approach.

MAY

Launch of Hansen scholarships and endowment for Little Hall

Jane Hansen and Paul Little AO – through the Hansen Little Foundation - donated \$30 million for a new scholarship program to support financially disadvantaged students over the life of their undergraduate degrees, and develop Little Hall, a student residence with capacity for 669 students.



JUNE

Introduction of Graduate Degree Pathways

From 2019 high-achieving students with a firm idea about career direction and who obtain the required ATAR can enrol upfront for both bachelors and graduate degrees.

AUGUST

New EBA agreement reached

The University successfully completed an extensive period of bargaining on a new enterprise agreement, achieving intended efficiency gains and building on the University's competitive and desirable conditions of staff employment.



OCTOBER

VC Duncan Maskell commences

Coming from the University of Cambridge to commence his term as the University of Melbourne's 20th Vice-Chancellor on 1 October, Professor Duncan Maskell supports a culture of philanthropy, public education for public good, and a strong international presence to attract and retain the best of the best.

DECEMBER

BIO 21 redevelopment opens

The opening in December of the state-of-the-art \$46 million research facility redevelopment in the University's Western Precinct will significantly expand Bio21's multidisciplinary research, training and industry engagement, and provide access to a purpose-built collaborative environment for over 140 scientists and students.

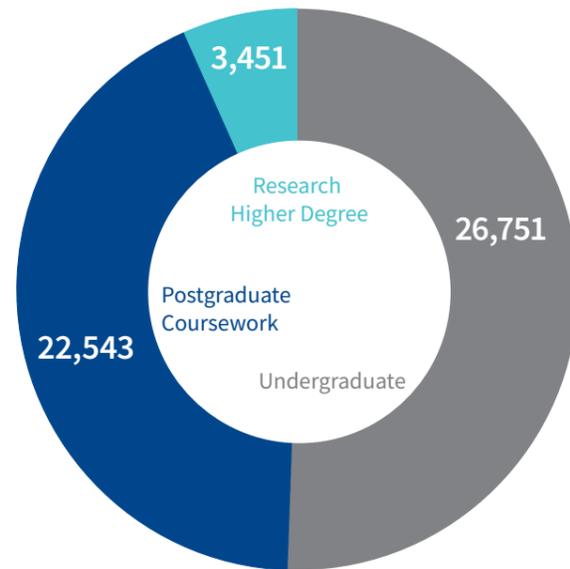


2018 HIGHLIGHTS

KEY STATISTICS

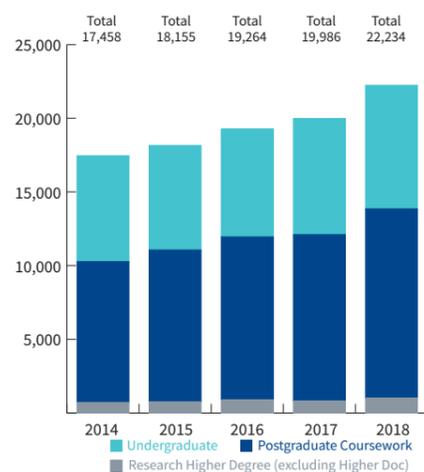
Architecture, Building and Planning	2,779
Arts	7,861
Business and Economics	8,856
Education	2,726
Engineering	6,747
Fine Arts and Music	3,305
Law	2,195
Medicine, Dentistry and Health Sciences	9,085
Science	5,803
Veterinary and Agricultural Science	2,032
Other	1,357

Enrolment by area of study (EFTSL)

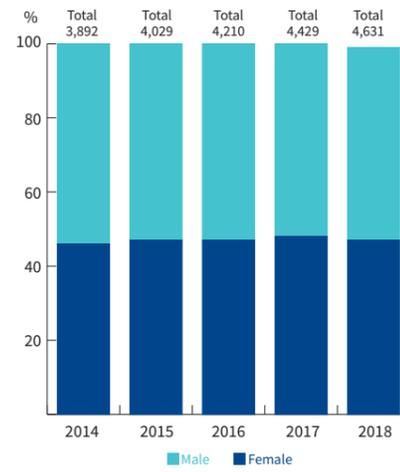


2018 student enrolments by program level (EFTSL)

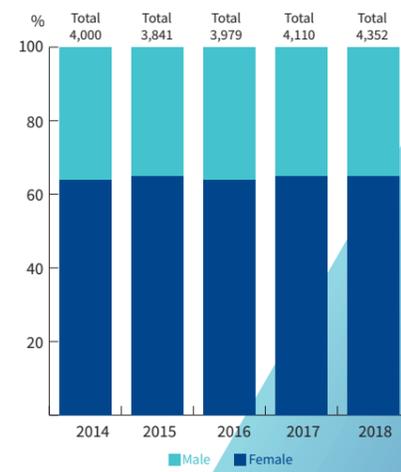
ACADEMIC AND PROFESSIONAL STAFF BY GENDER (FTE)



Awards completions²



Academic staff 2014–2018



Professional staff 2014–2018

	2014	2015	2016	2017	2018
Median ATAR¹					
	94.25	93.80	93.60	93.65	93.40
Student enrolments (EFTSL)²					
Total Load	42,637	45,431	48,088	50,220	52,745
Research Higher Degree	3,489	3,608	3,577	3,518	3,451
Postgraduate Coursework	17,208	18,430	19,751	20,862	22,543
Undergraduate	21,941	23,394	24,760	25,840	26,751
Female Enrolment (%)	54.7	54.99	55.65	56.40	57.11
International Load	13,200	15,211	17,567	19,988	24,166
International Students (%)	31.0	33.5	36.5	39.8	42.1
Total Indigenous Student Enrolments	230	270	288	341	383
Commonwealth Supported Places (including Research Training Programs)	24,230	24,779	25,021	24,794	26,016
Staff (FTE)^{3 and 4}					
Academic	3,892	4,029	4,210	4,429	4,631
Professional	4,000	3,841	3,979	4,110	4,352
Total	7,892	7,870	8,189	8,539	8,983
Research performance indicators²					
Research Income (\$million) ⁷	412	396	445	485	460
Research Publications (HERDC score) ⁸ (old method)	5,118	4,370	4,767	5,411	
Web of Science indexed publications ⁹	5,965	6,312	6,850	7,004	7,309
Research Completions (excluding Higher Doctorate)	720	765	901	825	1,022
Financials (\$million)⁵					
Total Underlying Operating Income (\$million)	1,892	1,977	2,150	2,274	2,494
Total Underlying Operating Expenditure	1,886	1,940	2,084	2,248	2,437
Underlying Operating Result ⁶	6	38	66	26	58
Underlying Operating Margin (%)	0.3	1.9	3.1	1.1	2.3
Underlying EBITDA ¹⁰ (%)	7.3	8.3	8.9	7.2	7.8

1. Median ATAR for enrolled students, based on both Commonwealth Supported Place and international onshore Year 12 students
 2. 2018 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 the University's accounting surplus less net discretionary financing income and expenditure, infrastructure grants and endowment philanthropic income
 7. 2018 unconfirmed figures

8. While the University continues to collect data on publications, its removal from the Higher Education Research Data Collection and Research Block Grants 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
 9. Update as of 25 January 2019
 10. EBITDA: Earnings before interest, tax, depreciation and amortisation.

STRATEGIC ROADMAP



VISION

The University of Melbourne will provide current and future generations with education and research equal to the best in the world.

GROWING ESTEEM: STRATEGIC ROADMAP TO 2020

The first iteration of the *Growing Esteem* strategy (2005) envisaged that by 2015 the University of Melbourne would be the nation's leading university, undertaking research of global quality and impact, delivering a distinctive and graduate-focused teaching profile and with a much-strengthened sense of connection to the University's many communities. This initial phase of *Growing Esteem* focused on teaching and learning as reflected in the innovative Melbourne Model, combining broad-based undergraduate education with pathways into excellent professional qualifications offered at a graduate level.

Growing Esteem 2010 aimed higher, with the University aspiring to be counted as one of the finest universities in the world. We developed a new research strategy and included an emphasis on the importance of engagement in enriching research and teaching. This phase of *Growing Esteem* refocused our approach to research and guided development of University of Melbourne precincts and industry partnerships.

Growing Esteem 2015–2020 seeks to fully realise the vision. We're embedding sustainability principles in our work, and setting higher benchmarks for teaching and learning, the student experience and globally recognised research. In this most recent iteration, engagement takes a central role, as we re-emphasise the value of our connections and contributions to community and society, and focus on the quality and importance of academic work.



STRATEGIC OBJECTIVES

Teaching, Learning and the Student Experience

Learning that stimulates, challenges and fulfils the potential of excellent students from around the world, leading to meaningful careers and profound contributions to society.

Research excellence and impact

Research that is brilliant, innovative and inspiring and that addresses the major social, economic and environmental challenges of our time.

Enriching our work through Engagement

Articulating the contribution of engagement as the binding strand, enriching our teaching and research, and deepening our contribution to the wider society.

Sustainability

Embedding sustainability objectives in infrastructure planning and service delivery, developing and supporting the capabilities of staff, and building a robust and financially viable organisation.



PERFORMANCE FRAMEWORK

Robust planning processes and performance

The University of Melbourne tracks its performance through 'balanced' and fit-for-purpose scorecards, reinforced by a set of common key performance indicators and reported to Council and senior leadership on a quarterly basis.

As shown below, the overview of performance is at 31 December 2018 against *Growing Esteem 2015–2020* targets across Teaching and Learning, Research Excellence, Engagement and Sustainability. Overall, 26% *Growing Esteem* KPIs are currently being exceeded or met, 52% are on track to meet scheduled timeline and expectations, 15% are making progress and 7% need attention.

GROWING ESTEEM KPI PERFORMANCE COMPARED TO 2020 TARGETS



THE DISTINCTIVE MELBOURNE MODEL PREPARES STUDENTS TO BE ACADEMICALLY OUTSTANDING, GROUNDED AND SOCIALLY AWARE. MELBOURNE GRADUATES ARE DISTINGUISHED BY THEIR HIGH LEADERSHIP POTENTIAL, THEIR WILLINGNESS TO ENGAGE WITH NATIONAL AND GLOBAL ISSUES, THEIR RESPECT FOR SOCIAL AND CULTURAL DIVERSITY AND THEIR PERSONAL INTEGRITY

TEACHING LEARNING AND THE STUDENT EXPERIENCE



HIGH QUALITY TEACHING AND LEARNING

Flexible and focused, the Melbourne Model is a globally recognised curriculum that combines broad undergraduate studies with professional specialisation at graduate level.

STUDENTS GIVE UNIVERSITY GOOD GRADES

In the latest QILT (Quality Indicators for Learning and Teaching) Student Experience Survey (2017) the University performed well. Results for Teaching Quality and Skills Development were higher compared to Group of Eight Universities (Go8), and Teaching Quality above the national average.



Undergraduate 2017
81% satisfied
with teaching quality compared to 80% nationally

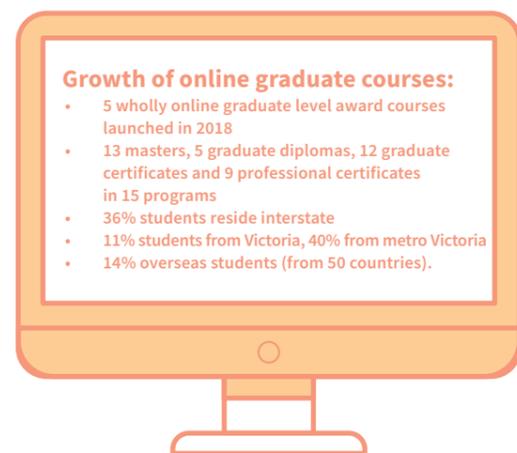


Graduate coursework 2017
83% satisfied
with teaching quality compared to 80% nationally

INNOVATION IN TEACHING AND LEARNING

Focusing on the future of education

During 2018 the University continued to expand the online graduate courses offered by graduate schools in collaboration with and supported by Melbourne School of Professional and Continuing Education (MSPACE).



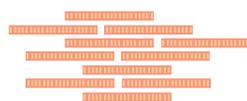
Growth of online graduate courses:

- 5 wholly online graduate level award courses launched in 2018
- 13 masters, 5 graduate diplomas, 12 graduate certificates and 9 professional certificates in 15 programs
- 36% students reside interstate
- 11% students from Victoria, 40% from metro Victoria
- 14% overseas students (from 50 countries).

Flexible Academic Programming project (FlexAP)

FlexAP will introduce new curriculum structures within individual subjects, develop a range of wholly online subjects, and provide teaching staff with modern tools and skills to enhance the learning of our students. It will be the most significant enhancement to teaching and learning since the introduction of the Melbourne Model.

FlexAP
\$40m
investment program transforming teaching and learning over next 5 years



STUDENT SUCCESS RATES EXTRAORDINARILY HIGH

The University of Melbourne has the lowest attrition rate for commencing domestic bachelor students in the nation* and has higher success and retention rates than the Victorian and Go8 averages*.



*Latest data available from Department of Education and Training

New school established to champion professional and executive learning

In 2018 the University created Melbourne School of Professional and Continuing Education (MSPACE). The new academic school has a whole-of-University mission to support development of continuing, professional and executive education offerings from all faculties and graduate schools. In so doing, the University will create new opportunities for lifelong learning and for education relevant to the professions.



Helping students avoid academic integrity issues

For the first time, in 2018 the University offered students access to an Academic Integrity website and training module across the entire academic year. Designed to provide a better understanding of academic integrity issues and scholarly best practices, the website helps students avoid the pitfalls of plagiarism, collusion and academic dishonesty.



Digital learning portfolio expanded

During 2018 the University continued to expand the online graduate courses offered by graduate schools in collaboration with and supported by MSPACE.

The University also reviewed its enterprise learning management system and made the decision to upgrade its primary digital learning platform from Blackboard to the emerging higher education leading system 'Canvas' by Instructure.

The University maintained its membership of the Coursera MOOC platform in 2018 while also joining UK-based FutureLearn. In partnership with the Nossal Institute and UNICEF, the University offered a novel education program on the FutureLearn platform and will continue to explore digital learning innovations with both FutureLearn and Coursera.



Offering flexible programs for the post-professional market

During 2018 the University developed a framework (microcredentials@Melbourne) to offer small units of learning that can be taken independently of whole degrees, diplomas and certificates, and then aggregated (or 'stacked') into larger full-scale academic awards.

STUDENT SPOTLIGHT

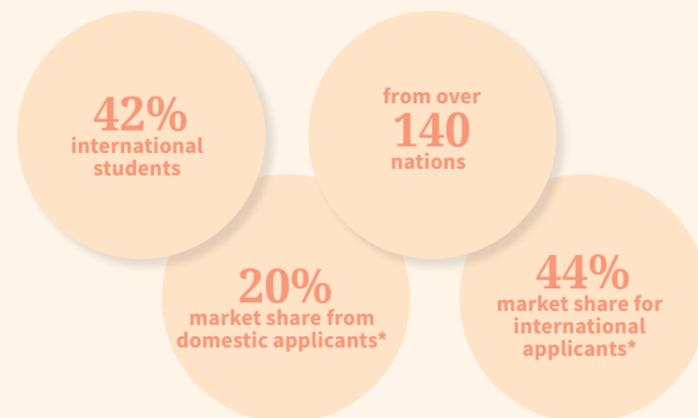
THE MELBOURNE MODEL

Since 2013 the University's graduate student population by headcount has outnumbered its undergraduate cohort, reflecting the introduction of our distinctive curriculum, the Melbourne Model, in 2008.

In 2018 the University maintained its position as a top destination for high-achieving domestic and international students and for the last seven years has attracted students with the highest ATARs in Victoria.

The Melbourne Model, coupled with the University's number 1 ranking in Australia, also has strong appeal to international students.

PROFILE AND DEMAND



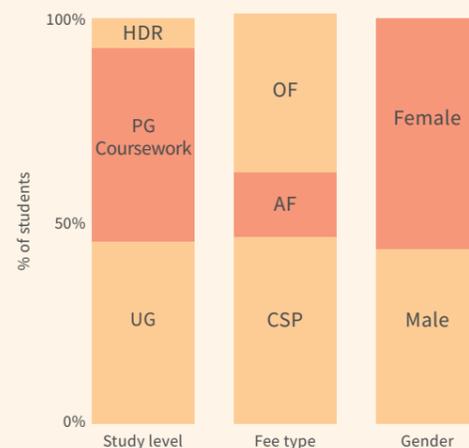
*First preferences from VTAC timely close data



2018 Top 5 international student nationalities



Student profiles*



UoM first preference data

		2014	2015	2016	2017	2018
Arts		1	1	1	1	1
Science		2	2	2	2	2
Commerce		4	4	4	4	4
Biomedicine		7	6	7	5	5

* HDR – Higher Degree Research, PG – Post graduate, UG – Undergraduate, OF – Overseas fee paying place, AF Australian fee paying place, CSP – Commonwealth supported place

Bachelor of Science, major in Zoology

Founded Unimelb Adventures

Students@Work

Social media internship

Studied in Peru

International Social Media Executive, Visit Victoria

Breadth of opportunity

Flexible study options opened Daphane Ng's eyes to a world of possibilities outside of her Bachelor of Science degree.

Breadth subjects allowed her to explore a growing interest in digital marketing, and she strengthened her skills and experience through the Students@Work program and by founding a student-led content hub, Unimelb Adventures.

Daphane was soon successful in obtaining a social media internship at the University and went on to study abroad in Peru, where she discovered her passion for travel. Since graduating, she has received an industry award for her innovative marketing activities and landed her dream job as the International Social Media Executive with state tourism body Visit Victoria.

"The Melbourne Model has been instrumental in my career pathway from science to digital marketing. Flexible study options made it possible to explore other disciplines through breadth subjects, and opportunities to gain real-world experience through study abroad programs and internships at the University helped me discover my true passions."

Daphane Ng credits the Melbourne Model with giving her life-changing opportunities to study abroad, take up important internships, win international awards and, ultimately, land her dream job.

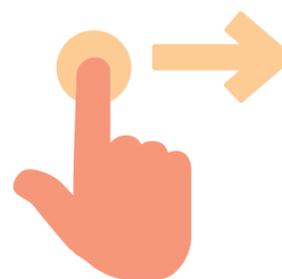
STUDENT EXPERIENCE

The University of Melbourne aims to provide excellent learning and student support services, focusing on improving access to study, and committed to creating an inclusive and safe environment.



ENHANCING THE STUDENT EXPERIENCE

During 2018 the Provost initiated a major review of student experience at Melbourne. The review developed a green paper for discussion and will result in a range of priority activities from 2019 and the inclusion of the student experience as a key performance metric in future strategic planning.



GIVING STUDENTS THE POWER TO CHOOSE

University of Melbourne students create their own study paths, choose their own direction and explore new options within their courses. The University believes that, in a world where careers are changing fast and employers value independent thinking, this breadth and flexibility empowers our students to succeed by ensuring they have the skills to adapt and to change – whatever the future holds.

ACCESS MELBOURNE

Access Melbourne is the University of Melbourne's special entry and scholarship scheme for domestic undergraduate applicants whose circumstances may have prevented them from achieving the best possible ATAR.

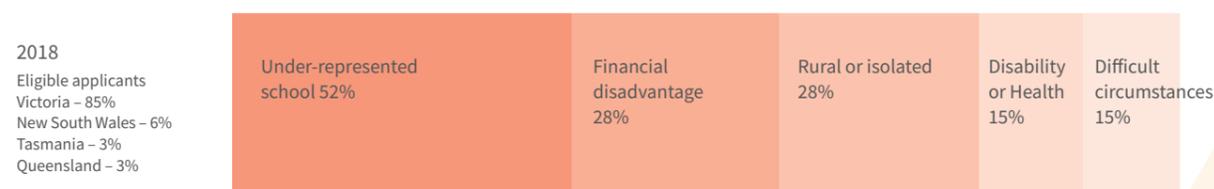
Consistently exceeding Access Melbourne targets

The University of Melbourne's access and equity scheme, introduced over 20 years ago, consistently exceeds its target for Access Melbourne places.

In 2018 the number of students entering through Access Melbourne grew with an impressive 32.8 per cent of the domestic commencing undergraduate cohort admitted through the scheme.

Proportion of Access Melbourne applicants by category

34 per cent of applicants with at least one preference for the University of Melbourne at the beginning of VTAC round 1 were eligible for Access Melbourne.



Note: Applicants may qualify for multiple categories (up to eight). Bar not sum of percentage shown.

EXPANDED STUDENT SERVICES FOR A GROWING COHORT

Stop 1 gives University of Melbourne students a one-stop access to front line assistance to resolve enquiries and make connections to support services.

In 2018 Stop 1 expanded the services and support offered to a growing student cohort and, in response to feedback, refined the way it communicated with students.

Stop 1 actions:

- Conducted **50,000+** course planning sessions with students
- Resolved **60,000+** face-to-face administration enquiries
- Answered **120,000** phone calls
- Responded to **110,000+** chats and emails
- Supported **1564** students to study overseas
- Arranged for 1146 students from overseas institutions to study at Melbourne
- During semester 2 exams, **provided out of hours study space** for 500+ student sittings.

HIGHER EDUCATION PARTICIPATION AND PARTNERSHIPS FUND IMPROVES ACCESS



The Higher Education Participation and Partnerships Program (HEPPP) aims to ensure that Australians from low socio-economic status (SES) backgrounds who have the ability to study at university have the opportunity to do so.

In 2018 the University continued to deploy funds from the HEPPP to improve offers, retention and completion rates.

INDIGENOUS STUDENTS

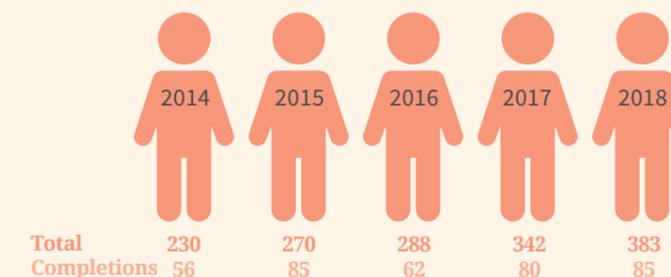
The Bachelor of Arts (Extended) and Bachelor of Science (Extended) are the University of Melbourne's flagship Indigenous student programs providing targeted support for Indigenous students, including a college residential experience throughout their studies.

In 2018 the University developed the *Indigenous Education Strategy 2018–2022* to:

- Increase the number of Indigenous students enrolling in, progressing in and completing courses leading to higher education awards
- Facilitate, monitor and improve inclusion of Indigenous knowledge in curricula, graduate attributes, and teaching practices
- Include activities for staff and students that develop cultural competency in Indigenous cultures, traditions and histories and promote understanding of the diversity of circumstances of Indigenous peoples in Australia.

Largest cohort of students enrolled 363 students

Total ATSI student numbers across five years





Planning for the **University's world-class student precinct** has benefitted from the contributions from **over 12,000 students** through its co-creation approach

STUDENT PRECINCT CREATED WITH AND FOR STUDENTS

The New Student Precinct, equivalent in size to a city block, will deliver an accessible, vibrant and engaging space for student-centred activity – consolidating student services and providing a diversity of food, events, study spaces, and arts and cultural facilities.

The new precinct will enhance the student experience and deliver on key University strategies including the Sustainability Plan 2017–2020 and the Reconciliation Action Plan 3.

The precinct will be completed in stages, with construction commenced at the end of 2018.

PROGRESSIVE ACCOMMODATION OFFER INTRODUCED

Growing Esteem Strategy 2015–2020 sets an ambitious target of 6000 accommodation placements by 2020 to align with the introduction of a progressive accommodation offer.



The **Melbourne Accommodation Program** provides an accommodation guarantee for all University of Melbourne undergraduate students. From 2019 students will enjoy access to a range of high-quality, secure, student accommodation placements within walking distance of the Parkville campus.

- The University is currently on track to meet its target of 6000 accommodation placements by 2020.
- In 2019 University-owned and affiliated capacity will reach over 5000 beds.



4304 students travelled overseas to undertake part of their degree

New Colombo Plan initiatives:

- \$642,015 received from Federal Government
- To support 181 students in 15 mobility projects across the Indo-Pacific region in 2019.
- Including programs to 2 new countries – Sri Lanka and New Caledonia.

GLOBAL EDUCATION EXPERIENCE

The University continues to explore opportunities for international mobility experiences with leading university partners as we progress towards our mobility target.

In 2018 the University again received Federal Government funding to support students to undertake New Colombo Plan mobility projects across the Indo-Pacific in 2019, including to two new countries – Sri Lanka and New Caledonia.

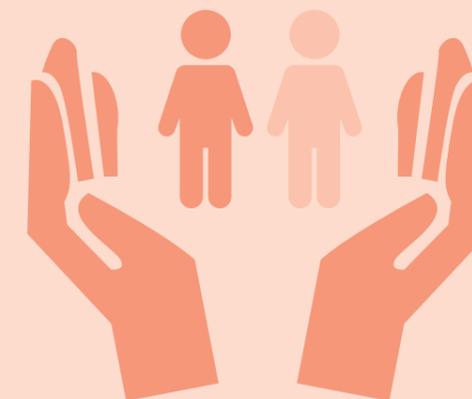
This funding is in addition to multi-year projects approved and run in previous annual rounds.

The University of Melbourne's main campus at Parkville is a car-free zone.

CONSENT MATTERS ONLINE TRAINING

★ 4742 commencing undergraduate students actively engaged

★ 4502 students from other cohorts



RESPECT.NOW.ALWAYS

In 2018 the University embarked on a perennial campaign to increase awareness of the issue of sexual violence, and promote the University's values and support resources available (both internal and external) for students and staff.

A tough problem calling for tough decisions

In July 2017 the Australian Human Rights Commission released results of its landmark survey into university student incidents of sexual assault and harassment. For the University of Melbourne, as with universities across Australia, the findings were stark and challenging and prompted an unequivocal resolution to use the data to drive comprehensive and sustained improvements.

Having identified that the University had a problem, leadership turned attention to the burning issue of how best to address underlying cultural attitudes towards sexual assault and harassment. This included its prevalence on campus, and the fact that the overwhelming majority of survey participants had low levels of knowledge about relevant University policies, the support services available, and where to find them.

Even before the report was published, University leadership convened a campus-wide Respect Taskforce comprising staff, students and experts in the field who resolved to:

- Demonstrate the University's commitment to foster an environment free of bullying, harassment and assault – and to providing support for anyone in need
- Considerably increase a visible Respect presence
- Promote awareness of University values and standards
- Ensure everyone is aware of resources and support available in relation to bullying, harassment or assault on campus.

CAREER OUTCOMES

Employment outcomes for Melbourne graduates are a strategic priority of *Growing Esteem 2015–2020*, and we continue to work to provide our graduates the best possible start to their career.

UNIVERSITY GRADUATES IN HIGH DEMAND

The Graduate Outcomes Survey has confirmed that University of Melbourne graduates are in high demand and judged by employers to be highly skilled.

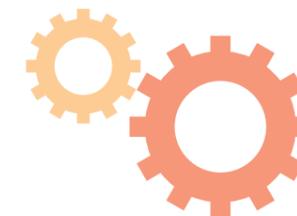
To support excellent career outcomes, in 2018 the University continued to develop the curriculum to increase opportunities for work-integrated learning experiences, internships and networking with future employers.

Particular attention was given to the needs of students not proceeding to graduate coursework or research higher degrees and to ensuring that sufficiently specialised support is available to graduates in professional degrees.



2018 positive graduate outcomes*

* QILT (Quality Indicators for Learning and Teaching)



EMPLOYABILITY

New online employment programs launched

Employment Fundamentals Program

Combining targeted single subjects and robust assessment, students will explore the fundamentals of business, data, the law, professional communication and entrepreneurship and innovation. On completion, graduates will qualify for admission to a newly created Graduate Certificate in Enterprise Skills.

Graduate Certificate in Enterprise Skills

The Graduate Certificate in Enterprise Skills (due to launch in February 2020) will be taught in intensive mode on campus, led by academics and industry practitioners. It will focus on the '21st century skills' that employers demand including teamwork, collaboration, innovation and design thinking.

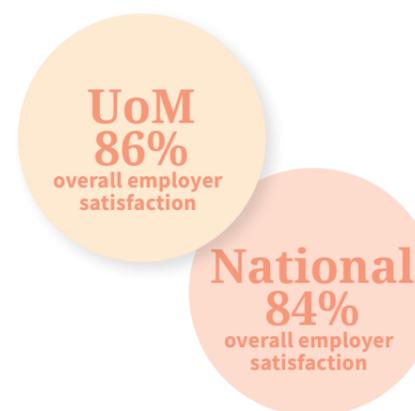
Enhancing experiential learning opportunities within courses

Released in 2018, the Melbourne Practice and Partnership Framework discussion paper proposed a University-wide approach to enhance the delivery of experiential learning opportunities within coursework programs. The framework both includes and extends beyond typical work-integrated learning activities, such as placements and internships.

The framework identifies four avenues in which students can apply their knowledge in authentic settings, including opportunities for students and academics to partner with external organisations in teaching and learning activities.

TOP PERFORMER NATIONALLY FOR EMPLOYER SATISFACTION

The Employer Satisfaction Survey* is the first national survey reporting on direct supervisor's views on the attributes of recent university graduates nationally. The survey covers technical skills, generic skills and work readiness of recent graduates.



2018 survey data incorporates 2017 and 2016 pilot results
* QILT (Quality Indicators for Learning and Teaching)



Artist's impression, Little Hall. The new residential facility will give hundreds of talented Australian students the opportunity to realise their full potential through an extraordinary \$30 million gift to the University of Melbourne from the Hansen Little Foundation.

HANSEN SCHOLARSHIP PROGRAM

Supporting high-achieving students to overcome previous challenges.

MELBOURNE PRINCIPALS' SCHOLARSHIPS

One recipient from every Victorian Year 12 or International Baccalaureate (IB) nominated by school principal (\$5000 single payment).

MELBOURNE NATIONAL MERIT SCHOLARSHIPS

For talented students (ATAR 99.00+) from states and territories other than Victoria, to assist with cost of moving to Melbourne (\$8000 single payment).

MELBOURNE INDIGENOUS MERIT SCHOLARSHIPS

To 10 talented graduate students of Australian Indigenous descent (100% fee remission and up to \$18 000 in allowances over three years).

MELBOURNE HUMANITARIAN SCHOLARSHIP

To four talented Year 12 or IB students who have applied for asylum in Australia to support undergraduate or graduate programs.

PERFORMANCE AGAINST TARGETS

High quality learning and teaching

Achieve the undergraduate CEQ overall satisfaction score above the National and Go8 average scores¹

- 2014 baseline: UoM 80.2, N Ave* 81.4, Go8 80.6
- 2018 performance: UoM 76.9, N Ave* 79.7, Go8 78.5
- 2020 target: Above the National and Go8 average



Achieve the undergraduate CEQ good teaching score above the National and Go8 average scores¹

- 2014 baseline: UoM 64.3, N Ave* 70.0, Go8 66.3
- 2018 performance: UoM 60.3, N Ave* 62.2, Go8 59.3
- 2020 target: Above the National and Go8 average



Achieve the postgraduate coursework CEQ overall satisfaction score above the National and Go8 average scores¹

- 2014 baseline: UoM 87.8, N Ave* 83.8, Go8 82.8
- 2018 performance: UoM 81.6, N Ave* 81.6, Go8 80.9
- 2020 target: Above the National and Go8 average



Achieve the postgraduate coursework CEQ good teaching score above the National and Go8 average scores¹

- 2014 baseline: UoM 78.5, N Ave* 75.0, Go8 73.9
- 2018 performance: UoM 68.0, N Ave* 69.0, Go8 67.8
- 2020 target: Above the National and Go8 average



Student experience

Increase opportunities for high quality, student accommodation²

- 2014 baseline: 2,400
- 2018 performance: 3,192
- 2020 target: 6,000



Increase the number of undergraduates participating in an international experience³

- 2014 baseline: 15.6%
- 2018 performance: 21.1%
- 2020 target: 25%



Equity and Career outcomes

Maintain at least 25% of Access Melbourne participation⁴

- 2014 baseline: 40%
- 2018 performance: 32.8%
- 2020 target: 25%



Achieve the undergraduate GOS positive graduate outcome score above the National and Go8 average scores⁵

- 2014 baseline: UoM 75.4, N Ave* 62.0, Go8 66.4
- 2018 performance: UoM 69.5, N Ave* 66.8, Go8 70.8
- 2020 target: Above the National and Go8 average



Achieve the postgraduate coursework GOS positive graduate outcome score above the National and Go8 average scores⁵

- 2014 baseline: UoM 68.6, N Ave* 68.3, Go8 71.3
- 2018 baseline: UoM 75.8, N Ave* 73.8, Go8 75.1
- 2020 target: Above the National and Go8 average



- Go8 institutions are ranked by average Course Experience Questionnaire results (CEQ) contained in Graduate Outcome Survey (GOS) in a given year
- Figures based on count of beds at new University-endorsed accommodation
- Based on total number of undergraduate students participating in international experience as percentage of total undergraduate students in a given year
- In a given year, total number of undergraduate students admitted to undergraduates degrees through Access Melbourne expressed as percentage of total undergraduate students admitted
- Go8 institutions ranked based on positive graduate outcomes (calculated as respondents to GOS in full-time employment or study as proportion of total respondents)

* N Ave - National average

2019 OPPORTUNITIES AND CHALLENGES

2019 affords the opportunity to increase responsiveness to student preferences – from assessment and flexible scheduling, to entire programs being offered online. Creation of the New Student Precinct will catalyse the energy and creativity of the entire Parkville campus community, and help lift the student experience. Careful attention to gender equity, equity of access, and diversity among our student cohort is also a primary point of focus.

RESEARCH IMPROVES LIVES AND CONTRIBUTES TO CREATING A BETTER WORLD. THROUGH OUR RESEARCH THE UNIVERSITY OF MELBOURNE DEVELOPS NEW INSIGHTS AND CONTRIBUTES TO THE MAJOR SOCIAL ECONOMIC AND ENVIRONMENTAL CHALLENGES FACING THE WORLD TODAY, AND INTO THE FUTURE

RESEARCH

RESEARCH QUALITY AND PERFORMANCE CULTURE

The University of Melbourne promotes a culture of research excellence and impact of international standing. Through its research – pure and applied – the University advances knowledge and enriches cultural and community life, elevates public awareness of educational, scientific and artistic developments, and promotes critical and free enquiry, and public debate within the University and in the wider society.

HIGH IMPACT RESEARCH

The quality and impact of University of Melbourne research publications continued to improve throughout the year, with 33 University researchers making the Highly Cited Researchers list in 2018. Hi-Ci researchers (as they are popularly known) are those working in the science and social science disciplines who have produced multiple papers ranked in the top 1 per cent of articles cited by other researchers. In 2018 a new category was included, identifying Highly Cited Researchers with substantial influence across several fields during the last decade – the University of Melbourne had 10 Highly Cited Researchers in the new cross-field category.



AUSTRALIAN RESEARCH COUNCIL FUNDING SUPPORTING WORLD-CLASS RESEARCH

ARC Laureate Fellowships

ARC Laureate Fellowships are awarded to Australia's most outstanding researchers to enable the discovery of solutions to the world's most intractable problems, the pursuit of innovative studies, and support the mentoring of early career researchers.

Examples of ARC Laureate Fellowships research projects

Protecting the Great Barrier Reef's coral tissue, using bioengineering to imbue essential microalgae and bacteria with characteristics that make them more resilient to climate change.

Developing next-generation batteries using materials consisting of a single layer of atoms for use in water purification, mineral extraction and biomedical devices.

Helping low-lying islands adapt to climate change through the creation of systems for identifying and monitoring change, and building capacity of early career researchers to enhance understanding of adaptation and resilience to environmental change.

ARC Future Fellowships

ARC Future Fellowships provide four-year funding to support outstanding Australian mid-career researchers in their work on projects of critical national importance and help grow the pipeline of leading researchers of the future.

Examples of ground-breaking research projects funded by 2018 Future Fellowships

Reducing the risk of suicide and self-harm by investigating how regulation can improve the practice of poorly performing legal and health practitioners in the hospital and community setting.

Enhancing energy efficiency through creation of bio-inspired materials developed after looking at how and why beetles and butterflies reflect near-infrared light.

Discovering new subatomic phenomena through an investigation of machine-learning techniques to analyse particle physics results from the Large Hadron Collider.



ARC Laureate Fellowships
3 applications funded **\$8.7m**

ARC Future Fellowships
10 applications funded **\$7.9m**

2018 Industrial Transformation Training Centre
\$4m for UoM-centre



\$104 m
of total NHMRC
funds awarded to the
University of Melbourne

National Health and Medical Research Council projects

National Health and Medical Research Council (NHMRC) funding creates pathways to a healthier future for Australians by disseminating evidence-based health and medical research and advice to the community through all levels of government and health professionals.

Some community health and wellbeing projects funded by National Health and Medical Research Council

- *Controlling the spread of Buruli ulcers*, an ulcerative skin disease increasing alarmingly around the bayside suburbs of Melbourne and Geelong in Victoria, through a first-time intervention study targeted at mosquitoes in affected areas that will directly inform public health policies
- *Reducing the burden of chlamydia infection* and its complications by implementing a model of chlamydia case management in general practice
- *Improving employment and health outcomes for young people with disabilities* by producing new evidence about the individual, service-related, workplace and contextual factors that contribute to successful employment and health outcomes
- *Reducing complications for babies with cerebral palsy* with a study focused on training clinicians in early detection, utilising a smart phone app to support in early diagnosis, fast tracking at-risk patients to clinical services and providing mental health support for parents
- *Improving breast cancer risk prediction*, through a study to substantially improve breast cancer risk prediction and, importantly, improve patient accessibility to such a test.



13 awards totalling
\$12.7 m
in Medical Research Future Funds grants

Medical Research Future Fund

The Medical Research Future Fund supports innovative health and medical researchers to make future breakthrough discoveries, resulting in more advanced healthcare and medical technology for all Australians to ensure they are able to live better and longer lives.

Headline breakthrough projects funded by Medical Research Future Fund:

- *Finding an effective treatment for the devastating side effects of ataxia disease*, a degenerative disease that adversely affects speech, through a clinical trial of intensive home-based computer-assisted speech training
- *Enabling continuation of Australia's first mobile stroke units* to allow scanning of stroke patients' brains during their ambulance journeys to hospital for earlier identification and improved treatment of brain bleeds
- *Funding vital ongoing work into diseases such as asthma and epilepsy* using retinal photography, artificial intelligence and precision medicine.

OPERATING AT LEADING
EDGE OF TWO RESEARCH
DISCIPLINES

INVESTIGATING
STRESSES ON
ECOSYSTEMS CAUSED BY
WARMING WORLD

DEVELOPING NEW
APPROACHES TO DISEASE
IN ANIMALS AND HUMANS
FROM MOSQUITOES

LISTED ON MOST
HIGHLY CITED
RESEARCHERS LIST

CITED IN TWO FIELDS:
ENVIRONMENT AND
ECOLOGY, AND PLANT
AND ANIMAL SCIENCE

Making double the difference: Tracking climate threat to ecosystems and putting the brakes on mosquito-borne diseases

With climate change increasingly impacting on Australia's distinct flora and fauna, we're running out of time to record and preserve our extraordinary biodiversity. Meanwhile the clock is ticking on the spread of vector-borne diseases in Australia.

Professor Ary Hoffmann and his team of researchers are investigating innovative ways to monitor environment stresses on our land-based ecosystems caused by a warming world.

And through the Pest and Environmental Research Group of scientists at the University's Bio21 Institute, the team is also working at the forefront of research on bacteria that live inside insects, developing new approaches for suppressing the transmission of diseases to humans, animals and plants.

"Tackling the climate threat to ecosystems is a complex issue. Our strength lies in being able to apply pure research in entomology and evolution to real world problems in health, agriculture and the environment. In the process we're working to combat extreme events like drought, fire and flooding, and prevent insects such as dengue-carrying mosquitoes migrating to Australia."

Professor Ary Hoffmann is among only 4.3 per cent of researchers cited in two fields of scientific study in the Clarivate Analytics/Web of Science's Most Highly Cited Researchers list.

New iconic Western Edge Biosciences building on Parkville campus



BUILDING RESEARCH INFRASTRUCTURE

The University's world-leading research success is underpinned by cutting-edge infrastructure, enabling innovation, attracting world-leading academics, promoting multidisciplinary approaches and fostering collaboration with industry and other external research partners. The University is also continuing to build infrastructure that will be readily available to partners.

The University currently **hosts 20 research infrastructure** platforms that span the full spectrum of the University's research effort, from cutting-edge microscopy facilities to social and cultural informatics.

Occupying **over 12,000sqm across the University's campuses**, these platforms represent a collective asset **value in excess of \$130m** with an annual operational expenditure of approximately \$21m per year.

Melbourne Collaborative Research Infrastructure Program supports **14 platforms** and **35 FTE staff** across the University's research infrastructure landscape, enabled by a University investment of \$23.98m 2013–2018.

RESEARCHER SPOTLIGHT

NEW INTERNATIONAL STUDY

TREATING MUSIC AS MEDICINE OF THE MIND

50 MILLION PEOPLE WORLDWIDE LIVE WITH DEMENTIA

APPROXIMATELY 40–50% OF PEOPLE WITH ALZHEIMER'S DISEASE EXPERIENCE DEPRESSION

ADDING TO GLOBAL RESEARCH OF OTHER FACETS OF MUSIC THERAPY

Revolutionising dementia care: Bringing music in as medicine to treat people with memory loss and depression

People accept that music has the power to move us, make us feel strong emotions and take us outside ourselves, even for a moment. But the largest music therapy study in the world is going a step further, to bring music to the forefront of treatment options for people with dementia.

The focus of Professor Felicity Baker's latest research is the depression that often comes with dementia. Involving 1500 participants across nine countries and from 40 residential aged care facilities in Melbourne, Sydney and Brisbane – none of which currently offers structured music therapy as a treatment option – the research will assess and measure the long-term impact of a range of different music therapies.

Treating music in the same way as any medical treatment, the effect of dosage will also be monitored, including what happens when the music therapy stops.

"One of the beautiful things about music is that it takes participants in an agitated state back to safe and pleasurable memories, helping to bring them out of their shells. And while we're not looking to cure dementia, we hope to alleviate some of the symptoms, including depression, as well as stimulate learning and cognition, foster collaboration and connection, and ultimately improve patients' quality of life and reduce costs for everyone involved."

Professor Felicity Baker is an expert in neurorehabilitation and dementia, Head of Music Therapy at the University of Melbourne, and Director of International Research Partnerships for the Creative Arts and Music Therapy Research Unit

RESEARCH COLLABORATION, PARTNERSHIPS AND IMPACT

Throughout 2018 the University continued to increase the impact of its research with cross-disciplinary partnerships and collaboration with industry partners, development of research precincts, appointment of Enterprise Professors and Fellows, and expanding business development and research support activities.

INTERDISCIPLINARY COLLABORATIONS FOSTERING RESEARCH OF QUALITY AND IMPACT

Melbourne Interdisciplinary Research Institutes

The University's Interdisciplinary Research Institutes foster interdisciplinary and cross-campus research activity and novel collaborations to inspire innovative solutions to challenges facing societies across the world. To realise these aims, the University focuses on academic performance, ensuring that existing infrastructure supports our world-leading researchers, and nurturing relationships with key partners to broaden research opportunities and impact.

Melbourne Disability Institute

Following major reforms in the past ten years that have transformed the lives of people with disability, including the *National Disability Insurance Scheme* and the *National Disability Strategy 2010–2020*, in 2018 the University established the Melbourne Disability Institute (MDI). With the vision to transform the social and economic health and wellbeing of people with disabilities through high-quality research, teaching and training, and knowledge translation, the MDI promotes collaboration across the University to harness high-level skills, expertise and partnerships and address the complex problems faced by people with disabilities and their families and carers.



Bio21 Institute

The University's \$140 million core research and development facility, Bio21 Molecular Science and Biotechnology Institute (Bio21 Institute), is a multidisciplinary research centre specialising in medical, agricultural and environmental biotechnology. Accommodating more than 500 research scientists, students and industry participants, the Bio21 Institute is one of the largest biotechnology research centres in Australia.

In December, the University opened a state-of-the-art, \$46 million research facility at the expanded Bio21 Institute of Molecular Science and Biotechnology. The new facility is named after Nancy Millis, one of the University's first female professors, with the Mass Spectrometry laboratories recognising Australia's first female chemistry professor, Margaret Sheil.

CSL's Global Hub for Research and Translational Medicine is also located in the new building.

New Centre for Cancer Research established

With establishment of the Centre for Cancer Research (UMCCR), outcomes for patients with cancer will be improved through genome discovery, translation and personalised medicine. Under the directorship of Professor Sean Grimmond, the UMCCR will be hosted within the faculty of Medicine, Dentistry and Health Sciences and located in the Victorian Comprehensive Cancer Centre (VCCC).

HALLMARK RESEARCH INITIATIVES GROW INVESTMENT WITH HIGH POTENTIAL FOR SOCIETAL IMPACT

Hallmark Research Initiatives build on research strengths across the University. In 2018 funding was allocated to five new interdisciplinary initiatives to be launched in 2019.

2018 Hallmark Research Initiatives

Affordable Housing HRI

Generating solutions to problems of housing markets and social inequality, including quality and amenity of living environments, urban intensification and sustainability and management of growth, this initiative will help direct transition towards access to sustainable and equitable housing. It will also point to solutions to Melbourne's severe housing affordability crisis and acute shortage of low-cost rental housing resulting from rapid population growth.

BioInspiration HRI

Enhancing research impact using sustainable biological systems and principles to find new solutions to technological and design challenges, BioInspiration applies an innovative approach to human technological and design challenges. Bioinspired innovation is inherently interdisciplinary, and epitomises the practical outcomes of convergent thinking in biological and physical sciences, engineering and design.

Creativity and Wellbeing HRI

Promoting physical and mental recovery and rehabilitation by controlling living environments while adding to creative expression, this initiative seeks out novel ideas, experiences, alternatives and possibilities, which in turn stimulate positive cognitive, physical, emotional and social processes that can then be protected, nurtured and enhanced.

Future Food HRI

Addressing future food issues of scarcity, sustainability and health, this initiative will investigate alternatives to current protein production such as traditional meat and dairy products, and prompt major global investments in research and development. Australia is primed to take a lead in these opportunities and the University's diverse expertise will be essential to conduct interdisciplinary research to address these future challenges in food production.

Indonesia Democracy HRI

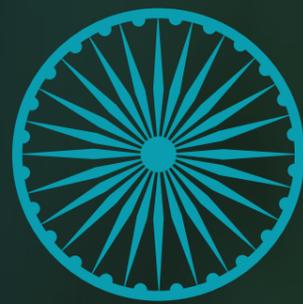
Overcoming obstacles and building a more cohesive Indonesian studies community at Melbourne, this initiative will create new collaborations between scholars working in the fields of Indonesian, democracy and Islamic studies, and boost external recognition of Melbourne's Indonesia-related research capability.

4th wave
of Hallmark Research
Initiatives

Hallmark Research
Initiatives
\$5.5M
total strategic
investment



Australia-Germany



Australia-India



Australia-USA

Joint research

Research

Building 905

INTERNATIONAL RESEARCH

Research of global importance – from here and around the world

The University's International Research Strategy will increase opportunities and vehicles for collaboration in countries of geopolitical significance. The University has strategically located Research Development Managers in the United States and Europe to foster closer links through greater engagement with researchers, institutions, funders and agencies.

Germany

The University was awarded the highest number of grants for any Australian University under the Australia-Germany Joint Research Cooperation Scheme, with 10 projects across STEM and HASS disciplines with partners from several German universities*.

The Jülich-University of Melbourne Postgraduate Academy (JUMPA) was launched in 2018 with up to 20 joint PhDs in the first cohort spanning research disciplines from plant genomics, neuroscience, infrastructure engineering, physics and microscopy.

Links were strengthened through the University's Berlin office as well as by the opening of the University of Bayreuth's Gateway Office, here at Melbourne, to foster greater research and educational ties with international partners.

* QILT (Quality Indicators for Learning and Teaching)

India

The Melbourne-India Postgraduate Academy (MIPA) was launched to support 50 joint PhDs across three Indian Institutes of Technology by 2020.

USA

Alzheimer's dementia onset and progression in international cohorts

The Florey Institute of Neuroscience and Mental Health was awarded \$10.9M USD from the National Institutes of Health/ National Institute on Aging.

Evaluating Experts: IDEAs about Reproducibility and Replicability

The Faculty of Science was awarded \$6.5M USD from the US Department of Defense/Defense Advanced Research Projects Agency (DARPA).

Colon Cancer Family Registry Cohort

The Centre for Cancer Research secured A\$12 million from the US National Institutes of Health to continue its crucial work on the Colon Cancer Family Registry Cohort for the next five years.



ENTERPRISE INITIATIVES

In 2018 the University enriched its discovery and teaching environments by establishing relationships with business, industry and government to address major challenges.

Key 2018 Enterprise Activation initiatives:

- Continuing to improve treatment of kidney disease with \$22 million funding from the Biomedical Translation Fund
- Continuing development of a device to warn people with epilepsy of impending episodes with investment of \$3.65 million from Cochlear Limited EpiMinder, with clinical trials expected to commence in 2019
- Opportunity to use innovative ways to create real-world impact for students, alumni, academics, industry and the general public with the establishment of the Melbourne Entrepreneurial Centre.

CONTRIBUTING TO MAJOR NATIONAL EVALUATION FRAMEWORKS

Excellence for Research in Australia 2018

In 2018 the University participated in the fourth round of the Australian Research Council's (ARC) Excellence in Research for Australia (ERA), Australia's national research evaluation framework. ERA identifies and promotes excellence across the full spectrum of research activity in Australia's higher education institutions.

Engagement and Impact

In 2018 the University participated in the ARC's Engagement and Impact 2018 assessment.

The University's submission, formally certified by Deputy Vice-Chancellor Research Professor Jim McCluskey, followed nine months of intense cross-campus activity to produce a portfolio of 73 elements for the qualitative elements of the Engagement and Impact submission and included:

- Impact Studies and associated Approach to Impact Statements for each of the 23 Units of Assessment
- Submission of optional Aboriginal and Torres Strait Islander and Interdisciplinary Impact Studies
- Impact Studies and engagement narratives demonstrating how the University is translating research for economic, social and environmental impact.

GRADUATE RESEARCHERS

Graduate researchers are the foundation of the global research workforce and make significant contributions to the University of Melbourne's research reputation and results. The University recognises the ongoing need to equip its graduate researchers with the skills to pursue their careers within and beyond the University.

LEADING AUSTRALIA IN GRADUATE RESEARCH



Completions
performance strong since 2016 due to increased focus on timely submissions and completing overdue students



Highest
graduate research completions ever in 2018 (1000+)

REIMAGINING THE GRADUATE RESEARCHER EXPERIENCE

In 2018 the University introduced a number of initiatives to enhance the student experience for graduate researchers. These included:

- ★ Theme-based PhD programs that expand cohort experiences
- ★ Development of an institution-wide framework for graduate researcher professional development to make it easier to access transferable skills and internship opportunities
- ★ Expanding opportunities for Indigenous graduate researcher success
- ★ Continuing investment in international PhD scholarships.

PhD familiarisation program offered to Indigenous candidates

In September the University held its inaugural Humanities, Arts and Social Science Indigenous PhD Familiarisation Program. Eleven participants from across Australia engaged in humanities, arts and social science (HASS) workshops to assist them to develop ideas for research proposals, complete PhD applications, learn about University support services and make connections with academic mentors and potential supervisors.

PERFORMANCE AGAINST TARGETS

Research quality and performance culture

Increase the number of HiCi authors

- 2014 baseline: 11
- 2018 performance: 33
- 2020 target: 14



Increase overall annual research income³ by 50%

- 2014 baseline: \$373M
- 2018 performance: \$460M
- 2020 target: \$561M



Increase the score in Nature and Science¹

- 2014 baseline: 27
- 2018 performance: 21.4
- 2020 target: 29.0



Lead the Nation in Category 1⁴ income

- 2014 baseline: 1st
- 2018 performance: 1st
- 2020 target: 1st



Increase the number of Web of Science² indexed (WoS-indexed) publications

- 2014: baseline: 6,000
- 2018 performance: 7309
- 2020 target: 7700



Reach at least 15% of market share in Australian Competitive Grant Income

- 2014 baseline: 12.5%
- 2018 performance: 12.66%⁶
- 2020 target: 15%



Research scale and focus

Rank consistently among the top 40 in the Academic Ranking of World Universities (ARWU) rankings

- 2014 baseline: 44
- 2018 performance: 38
- 2020 target: 40



Rank among the top 25 in Times Higher Education Global Rankings

- 2014 baseline: 34
- 2018 performance: 32
- 2020 target: 25



Research collaboration, partnerships and impact and graduate researchers

Double category 2–4 income⁵

- 2014 baseline: \$163M
- 2018 Performance: \$264M
- 2020 target: \$320M



Improve graduate research timely submission rate

- 2014 baseline: 52.3%
- 2018 performance: 61.5%
- 2020 target: 75%



1. Based on ARWU ranking score for number of University of Melbourne Nature and Science articles published in last five years as percentage of highest performing institution
 2. Web of Science is a leading citation indexing service providing comprehensive index across multiple databases. Publication figures represent total number of University of Melbourne journal articles indexed in a given year
 3. Figures based on total research income as reported in Higher Education Research Data Collection (HERDC)

4. Figures based on Australian Competitive Grant income as reported in HERDC
 5. Figures based on public sector, industry, philanthropic and Cooperative Research unchecked and unaudited research income as at 26 March 2018
 6. Based on 2017 data

2019 OPPORTUNITIES AND CHALLENGES

Priorities for 2019 include our contribution to the University's new strategic plan, in particular identifying areas of global leadership of research, as well as strengthening key relationships and partnerships in current and emerging precincts, building on international programs, developing Strategic Research Communications and advancing a University model of investment in research infrastructure. We will continue to work closely with faculties on researcher capability development frameworks (including Graduate Researchers), including performance expectations and professional development, further development of interdisciplinary initiatives and embedding an Enterprise culture.



AT THE UNIVERSITY OF MELBOURNE, ENGAGEMENT IS CENTRAL TO OUR PURPOSE AND VALUES. ENGAGEMENT ENSURES THAT OUR ETHOS AS A PUBLIC-SPIRITED INSTITUTION IS EXPRESSED THROUGH OUR TEACHING AND RESEARCH EFFORTS WITH LOCAL, NATIONAL AND GLOBAL COMMUNITIES TO CREATE ECONOMIC, SOCIAL AND CULTURAL VALUE. 2018 HAS SEEN THE POSITIVE IMPACT OF KEY INITIATIVES BEGIN TO EMERGE AND A STRENGTHENING OF THE RANGE OF PROGRAMS THAT CONNECTS THE UNIVERSITY WITH ITS LOCAL, ALUMNI, AND INTERNATIONAL COMMUNITIES

ENGAGEMENT

PUBLIC ENGAGEMENT

During 2018 the University contributed significantly to the intellectual, social and economic life of its communities within Australia and internationally as contributor or convenor of a number of cultural and policy-focused initiatives.

HIGHLIGHT OUTPUTS



453 attendees at the Ian Potter Museum's Night at the Museum



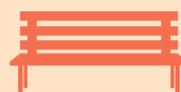
40 local agencies within the Carlton Local Agencies Network



2000 students undertake training or an education program each year in the Goulburn Valley



40,000 services provided to patients at Shepparton Medical Centre each year



600 attendees at Neighbourhood Day



200 families and local residents participated in the Harmony Day event

HIGHLIGHT OUTCOMES



160+ people employed by the University in the Goulburn Valley



\$90m of state funding committed to initiatives in the Goulburn Valley



115+ local industry partners in the Goulburn Valley



PURSUIT DIGITAL PLATFORM CONTINUES TO GROW

The University's digital research storytelling platform, Pursuit, continued to deliver high quality and topical content throughout 2018, driving strong growth in audience numbers.

As just one example, a story from researchers at the U-Vet Werribee Animal Hospital had particularly high reach. An audience of just under 147 million internationally engaged with the research insights on the risks to feeding dogs raw chicken necks, commonly provided as healthy treats.



UNIVERSITY DOCUMENTARY SERIES REPURPOSED FOR FEDERAL GOVERNMENT TRAINING PROGRAMS

Led by VC's Fellow and broadcaster Ali Moore, the University collaborated with Asialink, the Wheeler Centre and ABC TV to produce a series of hypotheticals titled 'This Is Not A Drill'. Scenarios examined the complexities of the Asia-Australia relationship and highlighted the challenges and connections Australia shares with the region. Illustrating the wider value of the production, one episode is now being used in training programs of the Federal Government, and health authorities.

Pathways to Politics Program for Women

2018 participants:

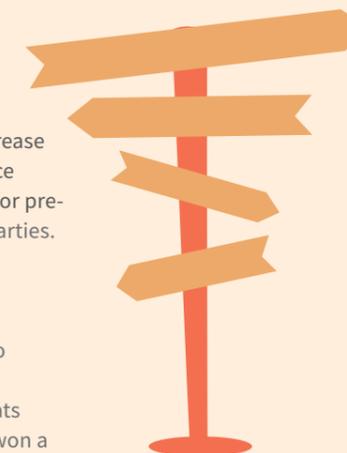
- Alumni from 8 academic divisions
- 4 political affiliations.

Program outcomes:

- 94% of 2017 cohort reported an increase in confidence to run for elected office
- 26% across three cohorts have run for pre-selection and/or office across five parties.

Extended reach in 2018:

- 15 articles and substantive media mentions across various platforms
- 3 new Victorian MPs are Pathways to Politics graduates (Juliana Addison and Kat Theophanous have won seats for Labor and Bridget Vallence has won a seat for the Liberal Party).



SUPPORTING POLITICAL LEADERSHIP AND CONTRIBUTING TO PUBLIC POLICY DEVELOPMENT AND OUTCOMES

Over the three years since its introduction by the Melbourne School of Government, the impact and outcomes of the Pathways to Politics Program for Women continued to grow. The program is a non-partisan initiative providing women the opportunity to gain the skills and networks to attain elected office. Program recognition includes invitations to showcase the program's achievements and impact against the United Nations Sustainable Development Goal 5 (Gender) from the Department of Prime Minister and Cabinet, and to join a coalition of international universities dedicated to increasing political representation globally from Harvard's Kennedy School.

MELBOURNE HOST TO NATIONAL ILLICIT DRUG, POLICE AND RESEARCH ROUNDTABLE

Deputy Vice-Chancellor (Research) Professor Jim McCluskey invited members from the Australian Federal Police and state jurisdictions, crime and law enforcement policy-makers and academics from across the country to Parkville campus for a roundtable led by Associate Professor John Fitzgerald (School of Social and Political Sciences). Participants considered how best to tackle illicit drug issues, and the efficacy of trials for new models of diversion.

FIRST COHORT OF ATLANTIC FELLOWS FOR SOCIAL EQUITY

Indigenous-led and strengths-based, the Atlantic Fellows for Social Equity program harnesses Indigenous knowledges, creativity and ingenuity to drive social change.

Atlantic Fellows participate in an unconventional social leadership program that challenges the common notion of leadership and need for archetypal leaders. Having graduated its inaugural cohort in 2018, the Atlantic Fellows for Social Equity program is fulfilling its mission to build a generation of people who work together as a collective and distributed network of change makers to improve the wellbeing of communities, especially Indigenous communities, and shape a more healthy, inclusive, and fair society.

- ★ **Atlantic Fellows** for Social Equity
- ★ **15 inaugural fellows** from Australia and Aotearoa (New Zealand)
- ★ Fellows travelled across Australia, Aotearoa, South Africa and the United Kingdom **engaging with a broad range of social change makers** across community, government and business sectors.

INFLUENCING POLICY

Over the course of 2018, the University engaged through roundtables and other forums – on and off campus – with regulators, governments and related agencies on public policy issues relevant to the education and research sector. In doing so, the University shared its policy expertise, influenced government policy development and elevated the University's profile and standing with politicians and policy-makers.

- ★ **HELP** student loan scheme
- ★ **Electoral funding** and disclosure reform
- ★ Guidelines on eligibility for **government payments** to students undertaking masters courses
- ★ Redevelopment and audit of **higher education data collection**
- ★ **Student loan** sustainability
- ★ Consultation on **Defence Trade Controls Act**
- ★ **Australian research funding**
- ★ **Proposed Data Sharing** and **Release Legislation**
- ★ **Research and Development tax** incentive.



Increased number

of secondments, from 2 in 2017 to a projected 14 in 2019

GROWING APPEAL OF JAWUN SECONDEE PROGRAM

In 2017 Melbourne became the first university to join Jawun, a corporate-philanthropic partnership providing skilled secondees to assist Indigenous organisations build capability and empower Indigenous-led development.

Staff secondments to the Jawun program align with the University's reconciliation, sustainability and engagement strategies, and continue to provide University employees with a unique development opportunity focused on intercultural competency and leadership capability.

NEW PRIZE FOR VISIONARY POLITICAL LEADERS

COLLABORATION WITH SUSAN MCKINNON FOUNDATION

EMERGING LEADER OF THE YEAR

POLITICAL LEADER OF THE YEAR

SPARKING CONVERSATION ABOUT LEADERSHIP IN AUSTRALIA

Rewarding visionary political leadership

A high-profile panel of judges chaired by the Vice-Chancellor and comprised of former prime ministers Julia Gillard and John Howard, together with distinguished business, political, education and sporting leaders, awarded the inaugural McKinnon Prize for Political Leadership in 2018.

Senator Dean Smith was named the McKinnon Political Leader of the Year for tackling vital issues of public policy, overcoming adversity and achieving real change for the public good, in particular his bipartisan leadership on same sex marriage and demonstration of courageous backbench leadership in the face of internal opposition and diversity of public opinion within Australian society.

Councillor Vonda Malone was named the McKinnon Emerging Political Leader of the Year for her outstanding leadership as Mayor of Torres Shire Council, where she brought her community together and shed light on pressing issues such as unemployment, housing shortages, waste management, community engagement, health and wellbeing.

"It's my hope the award will encourage others to have the confidence of their convictions and to recognise the opportunities that can be realised by looking beyond traditional partisan lines. If we're to rebuild the confidence of Australians in their democratic institutions, parliamentarians must be prepared to work issues through on their merits, and never lose sight of the fundamental values of decency and fairness that have always been our foundation."

Senator Dean Smith Winner, Political Leader of the Year



Torres Shire Councillor Vonda Malone and Senator Dean Smith of the Parliament of Australia were inaugural winners of the McKinnon Prize for Political Leadership.

REGIONAL ENGAGEMENT



ENGAGING WITH THE GOULBURN VALLEY

The University continued its commitment and contribution to the Goulburn Valley across campuses, services and partnerships, and research including in education, veterinary and agricultural sciences, health, arts and culture.

Engaged-Led Research Summit

Co-hosted with the Kaiela Institute, focusing on Indigenous empowerment and prosperity in the Goulburn Murray region, the Summit brought together 70 participants from local community, government and industry, along with University academics, resulting in research initiatives and programs focusing on community priorities: education, self-governance and economic development.

Munarra Academy

The University signed a Heads of Agreement to be a partner of the state-of-the-art and purpose built Munarra Centre for Regional Excellence precinct through its support for the Academy of Sport, Health and Education (ASHE) that will be re-named the Munarra Academy. Scheduled to open in 2021, the academy is an education platform with a strong focus on embedding Aboriginal culture across all curricula and programs.

Shepparton Art Museum Education Partnership established

The Shepparton Art Museum Education Partnership was developed with the Yorta Yorta people and included the appointment of the Museum's first Indigenous curator.

GIVING MORE RURAL AND REGIONAL AUSTRALIANS OPPORTUNITY TO TRAIN AS DOCTORS

In 2018 the University announced the establishment the Doctor of Medicine (Rural). Places will be based predominately at Shepparton in rural Victoria, with half made available to La Trobe University students enrolling in the Bachelor of Bioscience (Medical) in Bendigo and Albury Wodonga.

From 2022
30 new medical students
will be accommodated in
Shepparton

\$8.75m from Federal
Government to establish
and deliver an end-to-end
medical training program in
north-eastern Victoria



Having played a key role in agricultural teaching and learning in Australia since 1886, today the rural campus at Dookie in central Victoria helps shape the future of agriculture in Australia.

CULTURAL PARTNERSHIPS

PERFECTION EXHIBITION

The Science Gallery Melbourne PERFECTION program, hosted at the Melbourne School of Design, was delivered in partnership with the State Library of Victoria, Melbourne International Film Festival, Scienceworks, Melbourne Theatre Company, Knowledge Melbourne and ABC Radio National.

12 September–3 November
22,907 visitors
3000 students through curriculum integration
22 hybrid works from across the globe
5 works from University staff
92% satisfaction rating from visitors

- ★ For 29%, the visit to the gallery inspired them to consider science as a career
- ★ For 92% SGM PERFECTION a distinctive experience
- ★ For 49%, the exhibition made them think about UoM in a new way
- ★ For 63%, PERFECTION challenged their thinking.

AWAKEN

The Awaken exhibition in Arts West on the Parkville campus includes some 200 items from the extensive collection of University of Melbourne anthropologist, Donald Thomson, gathered over a 50-year career from the diverse communities around Arnhem Land, Cape York and the Pintupi in the Western Desert. The exhibition was curated in consultation with communities of origin, placing community knowledge alongside notes from Donald Thomson's personal collection to awaken the stories of these objects and explore their deep and enduring connections to community.

BUXTON CONTEMPORARY

Buxton Contemporary art museum was opened in March by the Hon. Martin Foley MP, Victorian Minister for Creative Industries. The museum is located within the Southbank arts precinct and embedded at the VCA. It provides a home and cultural context for the extraordinary art collection of property developer and passionate art collector Michael Buxton.

VENICE BIENNALE PARTNERSHIP FORGED

The Venice Biennale provides Australian artists with critical international coverage, exposing them to key new audiences, markets and contexts. The University's partnership will profile its contribution to Australia's standing in the arts globally. It offers an exciting opportunity to invest in the next generation of artists and art professionals, and to draw on the University's thought leadership to build capacity in the national arts sector.



named 2019
Education Partner

Australia Council for the Arts

ALUMNI TREATED TO EXCLUSIVE NGV EVENTS

In April University Alumni were invited to an exclusive after-hours reception at the National Gallery of Victoria to view its flagship exhibition, NGV Triennial. Showcasing the University's role as a research partner of the exhibition, the evening included recognition of alumni volunteers and a welcome for newly-engaged alumni, a panel discussion featuring Vice-Chancellor Glyn Davis, Professor Nikos Papastergiadis (School of Culture and Communication), Assistant Director of the National Gallery of Victoria Dr Isobel Crombie, and the research experiences of four academics in a presentation titled 'Triennial Voices'.

In June alumni were again invited to the National Gallery of Victoria for an exclusive after-hours viewing of the Winter Masterpieces exhibition, MoMA at NGV: 130 Years of Modern and Contemporary Art. The event aimed to inspire their increased and ongoing engagement for alumni in the 25–39 age range.

MELBOURNE ART FAIR FINDS NEW HOME IN THE SOUTHBANK ARTS PRECINCT

- Partnership with the University of Melbourne
- Presentations from over 40 leading galleries
- 50+ events
- 500+ artists
- 45,500+ visitors across 30 venues.

ABORIGINAL AND TORRES STRAIT ISLANDER ENGAGEMENT

RECONCILIATION ACTION PLAN 3

In May the University launched its third Reconciliation Action Plan (RAP 3).

RAP 3 extends the University's vision for reconciliation and was endorsed by Traditional Owners, University Executive, University Council, and by Reconciliation Australia as an 'Elevate RAP'. 'Elevate' status confirms that an organisation has gone above and beyond 'business as usual' to embed reconciliation in core business practices and has demonstrated history of achievement across all three core RAP areas – respect, relationships and opportunities. RAP 3 signals the University's long, successful history in the RAP process and its willingness to significantly invest in reconciliation.

With the action areas of the current RAP now firmly embedded in the University's planning, architecture and operations on a central and faculty level, RAP 3 outlined the development of 14 Signature Projects that address one or more of the critical dimensions of reconciliation identified by Reconciliation Australia and categorised under four themes.

RAP 3 Themes:

- ★ Leadership for Change
- ★ Our Place
- ★ Purposeful Partnerships
- ★ International Engagement.



YOTHU YINDI FOUNDATION PARTNERSHIP

In recognition of our long-standing and strengthening relationship with the Yothu Yindi Foundation, the University was invited to be Principal Sponsor of the Garma Festival and Key Forum for the next three years.

The festival is the global platform for discussion, direction setting and collaboration for the advancement of Yolngu and Indigenous Australians.



National Reconciliation Week
13 events
1448 people attended

RECORD CROWDS ATTRACTED TO NATIONAL RECONCILIATION WEEK ACTIVITIES

The University's suite of National Reconciliation Week events successfully engaged the wider University community in coming together to celebrate and recognise reconciliation, and facilitate greater understanding of Aboriginal and Torres Strait Islander cultures and histories.

INDIGENOUS ORATIONS

Dungala Kaiela Oration

At home on country, at home in the world

Delivered by Māori lawyer and social justice advocate Dr Moana Jackson, director of Wellington Māori Legal Service Ngā Kaiwhakamārama i ngā Ture, and lecturer at Māori tertiary education provider Te Wānanga o Raukawa

Narrm Oration

Sámi Parliament of Norway – Lessons for Indigenous Peoples' Governance

Delivered by Niklas Labba, Academic Director of the Centre for Sámi Studies at the University of Tromsø – Arctic University of Norway

Panel discussion Importance of Indigenous Voice in Governance moderated by Dr Sana Nakata and with Niklas Labba, and Associate Professor Sheryl Lightfoot (University of British Columbia) and Professor Daryle Rigney (Flinders University)

INDUSTRY ENGAGEMENT

CREATING A NEW MODEL FOR COLLABORATIVE INNOVATION

The vision for Melbourne Connect is to place the highest calibre research, industry, government, higher-degree students and other elite thinkers in a single purpose-built precinct for science, technology, engineering and mathematics (STEM) disciplines to foster collaboration that can expedite and amplify innovation. It is a project where all participants will be deeply engaged to find innovative solutions to future challenges and contribute to the greater wellbeing of societies globally.

At Melbourne Connect, onsite relationship managers will facilitate academic partnerships, business connections, and introductions to tech and talent.

By enhancing research and education, Melbourne Connect will support the vision of Melbourne as a 'Knowledge City' and play an important role within the Melbourne Innovation Districts.

As a leading innovation centre, it will attract the world's greatest minds, increase the number of visitors to Melbourne, and strengthen Melbourne's international reputation for research and innovation.

The precinct will also contribute significantly to Melbourne's iconic urban landscape. Located on the former site of the Royal Women's Hospital, the history of the site will be preserved and integrated into the new design through the re-use of heritage materials.



ALUMNI AND SUPPORTERS

CHANGING AND SAVING LIVES

Hansen Little gift

Hundreds of talented Australian students will have the opportunity to realise their full potential through an extraordinary \$30 million gift to the University from the Hansen Little Foundation.

Known as 'Hansen Scholars', students will receive free accommodation at Little Hall, assistance with general living expenses during their bachelors degree, and development and career support throughout their time at university.

Generous gifts:

★ **\$6 million gift** from Duncan Leary estate supporting the preservation of Indigenous community languages

★ **\$6 million gift** from Bloomberg Philanthropies Funds Data for Health program to improve understanding of premature death in developing countries

★ **\$30 million gift from Hansen Little Foundation** for construction of landmark student residence on Swanston Street Carlton, Little Hall, and establishment of flagship Hansen Scholarship, to run annually for an initial 40 years, commencing in 2020

★ **Inaugural intake** of 20 Hansen Scholars.

ALUMNI COMMUNITY

Year-on-year, the generosity, vision and enthusiasm of University of Melbourne alumni continues to inspire the work and endeavors of students and staff alike.

Major new alumni initiative launched

In 2018 the University launch of Ask Alumni, a new program connecting current students and alumni for one-off career conversations, was overwhelmingly successful.

Continuing success of ambassador program

During 2018, 317 Melbourne Alumni Ambassadors continued to support University staff in student recruitment activities overseas.

The Ambassadors provide crucial assistance at events and education fairs, providing students and their parents with valuable insights into Australian culture and the unique study experience offered by the University of Melbourne.

Believe campaign – progress and targets

25,000+ alumni attended events
3858 donors

Engaged 25,268 alumni,
10,129 for first time

\$115,383 million raised in 2018 (target \$81 million)
\$863.883 million raised since 2008 of target \$1 billion by 2021

27 academic chairs
377 scholarships and awards funded
9710 alumni volunteers



Ask Alumni

1,250+ alumni signups (30+ % live overseas)

2,300+ student signups (50+ % graduate students)

800 meetings arranged

INTERNATIONAL ENGAGEMENT

STRENGTHENING INTERNATIONAL RELATIONS

During the course of the year the University's research collaborations with strategic partner institutions were strengthened with the signing of 21 new university-side bilateral agreements, including university-wide agreement with the University of Zurich (Switzerland), Hokkaido University (Japan), University of Tromso (Norway) and the University of Bonn (Germany).



283+ agreements in place in over 50 countries across the world

INTERNATIONAL ENGAGEMENT

Visit of President Ram Nath Kovind

In November the University hosted the visit of Indian President Ram Nath Kovind who, while here, delivered a public lecture titled 'Australia and India as knowledge partners' referencing the strength of education ties between the two countries. The visit to the University, part of the President's three-day tour of Australia, the first ever visit to Australia by an Indian Head of State, came at a critical juncture in Australia-India relations, with both governments currently developing comprehensive economic engagement strategies to build on deep people-to-people ties.

Election Watch focuses on Indian elections

The University's Election Watch is working with key Indian stakeholders to examine multiple policy issues shaping the future of India and the region ahead of the 2019 elections.

NOSSAL INSTITUTE FOR GLOBAL HEALTH

Throughout 2018 the Nossal Institute for Global Health continued to support improved health in vulnerable communities through its work with partners:

- In Asia-Pacific region on leadership and governance for health systems reform, including disability inclusive development
- Across India, Bangladesh Indonesia, Laos and Vietnam in policy areas such as nurse mentoring models, and organisation for people with disabilities.

ASIALINK

During 2018 Asialink continued to pioneer the knowledge, networks and partnerships necessary for successful and sustainable Asia-Australia relations, including:

- Supporting social entrepreneurs from the region to expand reach and develop new capabilities in business forums across Australia to explore opportunities in the service sector in the lead-up to the Commonwealth Government's ASEAN-Australia Special Summit
- Joining Australia-ASEAN BRIDGE School partners in celebrating 10 years of delivering its award-winning Indonesia program
- Facilitating 30 creative arts exchanges, 14 in collaboration with art program partners in Southeast Asia.

AUSTRALIA INDIA INSTITUTE

In 2018 the Australia India Institute (AII) consolidated its strong reputation as the University's flagship vehicle for bilateral engagement with India as:

- Key contributor to the Victorian Government's India Strategy
- Launch organiser of Victoria's India Strategy in both Melbourne and Delhi with Premier Daniel Andrews
- Advisor to Peter Varghese's India Economic Strategy report commissioned by the Department of Foreign Affairs and Trade
- Host of the Australia India Leadership Dialogue in Delhi
- Host of the annual India Week, the Institute's celebration of Indian culture, thought, politics and society, including the launch of the Victorian Festival of Diwali and a series of events across Melbourne.

Expansion into the west

- Signing an agreement with the University of Western Australia to establish an affiliate centre in Perth
- Growth of the New Generation Network of post-doctoral scholars with the University of Western Australia and Western Sydney University.

PERFORMANCE AGAINST TARGETS

Reconciliation Action Plan targets

To reach population parity in Indigenous staff numbers by 2020¹

- 2014 baseline: 0.8%
- 2018 performance: 1.6%
- 2020 target: 3.1%



To reach population parity in the enrolment of Indigenous students by 2050

- 2014: baseline UG 0.7%, PG 0.5%
- 2018 performance: UG 0.96%, PG 0.68%
- 2020 target: 1.13% for both UG and PG



To achieve an Indigenous student success ratio of 1 by 2025²

- 2014 baseline: UG 0.86, PG 0.95
- 2018 performance: 0.82 UG, 0.92 PG
- 2020 target: 0.94 for both UG and PG



International engagement and alumni and supporters

Improve the University's reputation in research and teaching³

- 2014 baseline: Teaching 60, Research 59
- 2018 performance: Teaching 62.8, Research 60.5
- 2020 target: 70.0 for both teaching and research



Increase the number of alumni actively engaged with the life of the University⁴

- 2014 baseline: 49,697
- 2018 performance: 83,948
- 2020 target: 100,000



Achieve the UoM Campaign target

- 2014 baseline: \$399 million
- 2018 performance: \$863.9 million
- 2020 target: \$1 billion



1. Measured as FTE of continuing and fixed term staff
2. Success rate (passed EFTSL as percentage of attempted EFTSL) of Indigenous students compared to success rate of non-Indigenous students
3. Reputation in research and teaching is measured by Times Higher Education World University Rankings reputation scores
4. Engaged through internships, teaching, cultural and industry engagement and philanthropy

2019 OPPORTUNITIES AND CHALLENGES

During 2019 the University will focus on consolidating our leading public engagement agenda – from the significant progress already made on Indigenous reconciliation and student outcomes, to beneficial partnerships with local cultural, public policy and innovation organisations, and always-active brand communications. Effectively leveraging our global alumni base, securing global rankings and making the most of our \$2 billion capital investment pipeline are challenges requiring energetic attention.



AT THE UNIVERSITY OF MELBOURNE SUSTAINABILITY IS ONE OF OUR KEY OBJECTIVES. WE TAKE A HOLISTIC VIEW TO SECURING A SUSTAINABLE FUTURE, CONSIDERING NOT JUST THE PHYSICAL ENVIRONMENT WE OPERATE IN, BUT OUR PEOPLE, PROCESSES AND FINANCIAL PERFORMANCE AS WELL.

SUSTAINABILITY

ORGANISATIONAL SUSTAINABILITY

Throughout 2018 the University increased efforts to make a genuine difference in the work of students, academic staff, researchers, professional staff, stakeholders, partners, suppliers and our campus community.

New EBA signed and sealed

A new and significantly updated Enterprise Bargaining Agreement was ratified in August following an extensive consultation and bargaining period. The University is now well positioned to address future challenges and growth. Intended efficiency gains were achieved and the University will build on its competitive and desirable conditions of staff employment.

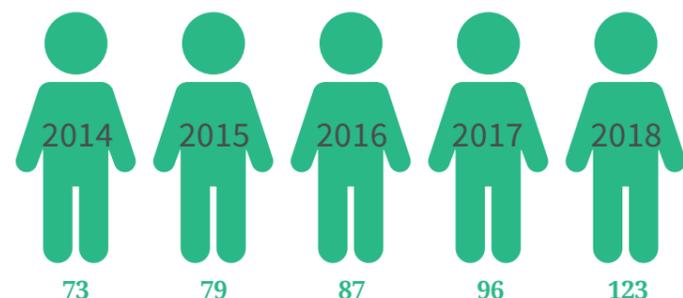
DIVERSITY AND INCLUSION

Supporting women in STEMM

In line with the *Diversity and Inclusion Strategy 2016–2020*, the University is implementing a number of initiatives to address structural issues relating to academic women's career progression, promotion and retention. A focus over the past two years on gender equity, particularly within the Science, Technology, Engineering, Mathematics and Medicine (STEMM) disciplines was in line with the University's participation as a pilot group in the SAGE Athena SWAN program.



INDIGENOUS STAFF (CONTINUING AND FIXED-TERM)



Reconciliation Action Plan 3

The Reconciliation Action Plan 2018–2022 (RAP 3), launched in May, is one of several key supporting plans in the University of Melbourne's *Growing Esteem 2015–2020* strategy. It represents the University's commitment to use its expertise and resources in research, teaching, learning and engagement to make a sustained contribution to Indigenous development. See page 52 for information.

FINANCIAL SUSTAINABILITY

Financial sustainability and resilience is a key strategic priority of the University, with success dependent on the ability to diversify revenue, manage costs, allocate resources and leverage financial strength.

USING FINANCIAL GAINS TO SUPPORT TEACHING, RESEARCH AND STUDENT PROGRAMS

Commonwealth Government higher education policy continues to present ongoing challenges. Nevertheless, the University achieved its financial targets for the year ended 31 December 2018 and recorded a small underlying operating surplus. The modest underlying operating margin achieved will be invested in the University's infrastructure program to support teaching, research and the student experience.

Decline in government funding:

- ★ Government funding now at **31% of total income**
- ★ Since 2013 this represents a **13% decline**.

Operating surplus:

- ★ Underlying operating surplus of **\$58 million**
- ★ Represents modest underlying **operating margin of 2.3%**.

\$58m

underlying result
Up \$32m on FY17

7.8%

underlying EBITDA
Up 0.6% on FY17

\$69m

accounting result
Down \$154m on FY17

For the year ended 31 December 2018, the University recorded an underlying operating surplus of \$58 million, \$32 million higher than 2017. The increase is due to growth in teaching and learning activity attributed to international student load. The underlying operating surplus represents a margin of 2.3 per cent of underlying income. Operating in a low margin environment requires careful financial management but is commensurate with the University's not-for-profit status and its commitment to reinvest earnings for the benefit of its academic mission.

Refer to the Financial section of this Annual Report for detailed information on the University's finances (pages 90–145).

ENVIRONMENTAL SUSTAINABILITY

Sustainability is embedded in everything we do at the University of Melbourne. Our Sustainability framework – Charter, Plan and Report – articulates our commitment and enables us to implement new ways of governing and operating in a warming world. Aspiring to develop our campuses as models of resilient communities, our efforts focus on the integration of research, teaching and learning, engagement, and governance.

EMBEDDING SUSTAINABILITY INTO THE UNIVERSITY'S RESEARCH AND CURRICULA

Throughout 2018 the University has been working to understand the range and depth of sustainability-related research and to activate our campuses as living laboratories of sustainability. Academic activity is being recognised in terms of the UN Sustainable Development Goals (SDGs), with exemplars promoted as part of our efforts to develop a community of practice at the University.

RAISING AWARENESS OF SUSTAINABILITY AMONGST STAFF AND STUDENTS ACROSS ALL CAMPUSES

Since becoming the inaugural Australian member in 2017, the University's involvement with the international Green Impact program has grown year by year. In 2018 staff and students again worked together in groups to undertake meaningful, positive actions on campus and help make the University of Melbourne a healthy and sustainable place to work and study.



2018 Green Impact achievements:

- ★ **Doubled in size** since its pilot in 2017, 443 people, across 44 teams, took part
- ★ Completing a total of **1377 verified actions**
- ★ **140 students trained** as project assistants and auditors (most of any University globally).

RECOGNITION OF SUSTAINABILITY EFFORTS

Excellence recognised in global and local awards

The University was a finalist in the International Sustainable Campus Network (ISCN) Sustainable Campus Excellence Awards and is now represented on the ISCN advisory committee.

2018 Green Gown Awards Australasia

Representing higher and further education institutions to inspire, promote and support change towards best practice sustainability within the operations, curriculum and research of the tertiary education sector

Winner – Award of Excellence (Staff)

Winner – Outstanding Leadership Team

Highly commended – Continuous Improvement

Highly commended – Student Engagement (Fair Food Challenge)

Premier's Sustainability Awards and CitySwitch Awards

The University is a partner in the Melbourne Renewable Energy Project (MREP), which won the following awards:

Winner – Government category

Winner – Victorian and National CitySwitch Awards (Partnership category)

BUILDING CONSTRUCTION

Building green

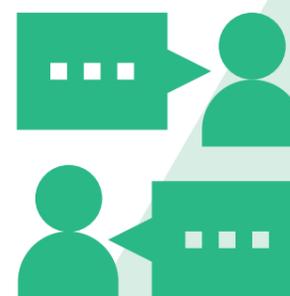
In 2018 the University celebrated the official opening of The Stables on the Southbank campus, the University's first project to target the Green Building Council of Australia (GBCA) Design and As-Built rating and set to be the University's first Green Star-rated building outside Parkville.

With a number of Green Star projects currently under construction and expected to achieve As-Built ratings in 2019 or early 2020, the University is on-track to exceed its *Growing Esteem* target of eight 5-Star (or better) rated buildings. Notably, many of these buildings are pushing for 6-Star (World Leadership) ratings ahead of the University's Sustainability Plan commitment that all new buildings be 6-Star rated by 2020.



Green Star projects under construction in 2018:

- ★ **Melbourne Conservatorium of Music** (Southbank)
- ★ **Werribee Learning and Teaching Building** (Werribee)
- ★ **Western Edge Biosciences Program – Stage 1** (Parkville).



PROCUREMENT

Adopting a sustainable approach to procurement

The University's Commercial Services team has been actively engaging with sustainability issues in 2018, including facilitating a University Executive commitment to use 100 per cent recycled printer paper and 100 per cent Fairtrade consumables in office kitchens.

The University's Social and Indigenous Procurement Framework will enable the University to use its buying power to generate social value above and beyond the value of the goods, services or construction being procured.



ENERGY

Delivering on ambitious energy targets

With a commitment to be carbon neutral before 2030, the University continued its efforts in 2018 towards achieving this ambitious target.

2018 initiatives include:

- Working to understand the full emissions impacts of our operations, with a view to a pathway to carbon neutrality before 2030
- Construction of 13 new solar photovoltaic (PV) installations at Parkville, Southbank, Dookie and Werribee campuses
- Managing exposure to the volatile electricity market by securing attractive long-term fixed pricing
- Detailed investigation and analysis to inform a multi-million dollar plan for a further series of energy upgrades focused on the most energy-consuming buildings
- Two wind farms associated with the University's Power Purchase Agreements under construction and due to start generating in 2019, which is expected to reduce the University's carbon footprint by an estimated 60 per cent by 2021.

Carbon targets

To become carbon neutral before 2030

To achieve zero net emissions from electricity by 2021

To reduce emissions by 20,000 tonnes of carbon per year by 2020

Electricity imported from the grid
111 million KWh

Electricity generated on site
Solar: 2 million KWh
Gas: 0.38 million KWh

Natural gas consumption 274 million MJ

Water targets

Reduce mains water usage by 12% by 2020 (measured by floor area from 2015 baseline)

Water performance

Total mains water use (including recycled)
486,923 kL

Total mains-sourced recycled water
8,448 kL

1% increase in total consumption in 2018 vs 2017

Paper targets

Move to 100% recycled printer paper

Paper usage

27 million A4 sheets (54,681 reams)

82% of paper used was recycled paper

Estimated savings of approximately 2100 trees

Estimated reduction of carbon emissions by approximately 280 tonnes per year

ENVIRONMENTAL SUSTAINABILITY REPORTING

In line with global best practice, each year the University publishes its Sustainability Report. This report outlines the University's performance against commitments and targets set out in its Sustainability Plan 2017–20, including progress toward carbon neutrality, teaching and research on environmental matters and sustainable investing. This report will be published in May.

WATER

Committed to reducing mains water usage

During 2018 the University incorporated water reuse and saving measures across all large-scale building and renovation projects, including in the new Melbourne Connect development with the planned installation of 180kL rainwater and 50kL greywater tanks.

50% of air travel emissions offset
128 m km
flown in total



vehicle fleet emissions offset
2 m km by
172 vehicles



TRAVEL

Increasing awareness of transport sustainability issues

During 2018 the University continued to refine its draft *Sustainable Transport Plan* and address the issue of carbon emissions due to air travel in the short term by adopting the most pragmatic approach currently available – offsetting emissions. Much groundwork has been laid to understand the nature of our travel emissions so we can develop the best approaches to reduction.



33.1%
of total waste was recycled

Waste to landfill
27kg / FTE and EFTSL

WASTE AND RECYCLING

Moving towards zero waste

In the 2018 Biennial Staff and Student Sustainability Survey, 71% of respondents ranked waste as a key sustainability issue for the University, up from 57% in the 2016 survey. In response, the University rebooted its Reduce/Reuse/Recycle campaign, with emphasis on 'zero waste' through reduce and reuse initiatives.

In 2018 the University carried out the Southbank campus infrastructure improvement and replacement program (BINrastructure), and undertook a waste storage and logistics strategy for Parkville to better coordinate waste infrastructure and planning.

BIODIVERSITY

Valuing and protecting biodiversity on Parkville campus

The University continued implementing the Biodiversity Management Plan (BMP) 2017–2020 in appreciation, preservation and enhancement of the fascinating flora and fauna found on our many campuses.

Key activities in 2018 included:

- Developing **definition of 'no net loss'** of biodiversity in the University context and developing quantitative measures
- Establishing a **research partnership** with Melbourne School of Design to create specialised artificial habitat for the critically endangered powerful owl
- Engaging staff and students** with biodiversity tours across campus
- Making significant progress towards the development of **campus urban forest guidelines**.

The energy and water targets are from Sustainability Plan 2017–2020. The paper target was an initiative of the University's Commercial Services team. All statistics presented are the most accurate available at the time of writing. For energy and water, estimates were made for the final months of the year because not all bills had been received. The data for paper use, air travel and fleet were in the process of being verified by relevant external parties.

PERFORMANCE AGAINST TARGETS

Financial and environmental sustainability

Maintain an annual operating surplus of 1% of underlying income¹

- 2014 baseline: 0.4%
- 2018 performance: 2.3%
- 2020 target: 1%



All new buildings to achieve a 5-star GBCA rating²

- 2014 baseline: 4
- 2018 performance: 6
- 2020 target: 8



1. Underlying operating result divided by underlying income
2. Green Building Council Australia awards Green Stars based on internationally-recognised sustainability rating system

2019 OPPORTUNITIES AND CHALLENGES

Making significant progress on the University's diversity and inclusion agenda, ensuring long-term financial sustainability and achieving greater operational effectiveness will be a focus for 2019. We will continue to deliver on our commitments to reducing environmental impacts, implement the priorities in our inaugural Estate Plan, put into effect the new Enterprise Agreement, and use developments in digital technologies as an advantage and data as an asset.

SUSTAINABILITY SPOTLIGHT

REDUCING ENERGY AND EMISSIONS

TRANSITIONING TO RENEWABLE SOURCES

ON-CAMPUS SOLAR CAPACITY: 2,019 MEAG WATTS

MODELLING CONSUMPTION PER BUILDING

PARTNERSHIPS ENABLING NEW VICTORIAN WIND FARMS

Reducing our impact: Harnessing the power of wind

The University's Sustainability Plan maps out ambitious on-campus energy targets to 2020 and beyond, and innovative solutions to draw clean energy from external sources into our electricity supply.

The University partnered with leading corporations and city councils, universities and cultural institutions to enable development of two new Victorian wind farms – Crowlands and Murra Warra.

Meanwhile, a \$9.1 million suite of energy projects were completed, with over two megawatts of solar capacity now generating from University rooftops. The University is also modelling consumption in its most energy-hungry buildings and planning a larger suite of campus projects from 2019.

"We take seriously our responsibility as a public-spirited and global university to lead debate and take action on sustainability issues. Our power purchase agreements, together with significant investment in solar installations and energy reduction on campus position us strongly to achieve our targets of zero net emissions electricity by 2021 and carbon neutrality before 2030. These projects demonstrate that ambitious sustainability targets can be achieved in a financially viable manner."

Allan Tait, Chief Financial Officer

The University's partnership in the Melbourne Renewable Energy Project will enable purchase of 88 gigawatt hours of energy per year from the 80-megawatt Crowlands wind farm, avoiding more than 96,000 tonnes of greenhouse gas emissions each year.

Photo by CEphoto, Uwe Aranas

UNIVERSITY GOVERNANCE

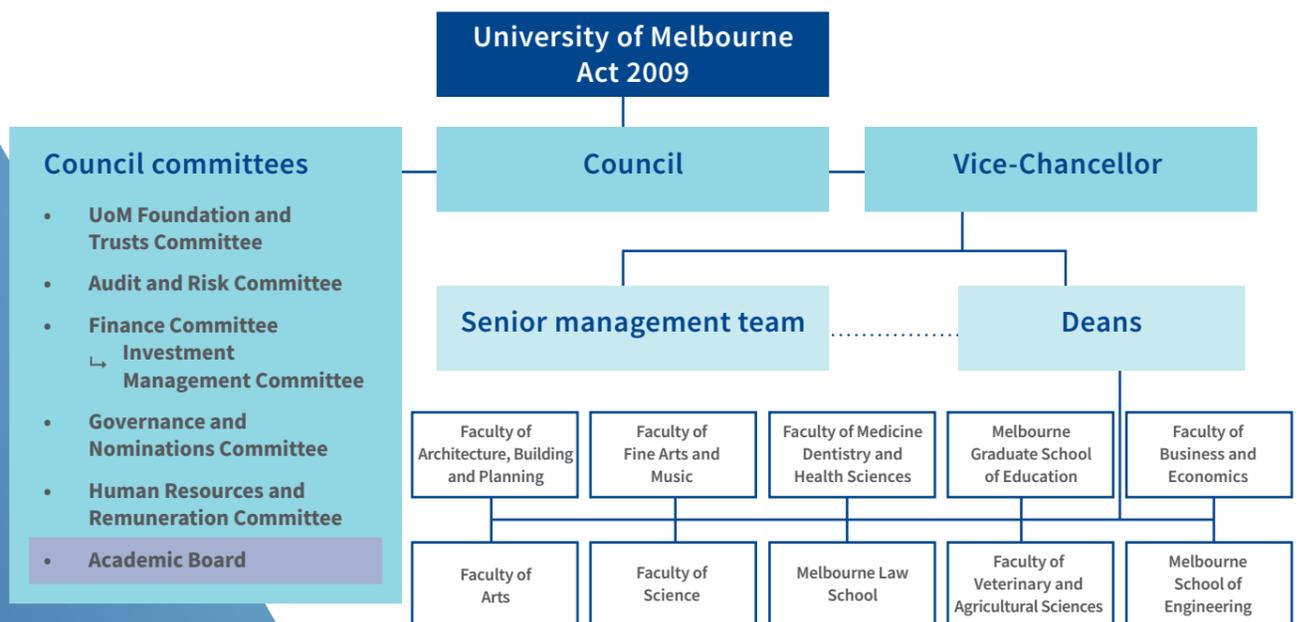
The University of Melbourne was established by an Act of the Victorian Parliament in April 1853. The 13-member University Council is the governing body of the University of Melbourne and has oversight of the entire direction and superintendence of the University.

GOVERNANCE

The specific functions of the Council, as defined by the *University of Melbourne Act 2009* (Section 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.

There are six Council Committees including the Academic Board, which is the chief academic body responsible for academic quality assurance. The University has ten faculties and is led and managed by the Vice-Chancellor and the senior leadership team.



COUNCIL

NEW COUNCIL PROCEDURES IMPLEMENTED IN 2018

In 2018 the University of Melbourne Council implemented the recommendations of an external review of the Council which took place in late 2017. In addition to refinements to Council attendance and committee structures, a new Council meeting format was introduced.

Council meetings were reduced in number, but each formal meeting is now preceded by an informal session focused on strategy discussion. The new format has provided the opportunity for Council to dedicate more time to emerging strategic matters and has enabled Council to provide more constructive input into developing strategy. 2018 also saw the implementation of new strategies to improve communication between the Academic Board and Council.

Attendance

Category of appointment	Council Members Attendance at Council Meetings Held During the Year - 2018		Meetings	Leave of Absence
	Council Members - Meeting Dates	Eligible		
Chancellor	Myers, Mr Allan AC, QC	9	9	
Vice-Chancellor	Davis, Professor Glynn, AC	6	6	
Vice-Chancellor	Maskell, Professor Duncan	3	3	
President of Academic Board	Olekals, Professor Nilss	9	9	
Minister's Appointment	Leibler, Mr Mark, AC	9	8	1
Governor-in-Council appointment	Szoke, Dr Helen, AO	6	4	1
Governor-in-Council appointment, Deputy Chancellor	Hansen, Ms Jane	9	9	
Governor-in-Council appointment	Stops, Ms Wendy	9	9	
Council appointment	Sung, Professor Joseph JY, SBS JP	9	9	
Council appointment	McPherson, Mr Ross	9	8	1
Council appointment	Middleton, the Hon. Justice John	9	7	2
Council appointment, Deputy Chancellor	Myer, Mr Martyn, AO	9	9	
Student-elected member of Council	Holloway-Clarke, Mr Tyson	9	9	
Staff-elected member of Council	Guillemin, Professor Marilys	9	9	



Chancellor
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 the University of Melbourne's Humanities Foundation Board and inaugural Chair of the Campaign Board for *Believe – the Campaign for the University of Melbourne*. Governor of the Ian Potter Foundation. President of the Council of Trustees of the National Gallery of Victoria from 2003 until 2012. Chair of the National Gallery of Australia Council and the Museums and Art Galleries Board of the Northern Territory from 2012 until 2018. Member of the Council of Newman College, and of the Graduate Studies Advisory Board of the Law Faculty at the University of Melbourne and of the Law Faculty at Oxford University. Founding Chair of the Grattan Institute from 2008 until 2015. 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.



Deputy Chancellor
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 the Melbourne Theatre Company. Chair of the Foundation of the Melbourne Theatre Company. Deputy Chair for *Believe – the Campaign for the University of Melbourne*. Member of the Advisory Board for the Melbourne Humanities Foundation. Board member of Opera Australia. Chair and CEO of the Hansen Little Foundation. Board member of The Lord Mayor's Charitable Foundation. No significant financial interests declared.

Term of office concluded 31 December 2018

Re-appointed in an interim capacity.



Deputy Chancellor
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, philanthropy and not-for-profit. President of The Myer Foundation. Director of the Cranlana Programme Foundation. Chairman of CogState Ltd. Board member of Melbourne Theatre Company. Director of Australian Chamber Orchestra. No significant financial interests declared.

Term of office concluding 31 December 2019.



Vice-Chancellor

PROFESSOR GLYN DAVIS AC
(until 30 September 2018)

BA NSW PhD ANU FASSA FIPAA

Appointed Vice-Chancellor 10 January 2005. Past Chair of Universitas 21 (U21) 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), Honorary Professor at King's College London, Manchester University and Oxford University. Ex-officio member of the University's companies and controlled entities. No significant financial interests declared.



PROFESSOR DUNCAN MASKELL
(from 1 October 2018)

**MA Cantab PhD Cantab
FMedSci HonAssocRCVS**

Appointed Vice-Chancellor 1 October 2018. Past Senior Pro-Vice-Chancellor at the University of Cambridge. Director of Grattan Institute, Melbourne Business School and Melbourne Theatre Company. Member of Group of Eight. Ex-officio member of the University's companies and controlled entities. No significant financial interests declared.



President of Academic Board

PROFESSOR NILSS OLEKALNS

BEc Adel MEc ANU MA UWO PhD La Trobe

Appointed 1 January 2017. Ex-officio member of Council as elected President of Academic Board for term of office concluding 31 December 2020. No significant financial interests declared.



MARK LEIBLER AC

LLB(Hons) Melb LLM Yale Hon LLD Melb

Appointed 1 April 2017. Field of experience: law, business, and Jewish affairs. Senior Partner, Arnold Bloch Leibler. Former Co-Chair, Referendum Council. National Chairman, Australia/Israel & Jewish Affairs Council. Governor of Australia Israel Chamber of Commerce. Member of the Executive of the Jewish Agency for Israel and member of the Board of Governors of Tel Aviv University. No significant financial interests declared.

Term of office concluding 31 December 2019.



DR HELEN SZOKE AO

**BA Tas GDip Melb PhD Melb Hon LLD
Deakin FIPA GAICD FAIIA FIPAA**

Appointed 16 May 2018 (Governor-in-Council member). Field of experience: Public policy, social justice, human rights and discrimination. CEO Oxfam Australia since 2013. Vice-President and board member of Australian Council for International Development, champion for the ACFID Humanitarian Reference Group, Executive Board Member for Oxfam International, chairs the Public Engagement Committee and is a member of the Gender Justice and Humanitarian Committees. Board member of the Cranlana Programme Foundation. No significant financial interests declared.

Term of office concluding 31 December 2020.



WENDY STOPS

BAppSc (IT) CIT GAICD

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

Term of office concluded 31 December 2018.

Re-appointed in an interim capacity.



ROSS McPHERSON

LLB(Hons) Melb LLM Lond 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 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 the Victorian Public Sector Advisory Board. Director and Treasurer of International News Media Association. No significant financial interests declared.

Term of office concluded 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.



**PROFESSOR JOSEPH
J Y SUNG SBS JP**

**MBBS HKU, MD UCalgary, PhD
CUHK FRCP (London) FRCP (Edin)
FRCP (Glasgow) FRACP FAGA FAGG
FHKCP FHKAM (Medicine)**

Appointed 1 January 2018. Field of experience: gastroenterology, university teaching and leadership. Mok Hing Yiu Professor of Medicine, Director of Institute of Digestive Disease and Chair Professor in Medicine at The Chinese University of Hong Kong. Vice-Chancellor and President of The Chinese University of Hong Kong (2010 to 2017). No significant financial interests declared.

Term of office concluding 31 December 2020.



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
TYSON HOLLOWAY-CLARKE

BA(Hons) Melb

Appointed 1 October 2016. Re-appointed 1 Oct 2018. Field of experience: current Juris Doctor student at the University of Melbourne. President of the University of Melbourne Student Union in 2016 and Indigenous Officer in 2015. No significant financial interests declared.

Term of office concluding 30 September 2020.

GOVERNANCE STRUCTURE 2018

COUNCIL COMMITTEES

Governance of the University of Melbourne, subject to the provisions of the Act, is detailed in Part 3 of the Council Standing Resolutions. Council was assisted in its deliberations in 2018 by the 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 law.

AUDIT AND RISK COMMITTEE

Chair: Wendy Stops (Acting)

Audit and Risk Committee oversees the University's external and internal audit programs, recommends the annual financial statements to Finance Committee (for its recommendation for approval to Council) and monitors the University's response to internal audits and the annual external audit.

The Audit and Risk Committee supports Council in overseeing and monitoring the assessment and management of risk across the University, including university commercial activities. The Committee reviews the 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 the Risk Management Framework and practice improvements and progress as well as significant risks arising from their review. The Committee recommends the Risk Management Framework, Risk Policy and Risk Appetite Statement updates to Council for approval.

FINANCE COMMITTEE

Chair: Allan J Myers AC QC

Finance Committee exercises governance responsibilities with respect to the University's financial and business affairs, including monitoring the financial risk and performance of University subsidiaries and commercial ventures. Investment Management Committee is a subcommittee of the Finance Committee.

INVESTMENT MANAGEMENT COMMITTEE

Chair: Martyn Myer AO

The Investment Management Committee is a sub-committee of the Finance Committee. The Committee exercises governance oversight of the University's investment funds, supervises the selection and performance of fund managers and the advisers appointed to give effect to the University's investment objectives. The Committee exercises a stewardship role in relation to the management of investment funds.

GOVERNANCE AND NOMINATIONS COMMITTEE

Chair: Allan J Myers AC QC

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

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Chair: Allan J Myers AC QC

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

UNIVERSITY OF MELBOURNE FOUNDATION AND TRUSTS COMMITTEE

Chair: The Hon Justice John Middleton

The University of Melbourne Foundation and Trusts Committee assists Council in overseeing and administering philanthropic funds from donors to any part of the University. The Committee ensures the appropriate and effective acceptance and use of any gift, bequest and pledge ('gift') received and supports the work of existing foundations, funds, boards and advisory groups associated with such gifts. The Committee also oversees the University's stewardship of endowments and trusts.

ACADEMIC GOVERNANCE

The 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, development of academic and research policy, and acts as the final appeal body for students. The 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 Nilss Olekalns

BEc Adel MA UWO MEc ANU

PhD La Trobe

VICE-PRESIDENT OF ACADEMIC BOARD

Professor Janet Hergt

BSc(Hons) La Trobe PhD ANU

DEPUTY VICE-PRESIDENT OF ACADEMIC BOARD

Professor Andrew Kenyon

LLB(Hons) Melb LLM Lon 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 2018, from February to December, and was supported in its work by the following subcommittees:

- Academic Programs Committee
- Libraries and Academic Resources Committee
- Research Higher Degrees Committee (RHDC)
- Selection Procedures Committee
- Teaching and Learning Quality Assurance Committee.

University of Melbourne ceremonial mace carried at the head of graduation processions by the Esquire Bedell

SENIOR LEADERSHIP

UNIVERSITY EXECUTIVE

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

VICE-CHANCELLOR

Professor Duncan Maskell
MA Cantab PhD Cantab FMedSci
HonAssocRCVS
(from October 1 2018)

Professor Glyn Davis AC

BA NSW PhD ANU FASSA FIPAA
(Until September 30 2018)

PROVOST

Professor Mark Considine
BA(Hons) PhD Melb FASSA FIPAA

DEPUTY VICE-CHANCELLOR (ACADEMIC AND UNDERGRADUATE) AND DEPUTY PROVOST

Professor Richard James
BSc MEd DEd Melb DipEd Melb.StateColl

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

Professor Carolyn Evans
BA/LLB(Hons) Melb PhD Oxon
(until November 2018)

DEPUTY VICE-CHANCELLOR INTERNATIONAL

Professor Ruth Fincher AM
BA(hons) Melb MA McMaster PhD Clark
FASSA DFIAG
(from November 2018)

DEPUTY VICE-CHANCELLOR (RESEARCH)

Professor James McCluskey
BMedSci MBBS MD UWA
FRACP FRCPA FAA

VICE-PRINCIPAL (ADMINISTRATION AND FINANCE) AND CHIEF FINANCIAL OFFICER

Mr Allan Tait
BSocSci(Hons) Birm ACA ACE&W

VICE-PRINCIPAL (ADVANCEMENT)

Mr Nick Blinco
BA Hull MSt Oxon

VICE-PRINCIPAL (ENGAGEMENT)

Mr Adrian Collette AM
BA La Trobe MA Melb

VICE-PRINCIPAL (ENTERPRISE)

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

VICE-PRINCIPAL (POLICY AND PROJECTS)

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

HEAD OF UNIVERSITY SERVICES

Mr Paul Duldig
MEc Adel

PRESIDENT OF ACADEMIC BOARD

Professor Nilss Olekalns
Bec Adel MEc ANU MA UWO PhD La Trobe

DEANS

FACULTY OF ARCHITECTURE BUILDING AND PLANNING

Professor Julie Willis
BArch BPD PhD Melb

FACULTY OF ARTS

Professor Denise Varney
DipEd Monash GDipEngl Monash
BA Monash MA Melb PhD Melb

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 Shitij Kapur
MBBS AIIMS PhD Toronto

FACULTY OF SCIENCE

Professor Karen Day
BSc(Hons) PhD Melb

FACULTY OF VETERINARY AND AGRICULTURAL SCIENCES

Professor John Fazakerley
BSc(Hons) Durh PhD Lond MBA Edin

FACULTY OF FINE ARTS AND MUSIC

Professor Barry Conyngham AM
BA MA(Hons) Syd DMus Melb
CertPostdocStud USCD

MELBOURNE GRADUATE SCHOOL OF EDUCATION

Dr Jim Watterston
Dip Ed. Edith Cowan Bed Edith
Cowan MEd Curtin Ed. D UWA

MELBOURNE LAW SCHOOL

Professor Pip Nicholson
BA LLB Melb MPP ANU PhD Melb
(from January 2018)

Professor Jenny Morgan
BA Syd LLB UNSW LLM Yale
January 2018

MELBOURNE SCHOOL OF ENGINEERING

Professor Mark Cassidy
B. Eng(Hons) UQ PhD Oxon FTSE
FIEAust GAICD
(from July 2018)

Professor Iven Mareels
Ir Ghent PhD ANU FTSE
FIEEE FIEAust CPEng
(until June 2018)

FACULTIES, SCHOOLS AND OTHER ACADEMIC UNITS

In 2018 the University of Melbourne comprised ten faculties, three institutes and six interdisciplinary institutes.

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 schools, departments and institute:

- Department of Accounting
- Department of Economics
- Department of Finance
- Department of Management and Marketing
- Melbourne Business School
- Melbourne School of Professional and Continuing Education
- Melbourne Entrepreneurial Centre
- The Melbourne Institute

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
- Centre for Cancer Research

Departments

Melbourne Medical School

- Clinical Pathology
- 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
- 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
- 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
- Office for Environmental Programs

Faculty of Veterinary and Agricultural Sciences

Faculty of Veterinary and Agricultural Sciences includes the following graduate school, school and departments:

- Melbourne Veterinary School (graduate school)
- School of Agriculture and Food Sciences
- Department of Veterinary Clinical Sciences
- Department of Veterinary Biosciences
- The University of Melbourne Veterinary Hospital

Faculty of Fine Arts and Music

Faculty of Fine Arts and Music is a single faculty comprising the following two divisions each headed by a Director:

- Melbourne Conservatorium of Music
- Victorian College of the Arts

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 is a graduate school consisting of the following schools and departments:

School of Computing and Information Systems

School of Chemical and Biomedical Engineering

- Department of Biomedical Engineering
- Department of Chemical Engineering

School of Electrical, Mechanical and Infrastructure Engineering

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

Bio21 Molecular Science and Biotechnology Institute

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

Nossal Institute for Global Health

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

Interdisciplinary Research Institutes

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

In addition to the 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 field
- Raise the profile of University 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, and
- Provide advice to the University on any matter which they consider appropriate relating to their field of operation.

University departments not controlled or hosted by a faculty

University departments not controlled or hosted by a faculty are established for the purpose of organising non-academic activities of the University.

- Asialink
- The Ian Potter Museum of Art
- International House
- Medley Hall
- Melbourne Theatre Company
- Melbourne University Sport
- Atlantic Fellows for Social Equity

Subsidiary Companies

- Australia India Institute Private Limited (India)
- Australian Music Examinations Board (Vic) Ltd
- Goulburn Valley Equine Hospital Pty Ltd
- Melbourne Business School Ltd Group
- Melbourne Dental Clinic Ltd
- Melbourne University Publishing Ltd
- MU Student Union Ltd (ceased to be a subsidiary in November 2018)
- Nossal Institute Ltd
- UMELB Pte Ltd (Singapore)
- UOM Commercial Ltd Group

STATUTORY REPORTING



The main gate provides a welcome in English and Woiwurrung, the language of the Wurundjeri people of the Kulin Nations, upon whose traditional lands the Parkville campus stands.

RISK MANAGEMENT

Risk management strategy and framework

The University of Melbourne recognises risk management as a key aspect of University governance and a vital component of effective decision making. The University has a risk management approach and framework consistent with the Australian and New Zealand Standard (AS/NZS ISO 31000:2018). Risk management is integrated with the University's business planning cycle to support the development of a positive risk culture that creates and protects value.

As a committee of Council, the University Audit and Risk Committee (UARC) provides strong oversight of risk management and compliance activities throughout the University. At a management level, risk is monitored and managed through the Risk Management Advisory Group, Chancellery Executive and University Executive. Within the University's administration, the Vice-Principal Policy and Projects has delegated responsibility for the development of the Risk Management Framework and implementation is overseen by the Head of University Services.

2018 risk management activity

The University of Melbourne Risk Management Framework provides for the development and annual review of a University Risk Register and Risk Appetite Statement which gives the University an understanding of its risk profile.

The Risk Appetite Statement articulates how much risk the University is willing to accept in relation to executing its strategy and achieving business objectives, while the University Risk Register comprises risks that require oversight at the institutional level. The 2018 annual review of the University Risk Register confirmed the key risks as well as responsible owners to oversee mitigation of these risks (monitored quarterly). The risks from divisions across the University are actively monitored by management in the respective divisions, are discussed and analysed as part of the business planning process and were considered in the review of the University Risk Register.

The University has a dedicated program for managing specialist risk and incident reporting in the areas of occupational health and safety, biosafety, insurance, WorkCover, IT and information services, major projects and fraud. Critical incident management and business continuity management undertaken at the University is aligned with the Australasian Inter-Service Incident Management System and the requirements of ISO 22301:2012 Societal security – Business continuity management systems.

Attestation

Consistent with the Victorian Government Risk Management Framework, I, Duncan Maskell, certify that the University of Melbourne has risk management processes in place to enable the University to manage its key risk exposures. The Audit and Risk Committee verifies this assurance and the risk profile of the University of Melbourne has been reviewed within the last 12 months.

Vice-Chancellor, University of Melbourne
March 2019

HEALTH AND SAFETY

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 (HSMS)

The University of Melbourne's HSMS was continually reviewed in 2018. All health and safety policies, procedural principles and HSMS requirements were reviewed to meet changes to information technology systems, legislation or other legal requirements.

Health and Safety Resources

In 2018 each operating division appointed health and safety business partners. Higher risk divisions appointed health and safety managers, and moderate and lower-risk divisions appointed part-time health and safety business partners.

Complementing the divisional business partners, specialist health and safety advisory services continued to be provided through University Services. In addition, specialist health and safety advice is commissioned from external consultants where required.

Consultative Framework

Employees continue to be represented by elected employee health and safety representatives. There were over 50 elected employee health and safety representatives holding office in 2018. Each division has a consultative Health and Safety Committee with membership comprising employer and employee representatives and where applicable, student representatives.

Membership of the University-wide Health and Safety Committee (HSC) comprises equal numbers of employer and employee representatives. Students are represented via student observers. The employee representatives are elected from the pool of University employee health and safety representatives. The HSC met four times during 2018, with minutes of the meetings published on the University's safety website.

Training

During 2018 the University provided training to address general health and safety responsibilities and specific health and safety hazards.

The health and safety training needs of each employee as well as cohorts of graduate research students and coursework students, are assessed in accordance with the University's health and safety training requirements.

Over 23800 health and safety related training modules were undertaken in 2018. The table below provides a summary of health and safety related training provided at the University.

Health and Safety Training Provided: 2016-2018

Training Course Type	Attendees		
	2016	2017	2018
Health and Safety Roles and Responsibilities	4,090	4,968	7,704
Health and Wellbeing, Change Management and Psychosocial	3,553	5,052	6,035
First Aid and Emergency Management	859	1,161	1,302
Chemical Safety, Radiation Safety and Compressed Gas Safety	1,184	1,924	3,152
Manual Handling and Ergonomics	696	2,121	4,603
Personal Protective Equipment	146	778	1,096
Health and Safety Representative	2	6	4

Emergency Preparedness and Response

The University'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.

Building evacuation drills were undertaken in each occupied building during 2018. A review of the effectiveness of each evacuation is undertaken by each building Chief Warden.

Critical Incident Management

The University continued the implementation of a revised critical incident management framework in 2018. The framework aligns the University's plans with the Australasian Inter-Service Incident Management System (AIIMS) used by emergency services agencies.

The role of Duty Officer, to support the initial assessment of and response to potential critical incidents, continued in 2018. A critical incident simulation exercise was undertaken in 2018. This exercise involved personnel from across the University and tested the University's ability to respond to escalating events.

Radiation Management

During 2018 the University's Electromagnetic Radiation Committee met on four occasions. This committee monitors the implementation of the University's radiation safety initiatives and management licence.

There were 75 variations to the University's radiation management licence 2018 to meet the research and teaching needs of the University.

During 2018 the University continued an internal self-certification program for radiation laboratories. 94% of radiation laboratories have completed the internal self-certification program and the remainder have commenced the program in 2018. This program continues to be supported by risk-based review and monitoring by the University's radiation safety officer.

OCCUPATIONAL HEALTH SURVEILLANCE AND PROGRAMS

The University coordinates and implements health monitoring and vaccination programs supporting the University's compliance obligations, as well as voluntary vaccination programs to reduce the incidence of employee illness.

During 2018 over 250 Health and Hazard Assessment Questionnaires were reviewed by an Occupational Health Nurse, resulting in 94 screening reviews with employees and students.

Occupational Health Surveillance - Services Provided or Facilitated: 2016-2018

Service provided	2016	2017	2018
Influenza vaccinations	3,746	4,013	4,609
Spirometry	82	233	244
Audiometry	17	105	109
Pathologies and biological screening	5	12	37
Q Fever vaccinations	309	338	284

Workers Compensation and Injury Management

An early intervention approach has ensured that return-to-work plans were developed for all compensable injuries during 2018. The University's injury management team continued to assist injured employees with non-compensable injuries and other health-related conditions with the aim of ensuring successful return-to-work outcomes.

Self-Insurance Approval and Workers Compensation Compliance

Following high levels of audit conformance in prior years the University has been classified in tier 1 for self-insurance claims management compliance. Subsequently the University was exempt from the annual claims audit in 2018.

Health and Safety Strategic Plan, 2018 Outcomes Summary

Objective	Key Performance Indicators	2018 Outcome
Continually improve compliance with Health and Safety legislation and effective implementation of the University's HSMS.	<ul style="list-style-type: none"> a. Zero Improvement Notices (WorkSafe) b. Zero Prohibition Notices (WorkSafe) c. Zero non-conformance findings (external audits). 	<ul style="list-style-type: none"> a. Target achieved ✓ Nil improvement notices (WorkSafe) b. Target achieved ✓ Nil prohibition notices (WorkSafe) c. Target not achieved ✗ 4 non-conformances (external audit).
Improve Health and Safety leadership and culture throughout the University.	<ul style="list-style-type: none"> a. Implement revised safety leadership training focusing on care, trust, and engagement. 	<ul style="list-style-type: none"> a. Target achieved ✓ 30 Participants in safety leadership course.
Provide high quality consistent and practical Health and Safety information and advice to the University community.	<ul style="list-style-type: none"> a. Minimum of average score of 70% in health and safety sections of quality performance surveys b. Zero non-conformances to University-wide systems criteria in external HSMS audits i.e. policies and procedures. 	<ul style="list-style-type: none"> Target achieved ✓ Services survey (UoM internal): <ul style="list-style-type: none"> • Health and Safety: 8.2/10 Services survey (International universities): <ul style="list-style-type: none"> • Health and Safety (UoM): 51 • Health and Safety (Global Median): 35 a. Target achieved ✓ Nil University-wide systems.
Reduce occurrence or re-occurrence of workplace injuries and illnesses.	<ul style="list-style-type: none"> a. Zero Lost Time Injuries Frequency Rate (LTIFR) with an unacceptable tolerance of 1.55 b. 5% reduction in injuries/illnesses resulting in five days or more of lost time c. 5% reduction in musculoskeletal disorders injuries resulting in five days or more of lost time d. 5% reduction in injuries/illnesses resulting in 100 days or more of lost time e. 5% increase in reported injuries/illness (to reduce under-reporting of incidents). 	<ul style="list-style-type: none"> a. Within Tolerance ☹ Decrease in LTIFR 2016: 0.72; 2017: 1.82; 2018: 1.13 b. Target achieved ✓ 45% reduction in injuries >5 days lost 2016: 8; 2017: 20; 2018: 11 c. Target achieved ✓ 38% reduction in MSD injuries >5 days lost 2016: 6; 2017: 13; 2018: 8 d. Target not achieved ✓ Increase in injuries with >100 days lost 2016: 1; 2017: 2; 2018: 3 e. Target achieved ✓ 15.9% ↑ reported incidents and hazards 2016: 1,354; 2017: 1,389; 2018: 1,610.

REGULATORY ACTIVITY

The University 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, visits by WorkSafe in response to requests by others and a WorkSafe initiated project.

WorkSafe Victoria Activity: 2016–2018

Action	2016	2017	2018
Visits to the University's workplaces by WorkSafe	13	12	5
Prohibition notices issued by WorkSafe	0	0	0
Improvement notices issued by WorkSafe	0	0	0
Health and safety convictions	0	0	0

The Victorian Department of Health and Human Services undertook four regulatory visits to the University to monitor compliance with radiation safety legislation.

HEALTH AND SAFETY PERFORMANCE MONITORING

To assist in monitoring the effectiveness of the health and safety management system, performance reports are provided to a number of consultative, management, executive and governance forums within the University, including the Risk Management Advisory Group, University Executive and Audit and Risk Committee. Local health and safety business partners provide health and safety performance reports to their respective divisions. All significant incidents are reviewed in detail and, where appropriate, action plans put in place to minimise risk of reoccurrence.

Health and Safety Incident Statistics: 2009–2018

Performance indicator	2016	2017	2018
Reported incidents (including injury and illness)	1,354	1,389	1,610
Reported incident incidence rate (per 100 FTE employees)	16.24	16.60	18.12
Days lost due to reported injuries	317	1,190	715
Number of workers compensation claims	99	104	96
Number of lost time injury claims (LTI)	11	28	18
LTI incidence rate (per 100 FTE employees)	0.13	0.34	0.20
LTI frequency rate (per 1 million hours worked)	0.72	1.82	1.13
Average cost per claim (including estimate of future costs)	\$4852	\$11290	\$8618
Work-related fatalities	0	0	0

INCIDENTS REQUIRING NOTIFICATION TO WORKSAFE

The *Occupational Health and Safety Act 2004 (Vic)* requires the University to notify WorkSafe Victoria of all serious injuries, dangerous occurrences and deaths at the workplace. A breakdown of these incidents is outlined in the table below. An investigation of each incident has either commenced or been completed. Corrective and preventative actions were instigated to prevent or reduce the risk of reoccurrence.

EXTERNAL HEALTH AND SAFETY MANAGEMENT SYSTEM (HSMS) AUDITS

Conformance of the University of Melbourne's HSMS to the National Self-Insurers Audit Tool (NAT) is a requirement of the University's Workers Compensation Self-Insurance approval.

During 2018 an external surveillance audit was undertaken by Lloyd's Register Quality Assurance auditors to support the maintenance of the University's external certification of the HSMS to the NAT and AS4801 Occupational Health and Safety Management Systems.

The surveillance audit assessed 185 audit criteria across four academic divisions, University Services, and one other University department. Four criteria were assessed as non-conformances. Corrective actions have been implemented and these non-conformances were closed in 2018. The University successfully maintained the certifications NAT and AS4801 until September 2019.

INTERNAL HEALTH AND SAFETY MANAGEMENT SYSTEM (HSMS) AUDITS

A program of internal audits against the NAT and AS4801 Occupational Health and Safety Management Systems criteria were undertaken in 2018. 133 individual criteria were assessed across the University's divisions, departments and wholly-owned subsidiaries. Overall, 2% of the audit criteria were assessed to be in non-conformance. Corrective action plans have been established to address these non-conformances.

Notifications to WorkSafe: 2016–2018

Type	Event	2016	2017	2018
Serious Injury or Illness	Immediate medical treatment – laceration	12	9	7
Serious Injury or Illness	Immediate medical treatment – temporary loss of bodily function	0	3	0
Serious Injury or Illness	Admission as an inpatient in a hospital	2	0	1
Serious Injury or Illness	Medical treatment within 48 hours – exposure to substance	1	1	0
Dangerous Occurrence	Uncontrolled implosion, explosion or fire	3	1	1
Dangerous Occurrence	Fall or release from a height of any plant, substance or object	4	4	1
Death at a workplace	Non-work-related fatalities	1	0	1
Total	All incidents	23	19	11



Curator of the University of Melbourne's Herbarium Dr Jo Birch (left), works in the laboratory with Bachelor of Science students Cindy Nguyen and Joshua Wakeham

EMPLOYMENT PRACTICES

The University's 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*.

Enabling policies for managing employment issues include the Academic Appointment Policy, Appropriate Workplace Behaviour Policy, Health and Safety Policy, Privacy Policy and various policies addressing specific employment practices such as leave, relocation, remuneration, performance and professional development.

The University continues to strengthen and enhance its appropriate workplace behaviour practices with an extensive review and update of its policy and supporting processes completed in 2018. Of note, the policy update strengthened the prohibition on inappropriate relationships between employees and students, introduced improvements intended to encourage the reporting of sexual harassment, assault and other contravention of the policy, and introduced fit and proper checks for working with children.

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

An extensive program of work has been scheduled for 2019 to update the entire suite of employment policies and processes to facilitate the implementation of the new enterprise agreement.

WORKFORCE DATA COLLECTION

Workforce disclosures requested by the Department of Education and Training are provided below for the period 31 December 2017–31 December 2018. Classifications have been reviewed and employees have been correctly classified in the workforce data collections.

	Dec 2017						Dec 2018							
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number	FTE	Full-time	Part-time	FTE	Number	FTE	Number	FTE	Full-time	Part-time	FTE	Number	FTE
Gender														
Women Executives	36	35.30	7	2	8.70	27	26.60	46	45.20	17	0	17.00	29	28.20
Women (total staff)	9306	4693.28	1904	645	2328.87	6757	2364.41	9894	4962.81	2045	688	2508.07	7161	2454.74
Men Executives	46	43.40	16	0	16.00	30	27.40	47	45.76	18	0	18.00	29	27.76
Men (total staff)	7101	3680.52	1756	152	1847.39	5193	1833.13	7444	3848.10	1896	148	1982.96	5400	1865.14
Demographic data														
Self-described Executives	0	0.00	0	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0.00
Self-described (total staff)	15	2.91	0	2	1.40	13	1.51	23	7.28	1	2	2.40	20	4.88
Age														
15-24	1705	298.98	47	5	50.54	1653	248.44	1940	332.40	45	3	46.94	1892	285.46
25-34	5181	2180.97	669	103	738.43	4409	1442.54	5539	2300.02	721	93	783.93	4725	1516.09
35-44	4236	2616.71	1139	308	1336.19	2789	1280.52	4422	2756.07	1241	340	1466.04	2841	1290.03
45-54	2784	1819.26	983	216	1126.77	1585	692.49	2904	1909.21	1067	223	1216.59	1614	692.62
55-64	1888	1228.21	723	126	803.98	1039	424.23	1961	1276.52	755	139	844.24	1067	432.28
Over 64	627	232.58	99	41	121.75	487	110.83	595	243.97	113	40	135.69	442	108.28
Total employees	16,421	8376.71	3660	799	4177.66	11,962	4199.05	17,361	8818.19	3942	838	4493.43	12,581	4324.76

Definitions

Census date	Continuing and fixed-term staff measured as of 31 December in reported year
Executives	Defined as per Workplace Gender Equality Agency classification, includes CEO (ie VC), key management personnel and senior executives
Casual executives	There are no executives employed on a casual basis
Casual reporting period	Casuals headcount and FTE measured from 1 January to 31 December in reporting year
Total staff	These measures include executives
All employees	Sum of continuing, fixed-term and casual staff
Self-described	Gender X (unspecified, unknown, indeterminant) as recorded in THEMIS
Age	Age determined as of the 31 December in year reported

The 2017 total employee FTE figure of 8376.71 (as at 31 December 2017) differs to the figure of 8539 reported in the 2017 Annual Report (as at 31 March 2017) by -162.29 FTE due to the point in time differences of the data reported.

STATUTES AND REGULATIONS

The University Statute, Regulations and Standing Resolutions of Council are administered in accordance with the provisions of the *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 the 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. Some minor amendments to the Council Regulation were approved by Council in 2017.

BUILDING ACT 1993 (VIC)

The University of Melbourne implemented the following mechanisms to ensure all buildings and works conform to the relevant standards and authorities:

- Property and Sustainability, Administration and Finance is responsible for the Estate Plan which is the long-term strategic plan and contains the guiding principles for the future development of the estate. This includes Campus Development Frameworks, the blueprints that guide the planning, design and development of the University's campuses.
- Infrastructure Services, University Services is responsible for the Strategic Asset Management Plan, which translates organisational objectives into asset management and maintenance objectives and provides a system by which these objectives are delivered.

- Consultants are selected from the State Government consultants' register and are required to ensure compliance with University design standards and guidelines.
- The management of project works is undertaken in accordance with the University's Project Management Procedures.
- All projects are monitored by University project managers and appointed consultants to ensure that projects comply with current building regulations and statutory requirements.
- The University engaged independent registered Building Surveyors to ensure all works requiring building approval had building permits issued, plans certified, and, on completion, had Certificates of Occupancy/Certificates of Final Inspection issued in compliance with the Building Act 1993.
- The University ensures that an asbestos audit is carried out for each project prior to commencement of construction work.
- New buildings are required to comply with the University's Sustainability Plan, including a requirement for Green Star ratings. Collaboration between the University's Project Managers and responsible staff guide projects to achieve positive outcomes.
- Opportunities to improve the energy and environmental performance of the University's existing buildings are identified by relevant staff and delivered by the Campus Services team through a program approach.

PROTECTED DISCLOSURE ACT 2012 (VIC)

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

As the University of Melbourne has not been prescribed as a public body that can receive disclosures under the Act, disclosures of improper conduct and detrimental action must be made to the Independent Broad-based Anti-corruption Commission (IBAC) or to the Victorian Ombudsman.

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

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

It is also a criminal offence to harass, intimidate, disadvantage or discriminate against another person because they have made a protected disclosure.

In addition, where the University becomes aware that a matter is being handled under the Act, the University must protect the person(s) who made the protected disclosure from detrimental action in reprisal for that disclosure.

The University's policy on protection from detrimental action can be found in the Appropriate Workplace Behaviour Policy:

policy.unimelb.edu.au/MPF1328

CARERS RECOGNITION ACT 2012 (VIC)

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 2018 to:

- Maintain and promote policies enabling carers to balance work and their carer role. Individual flexibility arrangements are available through Section 9 and the accessibility of flexible work arrangements is secured through section 52 of the Enterprise Bargaining Agreement 2013 (EBA). The EBA supports various flexible work arrangements, such as working from home, job sharing, part-time work and more.
- Promote compliance with the 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 web page for all staff, supervisors and carers.
- Ensure staff promote, understand and are aware of the care relationship principles in dealing with colleagues who are carers or being cared for. All staff receive orientation and ongoing training in appropriate, respectful and non-discriminatory workplace conduct.
- Reflect the care 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.

EDUCATION SERVICES FOR OVERSEAS STUDENT ACT 2000 (ESOS ACT)

The University of Melbourne continued to maintain compliance with requirements under the *Commonwealth Education Services for Overseas Student Act 2000* (ESOS Act), including the revised National Code released in 2017. Implementation of the University's ESOS Coordination Framework, designed to minimise risk and enable continued compliance with future ESOS Act requirements, continued to progress.

FREEDOM OF INFORMATION

Activity report

In the period from 1 July 2017 to 30 June 2018, the University of Melbourne received 62 new requests for documents under the provisions of the Freedom of Information Act 1982 (Vic) ('Act').

Thirty-six requests were deemed to be valid under provisions of the Act.

Of the valid requests, access to documents was granted in full in response to 15 requests, partial access was granted in response to five requests and access was denied in full in response to four requests. Two requests were not pursued as the applicants elected not to proceed with their application. Documents were released outside the Act in response to one request and seven requests had not been finalised by the end of the reporting year.

The remaining two requests were either resolved outside the formal freedom of information process or not pursued because 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 the provisions of the Act, should be made in writing via email to foi-officer@unimelb.edu.au and addressed to the University Secretary.

Enquiries regarding any aspect of the freedom of information legislation, or for assistance to identify documents of the University available under the Act, should be directed to the Regulatory Advisory Services team within Legal and Risk via email to foi-officer@unimelb.edu.au.

Where access is granted to inspect or obtain material, arrangements will be made during regular business hours, Monday–Friday, 8.45am to 5.00pm. A request for access to a document of the University should include sufficient information about that document to enable it to be identified. Assistance will be provided by an officer of the University in cases where details supplied about a document are not sufficiently clear to identify that document. Charges for access to documents of the University under the provisions of the Act are in accordance with standard provisions of the Freedom of Information (Access Charges) Regulations 2014.

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.

NATIONAL COMPETITION POLICY AND COMPETITIVE NEUTRALITY

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

COMPULSORY NON-ACADEMIC FEES AND CHARGES

Following the Australian Government's amendment of the *Higher Education Support Act 2003* through the *Higher Education Legislation Amendment (Student Services and Amenities) Act 2010*, the University introduced an amenities and service fee in 2012. The fee for 2018 was \$298 for full-time students and \$223 for part-time students. Used to support student services and amenities of a non-academic nature, in 2018 these funds were provided to the University of Melbourne Student Union, Melbourne University Sport, Graduate Students Association, the Student Services and Amenity Fee Grant Program, and other areas across the University to support activities including employment and career advice, child care, financial advice, food services, and sporting and recreational activities.

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

ICT EXPENDITURE

Operational BAU ICT Expenditure	Non-BAU ICT Expenditure (total)	Non-BAU ICT Expenditure (Opex)	Non-BAU ICT Expenditure (Capex)
(A)	(A) = (C) + (D)	(C)	(D)
\$88,649,877	\$72,013,681	\$11,110,972	\$60,902,709

FINANCIAL REPORT

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FINANCIAL STATEMENT OVERVIEW – YEAR IN REVIEW

The University's financial position continues to support the objectives of *Growing Esteem*, returning a surplus in 2018 whilst maintaining a strong balance sheet structured to maximise investment in teaching, research and the student experience.

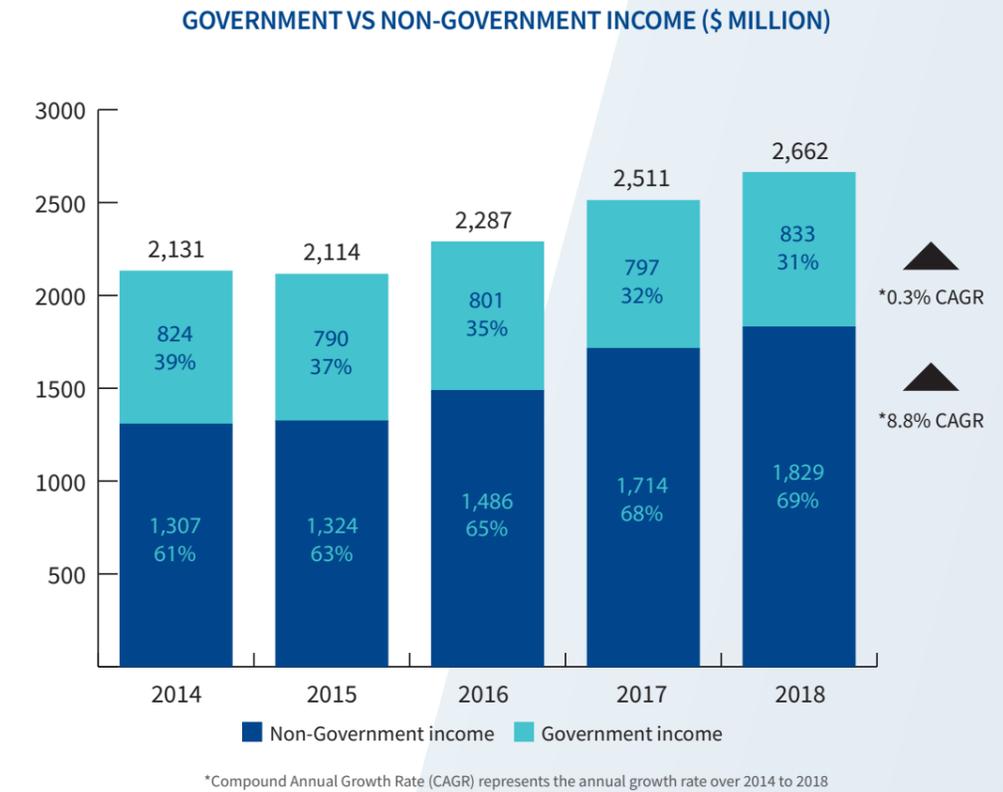
MEASURING FINANCIAL PERFORMANCE

The University monitors its financial performance using two internal financial measures:

- **Underlying operating result** which reflects the capacity of the University to live within its means, by removing from the accounting or net result items that distort core operating performance, such as discretionary investment income and income of a capital nature.
- **Underlying EBITDA** extends the underlying operating result by adjusting for depreciation and amortisation. This measure closely aligns to operating cash flow.

These measures provide a safeguard against unexpected adverse events and ensure no cross-subsidisation of operations from investments. The returns on the investment portfolio are subject to volatility of global markets and, as demonstrated during the global financial crisis, relying on them for operations is a high-risk strategy.

The overall accounting surplus is a combination of the underlying operating result, returns on the investment portfolio, grant income of a capital nature and philanthropic endowment income.



\$58m

underlying EBITDA
Up 0.6% on FY17

7.8%

underlying EBITDA
Up 0.6% on FY17

\$69m

accounting result
Down \$154m on FY17

\$2.5bn

underlying income
Up 9.7% on FY17

52,710

student EFTSL
Up 4.9% on FY17

Student revenue



57% International
43% Domestic

UNDERSTANDING OUR FINANCIAL PERFORMANCE

For the year ended 31 December 2018, the University recorded an underlying operating surplus of \$58 million, \$32 million higher than 2017. The increase is due to growth in teaching and learning activity attributed to international student load. The underlying operating surplus represents a margin of 2.3 per cent of underlying income. Operating in a low margin environment requires careful financial management but is commensurate with the University's not-for-profit status and its commitment to reinvest earnings for the benefit of its academic mission.

Sources of revenue are shifting, which has led to a need for the University to become more self-reliant. In the past five years, government funding has declined from 39% of total income in 2014 to 31% of total income in 2018. In addition, compound annual growth of only 0.3% and the current Commonwealth higher education policy environment present further challenges. This reinforces the need to diversify revenue sources, effectively manage resource allocation and leverage the asset base to remain financially sustainable (see Government vs Non-Government Income graph page 93).

The 2018 overall accounting result was \$69 million, \$154 million lower than the previous year. The decline from 2017 is due to a reduction in financing income arising from lower investment performance exacerbated by a change in accounting treatment arising from a new Accounting Standard for financial instruments (AASB 9). AASB 9 has introduced greater volatility into the Income Statement where changes in the value of investments are recognised in the Income Statement rather than in equity as in prior years. Also impacting the variance is a \$32 million gain on sale of a University property and several large philanthropic donations received during 2017.

For further detail on the impacts of AASB 9 Financial Instruments refer to Note 1.6 in the Financial Statements.

Underlying income was \$2.494 billion, an increase of \$221 million or 9.7 per cent on 2017, driven by growth in student-related revenue.

Student course fees and charges income again exceeded expectations, increasing by \$146 million from 2017 led by strong equivalent full-time student load (EFTSL) growth in international enrolments. Total international EFTSL increased by 2413 in 2018. Increases

in consultancy and contract revenue and specific government grants further contributed to the positive 2018 result.

\$2.4bn

underlying expenditure
Up 8.4% on FY17

Underlying operating expenditure increased by \$189 million or 8.4 per cent to \$2.437 billion, driven by growth in teaching activity, strategic investment in core teaching and research activities and costs of developing and maintaining infrastructure.

\$1.3bn

salary
Up 8.7% on FY17

Salary expenditure increased by \$103 million or 8.7 per cent. Apart from the growth and investment in core teaching and research activities, the increase reflects salary increases in the University's new Enterprise Agreement and annual increment advancements.

\$1.1bn

non-salary
Up 8.1% on FY17

Underlying non-salary expenditure increased by \$86 million or 8.1 per cent largely relating to items categorised in 'Other Expenditure' in the financial statements. This was due to a combination of increased activity relating to the growth in student load, such as scholarships and student fee remissions, increased contracted and professional service and equipment costs due to several new University initiatives including student precinct, student accommodation and the Petrascale Campus Initiative, a five-year plan to uplift the University's capacity for data-intensive research over 2018–2022.

FINANCIAL POSITION

\$7.7bn

total assets
Up 7.3% on FY17

The University has an indicative capital plan of more than \$3.6 billion over a ten-year period, funded from both internal and external sources, supporting the achievement of academic endeavours, and leveraging its balance sheet strength to deliver greater commercial outcomes.

Robust balance sheet

Net assets of \$5.720 billion, increasing 1.6 per cent from 2017.

Total assets

Increased \$524 million or 7.3 per cent to \$7.680 billion.

\$2.0bn

total liabilities
Up 28.6% on FY17

Key movements

- Cash and cash equivalents increased by \$230 million due to a significant settlement received for a student accommodation market transaction in late 2018.
- Property, plant and equipment increased by \$224 million due largely to construction additions of \$288 million in 2018, the largest project being the Melbourne Conservatorium of Music in Southbank.

Total liabilities

Increased \$436 million or 28.6% to \$1.960 billion.

\$5.7bn

net assets
Up 1.6% on FY17

Key movements

- Other liabilities increased by \$358 million in 2018. This related to proceeds received for a student accommodation market transaction in late 2018 as noted in the cash increase. This is to be amortised over the 40-year life of the arrangement.
- Trade and other payables increased by \$34 million largely due to higher expenditure accruals in 2018, particularly in relation to salary increases stipulated in the University's new Enterprise Bargaining Agreement for 2018 that were not paid at the end of the reporting period.

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

FIVE-YEAR FINANCIAL SUMMARY

Income statement

University	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Income	2,661,608	2,511,203	2,286,948	2,114,329	2,131,232
Expenses	2,592,699	2,276,313	2,111,174	1,953,543	1,924,689
Net result before impairment of available-for-sale financial assets	68,909	234,890	175,774	160,786	206,543
Impairment expense on available-for-sale financial assets	-	12,068	14,120	9,979	23,601
Net result	68,909	222,822	161,654	150,807	182,942

Statement of financial position

University	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Current assets	1,026,643	792,129	635,861	405,382	296,145
Non-current assets	6,653,233	6,363,756	5,814,119	5,322,441	5,272,610
Total assets	7,679,876	7,155,885	6,449,980	5,727,823	5,568,755
Current liabilities	807,904	728,912	698,971	586,312	609,312
Non-current liabilities	1,151,922	795,228	704,971	481,731	514,115
Total liabilities	1,959,826	1,524,140	1,403,942	1,068,043	1,123,427
Reserves	3,927,586	3,992,329	3,522,028	3,230,556	3,051,180
Retained surplus	1,792,464	1,639,416	1,524,010	1,429,224	1,394,148
Total equity	5,720,050	5,631,745	5,046,038	4,659,780	4,445,328
Current ratio	1.27	1.09	0.91	0.69	0.49
Debt to equity	11.5%	11.4%	11.4%	7.0%	6.7%

The table above provides a summary of the University's financial results for the current and preceding four reporting periods. Where required, amounts have been restated to ensure consistent accounting treatment from changes to accounting policy.

Notes

- 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 results for previous periods. The changes were applied to 2015 onwards however are not reflected in previous periods.
- An independent valuation of University collections was carried out as part of a rolling valuation policy, resulting in a significant increase to non-current assets and reserves in 2015 (\$101 million) largely relating to the University's archives of which major items include architectural plans, posters, photographs and digitised documents. Valuations in 2016 and 2017 were not significant.

- In 2014 the University issued domestic Australian dollar Medium Term Notes (MTN) to the value of \$250 million for 7 years. In 2017 the University issued domestic Australian dollar MTN to the value of \$100 million for 25 years.
- 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 million AUD, \$41 million AUD was issued in 2015 for 20 years with three further tranches issued in 2016 (\$30 million AUD for 20 years, \$20 million AUD for 25 years and \$131 million USD for 30 years).
- 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.

- Independent valuations of land were carried out, increasing non-current assets and reserves in 2014 (\$104 million), 2016 (\$152 million) and 2017 (\$203 million). Buildings were valued in 2017 increasing non-current assets and reserves by \$98 million.

Underlying income and expenditure

University	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Income per audited financial statements	2,661,608	2,511,202	2,286,948	2,114,329	2,131,232
Reconciling items:					
Investment income (excluding endowments and research grants)	135,583	148,548	95,483	98,239	153,050
Non-cash gain from investment portfolio restructure	-	-	-	-	65,000
Gain from sale of asset	-	31,538	-	-	-
Infrastructure grant income	63	63	19,238	1,135	2,515
Philanthropic endowment income	31,510	57,504	22,085	37,618	18,865
Underlying income	2,494,452	2,273,549	2,150,142	1,977,337	1,891,802
Expenditure per audited financial statements	2,592,699	2,288,381	2,125,294	1,963,522	1,948,290
Reconciling items:					
Interest expense	32,598	28,667	27,244	14,000	13,334
Termination of interest rate swap	-	-	-	-	25,305
Loss on financial assets and liabilities at fair value through profit or loss	123,200	-	-	-	-
Impairment expense on available-for-sale financial assets	-	12,068	14,120	9,979	23,601
Underlying expenditure	2,436,901	2,247,646	2,083,930	1,939,543	1,886,050
Net result per audited financial statements	68,909	222,822	161,654	150,807	182,942
Reconciling items:					
Net discretionary financing activities	(20,215)	107,813	54,119	74,260	155,810
Infrastructure grant income	63	63	19,238	1,135	2,515
Gain from sale of asset	-	31,538	-	-	-
Philanthropic endowment income	31,510	57,504	22,085	37,618	18,865
Underlying operating result	57,551	25,904	66,212	37,794	5,752
Underlying operating margin	2.3%	1.1%	3.1%	1.9%	0.3%
Underlying EBITDA	7.8%	7.2%	8.9%	8.3%	7.3%

The table above provides a summary of the University's underlying income and expenditure for the current and preceding four reporting periods along with a reconciliation to the accounting net result.

Notes

1. Net discretionary financing activities comprises investment income (excluding endowments and research grants), non-cash gain from investment portfolio restructure, interest expense, termination of interest rate swap, loss on financial assets and liabilities at fair value through profit or loss and impairment expense.

2. Infrastructure grant income are grants received for capital projects and are excluded from the Underlying operating result due to the mismatch between income recorded and expenditure which inflates the net result. Income is recorded in the Income Statement whereas expenditure is capitalised in the Statement of Financial Position.

3. Philanthropic endowment income represents capital donations where the principal is to remain intact for a defined time and income is generated on that principal for utilisation in future years.

4. Gain from sale of assets comprises the sale of a University property in Sturt street Southbank and has been excluded from the underlying result on the basis that it is a large abnormal item.

5. Underlying EBITDA represents the underlying operating result adjusted for depreciation and amortisation. This measure equates to operating cashflow.

EVENTS OCCURRING AFTER REPORTING DATE

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.

STATUTORY REQUIREMENTS

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

In 2018 there were 54 consultancies where total fees payable to the consultants were \$10,000 or greater. Total expenditure incurred during 2018 in relation to these consultancies is \$19.214 million (excluding GST). Details of individual consultancies can be viewed at <https://about.unimelb.edu.au/news-resources/reports-and-publications>. In 2018 there were 10 consultancies where total fees payable to the consultants were less than \$10,000. Total expenditure incurred during 2018 in relation to these consultancies is \$75,078 (excluding GST).

AUDITOR-GENERAL'S QUALIFICATION

The University has elected to recognise deferred revenue as a current liability in the financial statements for unexpended grant income, 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.

The Victorian Auditor-General has taken the view that amounts received from the 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 to the University from 1 January 2019, AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit entities. We believe the introduction of these new standards will clarify our treatment and remove the current accounting qualification.



Katerina Kapobassis
Chief Financial Officer
14 March 2019

THE UNIVERSITY OF MELBOURNE FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated		University	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Income from continuing operations					
Australian Government financial assistance					
– Australian Government grants	2	784,254	752,566	784,304	752,566
– HELP – Australian Government payments	2	276,740	270,207	276,740	270,207
State and Local Government financial assistance	3	45,245	44,258	45,245	44,282
HECS-HELP – student payments		35,464	33,834	35,464	33,834
Fees and charges	4	1,086,318	954,637	1,044,770	899,350
Investment revenue	5	176,467	137,814	169,092	132,440
Consultancy and contracts		110,575	87,492	113,898	89,229
Gain/(loss) on disposal of assets	9	45	30,895	49	21,906
Other revenue	6	187,535	222,585	186,820	224,395
Share of profit/(loss) of equity accounted investments	27	5,221	5,160	5,226	5,160
Other investment income	5	-	38,672	-	37,834
Total income from continuing operations		2,707,864	2,578,120	2,661,608	2,511,203
Expenses from continuing operations					
Employee-related expenses	7	1,337,853	1,234,116	1,288,299	1,185,464
Depreciation and amortisation	15, 16	140,963	142,523	136,040	138,795
Repairs and maintenance		68,689	64,924	68,042	64,338
Finance costs		32,764	28,823	32,598	28,667
Impairment of assets (excluding available-for-sale financial assets)	8	780	1,982	879	1,950
Other expenses	10	937,724	876,520	943,641	857,099
Other investment losses	5	123,200	-	123,200	-
Total expenses from continuing operations		2,641,973	2,348,888	2,592,699	2,276,313
Net result before impairment of available-for-sale financial assets		65,891	229,232	68,909	234,890
Impairment expense on available-for-sale financial assets	8	-	12,068	-	12,068
Net result		65,891	217,164	68,909	222,822

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

COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated		University	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result		65,891	217,164	68,909	222,822
Items that may be reclassified to the Income Statement					
Available-for-sale financial assets:					
– Valuation gain/(loss) taken to equity		-	71,591	-	66,578
– Transferred to Income Statement on sale		-	(19,455)	-	(18,617)
Valuation gain/(loss) on cash flow hedge		(13,339)	6,205	(13,339)	6,205
Items that will not be reclassified to the Income Statement					
Gain/(loss) on revaluation:					
– Land and buildings		(6,006)	308,984	(13,567)	300,972
– Works of art and other collections		10,233	7,747	10,233	7,747
Gain/(loss) on financial assets designated at fair value through other comprehensive income		30,822	-	35,905	-
Superannuation:					
– Increase/(decrease) deferred government contribution	12	2,191	(4,484)	2,191	(4,484)
– (Increase)/decrease deferred government employee benefits	19	(2,191)	4,484	(2,191)	4,484
Other		401	28	578	-
Total other comprehensive income		22,111	375,100	19,810	362,885
Comprehensive result		88,002	592,264	88,719	585,707

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	Consolidated		University	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	845,389	631,454	827,206	597,350
Receivables	12	154,118	169,310	148,946	160,195
Assets classified as held for sale		-	6,040	-	6,040
Other non-financial assets	14	51,924	30,007	50,491	28,544
Total current assets		1,051,431	836,811	1,026,643	792,129
Non-current assets					
Receivables	12	95,608	102,028	95,608	102,028
Other financial assets	13	2,157,680	2,097,111	2,071,759	2,007,251
Other non-financial assets	14	5,829	6,852	5,829	6,852
Investments in associates and joint ventures	27	10,437	5,212	10,436	5,210
Property, plant and equipment	15	4,581,883	4,347,173	4,424,026	4,200,114
Intangible assets	16	46,305	43,365	45,575	42,301
Total non-current assets		6,897,742	6,601,741	6,653,233	6,363,756
TOTAL ASSETS		7,949,173	7,438,552	7,679,876	7,155,885
LIABILITIES					
Current liabilities					
Trade and other payables	17	164,084	139,415	151,438	117,261
Borrowings	18	5,571	4,868	4,700	4,396
Provisions	19	242,973	226,192	235,621	219,023
Other liabilities	20	413,230	397,472	408,491	388,232
Other financial liabilities	21	7,654	-	7,654	-
Total current liabilities		833,512	767,947	807,904	728,912
Non-current liabilities					
Borrowings	18	656,159	637,497	655,260	637,522
Provisions	19	134,429	128,950	133,698	128,208
Other liabilities	20	339,530	2,211	339,530	2,211
Other financial liabilities	21	23,434	27,287	23,434	27,287
Total non-current liabilities		1,153,552	795,945	1,151,922	795,228
TOTAL LIABILITIES		1,987,064	1,563,892	1,959,826	1,524,140
NET ASSETS		5,962,109	5,874,660	5,720,050	5,631,745
EQUITY					
Reserves	22	4,090,117	4,163,913	3,927,586	3,992,329
Retained surplus		1,871,992	1,710,747	1,792,464	1,639,416
TOTAL EQUITY		5,962,109	5,874,660	5,720,050	5,631,745

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

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Consolidated			University		
	Reserves \$'000	Retained Surplus \$'000	Total \$'000	Reserves \$'000	Retained Surplus \$'000	Total \$'000
Balance at 1 January 2017	3,697,382	1,585,014	5,282,396	3,522,028	1,524,010	5,046,038
Net result	-	217,164	217,164	-	222,822	222,822
Other comprehensive income						
Gain/(loss) on revaluation:						
- Land and buildings	308,984	-	308,984	300,972	-	300,972
- Works of art and other collections	7,747	-	7,747	7,747	-	7,747
Available-for-sale financial assets:						
- Valuation gain/(loss) taken to equity	71,591	-	71,591	66,578	-	66,578
- Transferred to the Income Statement on sale	(19,455)	-	(19,455)	(18,617)	-	(18,617)
Gain/(loss) on cash flow hedge	6,205	-	6,205	6,205	-	6,205
Deferred government superannuation:						
- Increase/(decrease) in contribution	(4,484)	-	(4,484)	(4,484)	-	(4,484)
- (Increase)/decrease in employee benefits	4,484	-	4,484	4,484	-	4,484
Other	28	-	28	-	-	-
Total comprehensive income	375,100	217,164	592,264	362,885	222,822	585,707
Net transfers	91,431	(91,431)	-	107,416	(107,416)	-
Balance at 31 December 2017	4,163,913	1,710,747	5,874,660	3,992,329	1,639,416	5,631,745
Balance at 1 January 2018	4,163,913	1,710,747	5,874,660	3,992,329	1,639,416	5,631,745
Adjustment upon initial application of AASB 9*	(246,375)	245,822	(553)	(245,908)	245,494	(414)
Balance at 1 January 2018 restated	3,917,538	1,956,569	5,874,107	3,746,421	1,884,910	5,631,331
Net result	-	65,891	65,891	-	68,909	68,909
Other comprehensive income						
Gain/(loss) on revaluation:						
- Land and buildings	(6,006)	-	(6,006)	(13,567)	-	(13,567)
- Works of art and other collections	10,233	-	10,233	10,233	-	10,233
Gain/(loss) on financial assets designated at fair value through other comprehensive income	30,822	-	30,822	35,905	-	35,905
Gain/(loss) on cash flow hedge	(13,339)	-	(13,339)	(13,339)	-	(13,339)
Deferred government superannuation:						
- Increase/(decrease) in contribution	2,191	-	2,191	2,191	-	2,191
- (Increase)/decrease in employee benefits	(2,191)	-	(2,191)	(2,191)	-	(2,191)
Other	401	-	401	578	-	578
Total comprehensive income	22,111	65,891	88,002	19,810	68,909	88,719
Net transfers	150,468	(150,468)	-	161,355	(161,355)	-
Balance at 31 December 2018	4,090,117	1,871,992	5,962,109	3,927,586	1,792,464	5,720,050

* Refer to Note 1.6 for details of the impact of the initial application of AASB 9

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated		University	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from operating activities					
Australian Government grants		1,070,554	1,064,014	1,070,619	1,064,240
OS-HELP		3,540	4,497	3,540	4,497
State and Local Government grants		45,114	40,754	45,114	40,779
HECS-HELP student payments		35,464	33,834	35,464	33,834
Dividends received		167,444	115,299	160,622	110,821
Interest received		17,456	14,914	16,903	14,019
Receipts of student and other fee-for-service activities		1,419,349	984,387	1,382,534	928,078
Other operating inflows		288,800	309,758	300,522	310,059
Payments to employees		(1,317,440)	(1,225,569)	(1,268,219)	(1,174,965)
Payments to suppliers (inclusive of GST)		(718,359)	(685,648)	(690,976)	(640,493)
Interest and other costs of finance paid		(27,168)	(35,865)	(27,002)	(35,709)
Other operating outflows		(260,930)	(253,339)	(297,525)	(285,569)
Net cash inflow/(outflow) from operating activities	23	723,824	367,036	731,596	369,591
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		6,329	84,146	6,303	52,368
Proceeds from sale of financial assets		361,354	595,416	348,931	587,795
Payments for property, plant and equipment and intangibles		(374,109)	(215,366)	(366,196)	(205,494)
Payments for other financial assets		(502,195)	(662,992)	(489,955)	(629,175)
Net cash inflow/(outflow) from investing activities		(508,621)	(198,796)	(500,917)	(194,506)
Cash flows from financing activities					
Proceeds from borrowings		3,876	104,079	3,573	104,079
Repayment of borrowings		(4,452)	(4,101)	(4,396)	(4,101)
Repayment of finance leases		(692)	(608)	-	-
Net cash inflow/(outflow) from financing activities		(1,268)	99,370	(823)	99,978
Net increase/(decrease) in cash and cash equivalents		213,935	267,610	229,856	275,063
Cash and cash equivalents at 1 January		631,454	363,844	597,350	322,287
Cash and cash equivalents at 31 December	11	845,389	631,454	827,206	597,350

The above Statement of Cash Flows 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 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 2018 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 Tier 1 general purpose financial statements are prepared as follows:

- Prepared under the historical cost convention, as modified by the revaluation of financial assets designated at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment
- Prepared in accordance with Australian Accounting Standards, the *Higher Education Support Act 2003*, *Financial Management Act 1994 (Vic)* and *Australian Charities and Not-for-profits Commission Act 2012*.

- The University is a not-for-profit entity and these financial statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with IFRS requirements
- Prepared on a going-concern basis, which assumes the continuity of normal operations
- Presented in Australian dollars, which is the Group's functional and presentation currency
- Rounded to the nearest thousand dollars unless otherwise specified
- Comparative amounts have been restated, where applicable, to conform with the current period presentation.

1.3 General policies

Finance costs

- Interest expense is recognised using the effective interest rate method.

Foreign currency

- Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transactions. Foreign currency differences from such transactions are recognised in the Income Statement.
- Foreign currency differences from the translation at year-end exchange rates of monetary assets and liabilities are recognised in the Income Statement.
- Foreign currency differences arising from qualifying cash flow hedges are recognised in equity to the extent the hedges are effective.

Taxation

- The University of Melbourne and its subsidiaries are exempt from income tax pursuant to Part 50.1 of the *Income Tax Assessment Act 1997*.
- Income and expenses are recognised net of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from

the 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, or 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

The 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 are based on historical experience and other factors, including expectations of future events that may have financial impact on the Group and believed to be reasonable under the circumstances. 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 of assets (Note 8)
- Other financial assets (Note 13)
- Property, plant and equipment (Note 15).

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Provisions (Note 19)
- Fair value of derivatives and other financial instruments (Notes 28 and 29).

Judgements

- Income (Note 2)
- Impairment of assets (Note 8)
- Property, plant and equipment (Note 15)
- Service concession arrangements (Note 25)
- Subsidiaries, joint arrangements and associates (Note 27).

1.5 Prior period adjustments

There were no prior period adjustments required in 2018.

1.6 Application of new and revised accounting standards and interpretations

Amendments to AASBs and new interpretations that are mandatory for the current year

In the current year the Group adopted all new and revised standards and interpretations issued by the Australian Accounting Standards Board effective for the current reporting period.

AASB 9 Financial Instruments was adopted for the first time from 1 January 2018. Refer to the section opposite for details on the impact of the application of this standard. There are no other new or revised standards and interpretations adopted materially affecting the reported results or financial position.

Application of AASB 9 Financial Instruments

What has changed?

AASB 9 replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification, measurement, and impairment of financial instruments, including hedge accounting.

The new accounting policies implemented on adoption of AASB 9, as set out in the following notes, provide further details of the change:

- Investment revenue and other investment income (Note 5)
- Receivables (Note 12)
- Other financial assets (Note 13)
- Other financial liabilities (Note 21)
- Reserves (Note 22).

Timing of change

The Group applied AASB 9 retrospectively, with the exception to hedge accounting, which was applied prospectively, with an initial application date of 1 January 2018. Comparative information was not required to be restated and continues to be reported under AASB 139.

Impact of change

The adoption of AASB 9 has resulted in changes to the Group's other financial assets (including related reserves) and impairment of receivables, as detailed below. There were no changes to the Group's liabilities or hedge accounting.

Other financial assets and reserves

At 1 January 2018, the consolidated (parent) 2017 amounts were reclassified as follows.

- The \$2,084.490 million (\$1,978.922 million) available-for-sale financial assets were reclassified to:
 - Financial assets at fair value through profit or loss (FVTPL) \$1,977.372 million (\$1,977.372 million); and
 - Financial assets designated at fair value through other comprehensive income (FVOCI) \$107.118 million (\$1.550 million).

- The \$264.016 million (\$240.494 million) available-for-sale revaluation reserve was reclassified to:
 - Retained surplus \$246.375 million (\$245.907 million); and
 - Financial assets revaluation reserve \$17.642 million (-\$5.413 million).
- The \$8.477 million (\$8.477 million) investments in other companies were reclassified to financial assets designated at FVOCI.

Impairment of receivables

The adoption of the simplified approach at 1 January 2018 resulted in an increase to the consolidated allowance for impaired receivables of \$0.553 million (parent: \$0.414 million), and a decrease to retained surplus for the same amount.

There was no change in value to the impairment of loans to subsidiaries at 1 January 2018.

New Accounting Standards and interpretations issued 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 2018. Those which may be relevant to the Group are set out opposite. The Group does not plan to early adopt these standards. Application may result in material changes to the Group's future financial reports, however the quantitative effects of the Group adopting these standards have 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
Revenue		
AASB 15 Revenue from Contracts with Customers replaces existing guidance in AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions. AASB 15 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 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 inserts Australian implementation guidance for not-for-profit entities to AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying the Standards to particular transactions and other events.	1 January 2019	31 December 2019
Management is currently assessing the effects of applying the new standards on the Group's financial statements. A high-level framework has been developed to assess the standards which is yet to be applied to individual arrangements and, as such, it is too early to quantify the impact. 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.		
Leases		
AASB 16 Leases replaces existing guidance in AASB 117 and specifies a single lessee accounting model that will result in recognition of all 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 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
Management is currently assessing the effects of applying the new standard on the Group's financial statements. A high-level framework has been developed to assess the standard which is yet to be applied to individual arrangements and, as such, it is too early to quantify the impact. While the assessment of individual arrangements has yet to be completed, the unrecognised lease commitments (refer to Note 25) can be used as a guide to the expected impact to the Statement of Financial Position on adoption of AASB 16.		
Service Concession Arrangements		
AASB 1059 Service Concession Arrangements: Grantors was developed to address inconsistency in current practice. The standard uses a control approach to assessing service concession arrangements and requires grantors to recognise a service concession asset and a corresponding liability.	1 January 2020	31 December 2020
Management is currently assessing the effects of applying the new standard on the Group's financial statements and, as such, it is too early to quantify the impact.		

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.

HOW WE ARE FUNDED

This section outlines the Group's major income categories. At a glance for 2018, these are:



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

* Australian Government funding is inclusive of Higher Education Loan Programs.

NOTE 2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

	Note	Consolidated		University	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Commonwealth Grant Scheme and other grants	33.a	305,022	310,447	305,022	310,447
Higher Education Loan Programs	33.b	276,740	270,207	276,740	270,207
Education research	33.c	197,530	192,430	197,530	192,430
Capital funding	33.e	1,471	2,947	1,471	2,947
Australian Research Council	33.f	82,425	95,247	82,425	95,247
Other Australian Government financial assistance		197,806	151,495	197,856	151,495
Total Australian Government financial assistance		1,060,994	1,022,773	1,061,044	1,022,773

Key estimates and judgements

The Group assesses the terms and conditions of all grant and contract agreements to determine if they are reciprocal or non-reciprocal in nature. The Group identifies revenue as reciprocal where the terms and conditions of the grant or contract requires unspent monies or monies not spent in accordance with the terms and conditions to be repaid.

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. Any surplus revenue is deferred as a liability until completion.
HELP student revenue	Recognised at the beginning of teaching period of each subject. Revenue received from the Australian Government is disclosed above and revenue received directly from students is disclosed on the face of the Income Statement.

NOTE 3 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-capital research	32,815	32,433	32,815	32,433
Non-capital other	12,430	8,825	12,430	8,849
Capital	-	3,000	-	3,000
Total State and Local Government financial assistance	45,245	44,258	45,245	44,282

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	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Course fees and charges					
Fee-paying onshore overseas students		882,898	756,086	879,312	752,354
Continuing education*		1,157	1,982	1,946	1,871
Fee-paying domestic postgraduate students*		65,027	62,535	47,455	45,209
Fee-paying domestic undergraduate students*		1,018	1,630	1,018	1,630
Other domestic course fees and charges		38,399	37,502	20,639	8,432
Sundry fees		10,200	8,204	10,362	9,958
Total course fees and charges		998,699	867,939	960,732	819,454
Other non-course fees and charges					
Student services and amenities fees from students	33.i	5,630	5,421	5,630	5,421
Hospital shared services fees		3,823	4,263	3,823	4,263
Parking fees		6,248	6,946	6,248	6,946
Rent/use of facilities charges		11,918	13,531	9,373	10,405
Student accommodation charges		11,974	10,780	11,974	10,785
Testing services		5,052	5,888	5,057	5,895
Veterinary services		11,947	11,340	11,947	11,340
Other		31,027	28,529	29,986	24,841
Total other non-course fees and charges		87,619	86,698	84,038	79,896
Total fees and charges		1,086,318	954,637	1,044,770	899,350

*Course fees and charges exclude FEE-HELP payments which are disclosed in Note 2 and Note 33.b.

Accounting policy

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

Student fee income is recognised at the beginning of the teaching period of each subject.

NOTE 5 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Investment revenue				
Interest	15,993	13,106	15,439	12,210
Dividends	159,011	122,900	152,189	118,421
Other investment revenue	1,463	1,808	1,464	1,808
Total investment revenue	176,467	137,814	169,092	132,439
Other investment income				
Gain/(loss) on financial assets and liabilities at fair value through profit or loss	(123,200)	-	(123,200)	-
Realised gain/(loss) on disposal of available-for-sale financial assets	-	19,217	-	19,217
Transfer of gain/(loss) from equity on disposal of available-for-sale financial assets	-	19,455	-	18,617
Total other investment income	(123,200)	38,672	(123,200)	37,834
Total investment revenue and other investment income	53,267	176,486	45,892	170,273

In 2018 total interest comprised \$10.893 million (2017: \$8.313 million) for financial assets at amortised cost, \$5.100 million (2017: nil) for financial assets at fair value through profit or loss, and nil for available-for-sale financial assets (2017: \$4.793 million).

Accounting policy

Due to the adoption of AASB 9 at 1 January 2018, there have been several changes to the disclosures in this note. Refer to Note 1.6 for further information.

Revenue Type	Recognition
Interest	Recognised taking into account the effective interest rates applicable to the financial assets.
Dividends	Recognised when the Group's right to receive payment has been established.
Gain/(loss) on financial assets and liabilities at fair value through profit or loss	Comprised of changes in fair value of the Group's investments in managed unit trusts (refer to Note 13). It is also comprised of changes in fair value of the Group's derivative financial assets and derivative financial liabilities that are held for trading (refer to Notes 13 and 21).
Gain/(loss) from available-for-sale financial assets	From 1 January 2018 this no longer applies due to adoption of AASB 9. Realised gains and losses were recognised in the Income Statement when the financial asset was disposed. Unrealised gains and losses were recognised in other comprehensive income until the financial asset was disposed. On disposal, any previously recognised gain or loss in other comprehensive income was reclassified to the Income Statement.

NOTE 6 OTHER REVENUE

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Donations and bequests	60,055	93,270	59,539	92,721
Non-government grants	66,572	72,385	66,588	72,780
Commercial sales	35,882	29,643	34,274	29,066
Foreign currency gain	2,626	11,232	2,626	11,232
Royalties, trademarks and licences	2,902	3,116	3,154	3,123
Other revenue	19,498	12,939	20,639	15,473
Total other revenue	187,535	222,585	186,820	224,395

Accounting policy

Revenue Type	Recognition
Donations and bequests	Recognised when received.
Non-government grants	Refer to accounting policy in Note 2.
Commercial sales	Includes revenue from artistic performances which is recognised as the performance occurs.

COMPOSITION OF EXPENDITURE

This section outlines the Group's major expenditure categories. At a glance for 2018, these are:



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

NOTE 7 EMPLOYEE RELATED EXPENSES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Academic				
Salaries	574,370	524,186	565,251	516,083
Contributions to superannuation and pension schemes	82,449	77,488	81,638	76,737
Payroll tax	30,921	28,391	30,375	27,873
Workers compensation	3,155	2,907	3,126	2,872
Long service leave expense	15,929	13,592	15,691	13,308
Annual leave	43,333	41,243	43,178	41,137
Other	1,624	5,338	1,609	5,379
Total academic	751,781	693,145	740,868	683,389
Non-academic				
Salaries	438,211	409,867	411,277	382,972
Contributions to superannuation and pension schemes	59,084	53,335	56,393	50,499
Payroll tax	22,809	20,766	21,242	19,104
Workers compensation	2,302	2,105	2,186	1,967
Long service leave expense	13,010	11,147	12,515	10,714
Annual leave	36,239	32,628	35,746	32,445
Other	14,417	11,123	8,072	4,374
Total non-academic	586,072	540,971	547,431	502,075
Total employee related expenses	1,337,853	1,234,116	1,288,299	1,185,464
Employee numbers				
Full-time equivalent staff numbers (excluding casual staff)	8,076	7,801	7,818	7,506

Accounting policy

Employee benefits are expensed as the related service is provided.

NOTE 8 IMPAIRMENT OF ASSETS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Impairment of receivables	780	1,127	879	1,139
Impairment of other investments	-	855	-	811
Impairment of assets excluding available-for-sale financial assets	780	1,982	879	1,950
Impairment of available-for-sale financial assets	-	12,068	-	12,068
Total impairment of assets	780	14,050	879	14,018

Key estimates and judgements

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. The recoverable amount is the greater of its value in use and fair value less costs to sell.

Impairment of receivables

The Group applies the simplified approach to estimate the allowance for doubtful debts for trade receivables. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. An expected credit loss (ECL) matrix is prepared, incorporating debtor carrying amounts by days past due category, with respective historical write-off rates and forward-looking rates applied to compute the ECL.

Application of the simplified approach to calculating ECLs requires significant judgement. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period specific to the debtors and the economic environment.

The simplified approach cannot be applied to loans to subsidiaries and therefore the general approach is used.

Impairment of available-for-sale financial assets

From 1 January 2018 this no longer applies due to adoption of AASB 9 (refer to Note 1.6). A significant or prolonged decline in the fair value of an asset below cost was considered to indicate impairment. The University assumed that a significant decline in fair value occurred when market value declined by greater than 20% below historical cost and a prolonged decline occurred when market value remained below historical cost for more than nine months. If any such evidence of impairment existed for available-for-sale financial assets, the cumulative loss was removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement for available-for-sale equity financial assets were not reversed through the Income Statement.

NOTE 9 LOSS/(GAIN) ON DISPOSAL OF ASSETS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Carrying amount of disposed assets	6,284	57,005	6,254	30,462
Proceeds from sale of assets	(6,329)	(87,900)	(6,303)	(52,368)
Net loss/(gain) on disposal of assets	(45)	(30,895)	(49)	(21,906)

Accounting policy

Property, plant and equipment and intangible assets are derecognised when disposed of, or when use is no longer expected to bring future economic benefits. Any gain or loss on disposal is recognised in the Income Statement.

NOTE 10 OTHER EXPENSES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Scholarships, grants and prizes	208,835	188,560	228,151	206,800
Non-capitalised equipment	38,150	26,553	38,150	26,553
Advertising, marketing and promotional expenses	15,882	16,316	13,207	13,539
Computer software and services	40,403	42,754	38,906	41,385
Consumable materials	58,183	52,354	57,700	51,975
Contracted and professional services	273,129	251,848	276,921	257,898
Course fees paid	75,868	72,108	75,868	72,108
Rent and leasing payments	26,472	20,769	25,773	19,550
Travel, staff development and training	69,074	63,762	66,060	60,769
Utilities and services	66,712	60,174	65,958	58,612
Other expenses	65,016	81,322	56,947	47,910
Total other expenses	937,724	876,520	943,641	857,099

Accounting policy

Other expenses are recognised on an accruals basis.

ASSETS

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



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

NOTE 11 CASH AND CASH EQUIVALENTS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and on hand	501,891	416,788	483,710	402,772
Deposits at call/term deposits	343,498	214,666	343,496	194,578
Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows	845,389	631,454	827,206	597,350

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.

NOTE 12 RECEIVABLES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Trade receivables	55,693	55,224	51,147	45,803
Sundry debtors	91,451	107,518	90,700	107,493
Less allowance for impaired receivables	(1,821)	(1,564)	(1,696)	(1,233)
Deferred Government contribution for superannuation	8,795	8,132	8,795	8,132
Total current receivables	154,118	169,310	148,946	160,195
Non-current				
Sundry debtors	4,504	12,452	4,504	12,452
Less allowance for impaired receivables	(4,456)	(4,456)	(4,456)	(4,456)
Deferred Government contribution for superannuation	95,560	94,032	95,560	94,032
Total non-current receivables	95,608	102,028	95,608	102,028
Total receivables	249,726	271,338	244,554	262,223

NOTE 12 RECEIVABLES (CONTINUED)

Allowance for impaired receivables

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

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Movement in allowance for impaired receivables				
Balance as at 1 January	6,020	616	5,689	4,760
Adjustment upon initial application of AASB 9	553	-	414	-
Balance as at 1 January restated	6,573	616	6,103	4,760
Provision for expected credit losses	174	5,461	49	986
Write off	(470)	(57)	-	(57)
Balance at 31 December	6,277	6,020	6,152	5,689

Interest rate and credit risk

The Group's receivables are non-interest bearing. Refer to Note 28 for information on credit risk.

The table below provides information about the credit risk exposure on the Group's receivables using a provision Matrix.

Consolidated - 2018	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91-120 days \$'000	Past due 121 days + \$'000	Total \$'000
Expected credit loss (ECL) rate	5.07%	0.51%	0.94%	0.52%	1.64%	16.93%	
Estimated total gross carrying amount at default	96,576	6,510	5,895	1,382	1,465	7,475	119,302
Expected credit loss	4,892	33	55	7	24	1,266	6,277

Accounting policy

Trade receivables

These are recognised at fair value and subsequently measured at amortised cost using the effective interest method 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

These are recognised at fair value and subsequently measured at amortised cost less any provision for impairment. Sundry debtors include receivables within the investment portfolio, student debt, tax and other receivables. Receivables within the investment portfolio are recognised on trade date and student debtors are recognised on the date the student is assessed (students are assessed at the earliest of the invoice date, due date, and first payment date). Contributions where the University has an unconditional right to receive payment towards the construction of a building where another party has a right to occupy space in the building are also included in sundry debtors.

Allowance for impaired receivables

Refer to Note 8 for details of the Group's impairment policies.

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 2018 the State Superannuation Fund was carrying total liabilities for member benefits greater than the value of the net market value of the plan's assets, based on an actuarial valuation. As a result an unfunded superannuation liability exists and is recognised in the financial statements of the Scheme. The University recognises a receivable from the Australian Government in respect of unfunded superannuation schemes operated by the State Government, which offsets the deferred Government superannuation present obligation recognised in the financial statements. As at 31 December 2018 the University's total unfunded superannuation liability determined by the Victorian Government Superannuation Office amounted to \$104.355 million (2017: \$102.164 million). Refer to Note 19 for the liability recorded. The increase/decrease in the asset and liability are disclosed in the Comprehensive Income Statement.

NOTE 13 OTHER FINANCIAL ASSETS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-current				
Financial assets at fair value through profit or loss	2,003,419	-	2,003,419	-
Financial assets designated at fair value through other comprehensive income	149,917	-	48,288	-
Investments in subsidiaries	4,344	4,144	20,052	19,852
Available-for-sale financial assets	-	2,084,490	-	1,978,922
Investments in other companies	-	8,477	-	8,477
Total non-current other financial assets	2,157,680	2,097,111	2,071,759	2,007,251

Accounting policy

Management determines the classification of financial assets at initial recognition. The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's business model refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL consists of the Group's investments in managed unit trusts. Due to the nature of these instruments not being a basic lending arrangement, as returns are not solely principle and interest, these instruments are required to be measured at FVTPL.

Purchases and sales of investments are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets at FVTPL are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Income Statement. Financial assets are derecognised when the right to receive cash flows expires or is transferred, and the Group transferred substantially all the risks and rewards of ownership. Upon derecognition the gain or loss is recognised in the Income Statement.

Financial assets designated at fair value through other comprehensive income (FVOCI)

Financial assets designated at FVOCI consists of the Group's investments in other companies. The interests are classified as equity and the Group irrevocably elected to measure these assets at FVOCI (on the basis that they are not held for trading).

Financial assets designated at FVOCI are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in Other Comprehensive Income. Gains or losses on these financial assets are never recycled to the Income Statement. These financial assets are not subject to impairment testing. Dividends are recognised as investment revenue in the Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded as OCI.

Investments in subsidiaries

Investments in subsidiaries are carried at fair value. Where a fair value is not readily available, investments are carried at the lower of cost and recoverable amount. There are a number of immaterial subsidiaries that are not consolidated, and, as such, investment in these entities is not eliminated from the Consolidated entity. Refer Note 27 for further details.

Available-for-sale financial assets

From 1 January 2018 this no longer applies due to adoption of AASB 9 (refer to Note 1.6). Available-for-sale financial assets, comprised principally of marketable securities, are non-derivatives that were either designated in this category or not classified in any other category. They were included in non-current assets unless management intended to dispose of the investment within 12 months of the reporting date.

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

Investments in other companies

From 1 January 2018 this no longer applies due to adoption of AASB 9 (refer to Note 1.6). Investments in other companies were carried at fair value, or, where not available, carried at the lower of cost and recoverable amount.

NOTE 14 OTHER NON-FINANCIAL ASSETS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Prepayments	38,722	19,122	37,804	18,320
Accrued income	10,488	8,054	10,488	7,967
Other	2,714	2,831	2,199	2,257
Total current other non-financial assets	51,924	30,007	50,491	28,544
Non-current				
Prepayments	5,829	6,852	5,829	6,852
Total non-current other non-financial assets	5,829	6,852	5,829	6,852
Total other non-financial assets	57,753	36,859	56,320	35,396

Accounting policy

Prepayments are recognised when payment is made in advance of receiving goods or services. Accrued income is recognised when the good or service has been provided but not yet invoiced.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Consolidated	Land	Buildings	Library collections	Works of art and other collections	Plant and equipment	Leasehold property	Leased plant and equipment	Construction in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017									
- At cost	-	-	129,290	-	356,552	89,075	24,734	53,026	652,677
- At valuation	1,280,823	2,409,900	-	333,251	-	-	-	-	4,023,974
Accumulated depreciation	-	(265,615)	(64,898)	(26)	(298,702)	(25,892)	(23,514)	-	(678,647)
Net book amount	1,280,823	2,144,285	64,392	333,225	57,850	63,183	1,220	53,026	3,998,004
Year ended 31 December 2017									
Opening net book amount	1,280,823	2,144,285	64,392	333,225	57,850	63,183	1,220	53,026	3,998,004
Additions	5,436	2,951	1,803	658	27,537	-	312	159,928	198,625
Disposals	(19,418)	(10,820)	(29)	-	(195)	-	(84)	-	(30,546)
Revaluation increment/(decrement)	209,085	99,899	-	7,747	-	-	-	-	316,731
Depreciation	-	(88,480)	(6,518)	-	(24,963)	(4,946)	(696)	-	(125,603)
Assets classified as held for sale	(5,436)	(604)	-	-	-	-	-	-	(6,040)
Transfer from construction in progress	-	95,314	-	-	1,575	-	-	(96,889)	-
Write-ups/transfers/(write-offs)	(7,889)	7,888	(57)	(40)	(1,688)	(2,212)	-	-	(3,998)
Closing net book amount	1,462,601	2,250,433	59,591	341,590	60,116	56,025	752	116,065	4,347,173
At 31 December 2017									
- Cost	-	-	130,496	-	374,853	83,688	8,767	116,065	713,869
- Valuation	1,462,601	2,277,005	-	341,616	-	-	-	-	4,081,222
Accumulated depreciation	-	(26,572)	(70,905)	(26)	(314,737)	(27,663)	(8,015)	-	(447,918)
Net book amount	1,462,601	2,250,433	59,591	341,590	60,116	56,025	752	116,065	4,347,173
Year ended 31 December 2018									
Opening net book amount	1,462,601	2,250,433	59,591	341,590	60,116	56,025	752	116,065	4,347,173
Additions	14,887	8,525	1,779	559	32,841	-	1,767	292,552	352,910
Disposals	-	-	(29)	(75)	(141)	-	-	-	(244)
Revaluation increment/(decrement)	(9,954)	3,948	-	10,233	-	-	-	-	4,227
Depreciation	-	(86,117)	(6,328)	-	(26,453)	(3,097)	(709)	-	(122,704)
Transfer from construction in progress	-	106,504	-	-	2,992	8,150	-	(117,646)	-
Write-ups/transfers/(write-offs)	-	578	-	-	-	-	-	(56)	522
Closing net book amount	1,467,534	2,283,871	55,013	352,307	69,355	61,078	1,810	290,915	4,581,883
At 31 December 2018									
- Cost	-	-	132,204	-	405,442	91,630	9,907	290,915	930,098
- Valuation	1,467,534	2,391,167	-	352,333	-	-	-	-	4,211,034
Accumulated depreciation	-	(107,296)	(77,191)	(26)	(336,087)	(30,552)	(8,097)	-	(559,249)
Net book amount	1,467,534	2,283,871	55,013	352,307	69,355	61,078	1,810	290,915	4,581,883

Valuation techniques and significant unobservable inputs used in measuring the fair value of property, plant and equipment are disclosed in Note 29.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

University	Land	Buildings	Library collections	Works of art and other collections	Plant and equipment	Leasehold property	Leased plant and equipment	Construction in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017									
– At cost	-	-	128,766	-	338,490	83,644	21,349	52,206	624,455
– At valuation	1,194,504	2,369,419	-	333,069	-	-	-	-	3,896,992
Accumulated depreciation	-	(265,615)	(64,431)	-	(285,733)	(22,708)	(21,349)	-	(659,836)
Net book amount	1,194,504	2,103,804	64,335	333,069	52,757	60,936	-	52,206	3,861,611
Year ended 31 December 2017									
Opening net book amount	1,194,504	2,103,804	64,335	333,069	52,757	60,936	-	52,206	3,861,611
Additions	5,436	2,843	1,803	658	27,325	-	-	150,941	189,006
Disposals	(19,418)	(10,820)	(29)	-	(195)	-	-	-	(30,462)
Revaluation increment/(decrement)	203,474	97,498	-	7,747	-	-	-	-	308,719
Depreciation	-	(86,899)	(6,518)	-	(24,281)	(4,944)	-	-	(122,642)
Assets classified as held for sale	(5,436)	(604)	-	-	-	-	-	-	(6,040)
Transfer from construction in progress	-	92,555	-	-	-	-	-	(92,555)	-
Write-ups/transfers/(write-offs)	-	-	-	-	(77)	(1)	-	-	(78)
Closing net book amount	1,378,560	2,198,377	59,591	341,474	55,529	55,991	-	110,592	4,200,114
At 31 December 2017									
– Cost	-	-	130,496	-	361,489	83,643	6,287	110,592	692,507
– Valuation	1,378,560	2,222,509	-	341,474	-	-	-	-	3,942,543
Accumulated depreciation	-	(24,132)	(70,905)	-	(305,960)	(27,652)	(6,287)	-	(434,936)
Net book amount	1,378,560	2,198,377	59,591	341,474	55,529	55,991	-	110,592	4,200,114
Year ended 31 December 2018									
Opening net book amount	1,378,560	2,198,377	59,591	341,474	55,529	55,991	-	110,592	4,200,114
Additions	14,886	7,729	1,779	559	32,724	-	-	287,680	345,357
Disposals	-	-	(29)	(75)	(110)	-	-	-	(214)
Revaluation increment/(decrement)	(13,567)	-	-	10,233	-	-	-	-	(3,334)
Depreciation	-	(83,434)	(6,328)	-	(25,618)	(3,095)	-	-	(118,475)
Transfer from construction in progress	-	100,271	-	-	-	8,151	-	(108,422)	-
Write-ups/transfers/(write-offs)	-	578	-	-	-	-	-	-	578
Closing net book amount	1,379,879	2,223,521	55,013	352,191	62,525	61,047	-	289,850	4,424,026
At 31 December 2018									
– Cost	-	-	132,204	-	389,212	91,585	6,287	289,850	909,138
– Valuation	1,379,879	2,327,388	-	352,191	-	-	-	-	4,059,458
Accumulated depreciation	-	(103,867)	(77,191)	-	(326,687)	(30,538)	(6,287)	-	(544,570)
Net book amount	1,379,879	2,223,521	55,013	352,191	62,525	61,047	-	289,850	4,424,026

Valuation techniques and significant unobservable inputs used in measuring the fair value of property, plant and equipment are disclosed in Note 29.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Key estimates and judgements

The estimation of useful lives, residual value, depreciation and amortisation methods requires significant judgement and is 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 is depreciated.

The University's depreciation rates are:

Buildings

- Structure/shell/building fabric 2.5%
- Site engineering services and central plant 4%
- Fit out 8%
- Trunk reticulated building systems 5%.

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 2018. 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

Property, plant and equipment costing \$10,000 or more is capitalised. Items under \$10,000 are expensed, with exception to works of art and other collections and library which are capitalised. There has been no change to the capitalisation threshold in 2018.

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

Revaluation increments and decrements are recognised in the asset revaluation reserve on a class of asset basis, 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. Revaluation reserves are not transferred to retained earnings on derecognition of the relevant asset but retained within the asset revaluation reserve.

Land and buildings

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

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

Works of art and other collections

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

Library collection

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

Plant and equipment

Plant and equipment, which includes motor vehicles, furniture and all equipment with exception to leased equipment, is recorded at cost less depreciation and, where applicable, any impairment losses.

Leasehold improvements

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

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.

Construction in progress

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

Subsequent costs

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

Contributions received or paid for buildings

Contributions are both received from and made to third parties towards the 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 16 INTANGIBLE ASSETS

	Consolidated			University		
	Electronic library \$'000	Software \$'000	Total \$'000	Electronic library \$'000	Software \$'000	Total \$'000
At 1 January 2017						
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)
Net book amount	33,747	9,793	43,540	33,746	8,220	41,966
Year ended 31 December 2017						
Opening net book amount	33,747	9,793	43,540	33,746	8,220	41,966
Additions	16,478	21	16,499	16,478	10	16,488
Amortisation	(13,177)	(3,743)	(16,920)	(13,177)	(2,976)	(16,153)
Transfer from construction in progress	(1)	247	246	-	-	-
Closing net book amount	37,047	6,318	43,365	37,047	5,254	42,301
At 31 December 2017						
Cost	112,767	33,759	146,526	112,767	26,852	139,619
Accumulated depreciation	(75,720)	(27,441)	(103,161)	(75,720)	(21,598)	(97,318)
Net book amount	37,047	6,318	43,365	37,047	5,254	42,301
Year ended 31 December 2018						
Opening net book amount	37,047	6,318	43,365	37,047	5,254	42,301
Additions	17,046	4,153	21,199	17,046	3,793	20,839
Amortisation	(14,854)	(3,405)	(18,259)	(14,854)	(2,711)	(17,565)
Closing net book amount	39,239	7,066	46,305	39,239	6,336	45,575
At 31 December 2018						
Cost	129,813	38,192	168,005	129,813	31,002	160,815
Accumulated depreciation	(90,574)	(31,126)	(121,700)	(90,574)	(24,666)	(115,240)
Net book amount	39,239	7,066	46,305	39,239	6,336	45,575

Accounting policy and key estimates

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% and 33.33% (2017: between 14.29% and 33.33%).
Electronic library	Electronic library materials are acquired from third parties. They are recognised at cost and amortised on a straight-line basis at 25% (2017: 25%).

LIABILITIES AND EQUITY

Liabilities are present obligations of the Group which are expected to result in an outflow of future economic benefits. Equity is the residual interest in the assets of the Group after deducting all its liabilities. Liabilities and equity held by the Group at reporting date are:



To enable an understanding of the types of liabilities and equity, key estimates, judgements and accounting policies specific to each category are outlined within the relevant note.

NOTE 17 TRADE AND OTHER PAYABLES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Trade creditors	56,893	51,380	50,428	44,293
Sundry creditors	35,492	33,796	31,954	31,095
Accrued expenses	68,991	51,403	66,348	39,037
OS-HELP liability to Australian Government	2,708	2,836	2,708	2,836
Total current payables	164,084	139,415	151,438	117,261

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 18 BORROWINGS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Unsecured bank borrowings	4,948	4,396	4,700	4,396
Finance lease liabilities	623	472	-	-
Total current borrowings	5,571	4,868	4,700	4,396
Non-current				
Unsecured bank borrowings	22,517	27,216	22,517	27,216
Unsecured bonds	623,940	605,075	623,940	605,075
Finance lease liabilities	1,208	284	-	-
Other borrowings	8,494	4,922	8,803	5,231
Total non-current borrowings	656,159	637,497	655,260	637,522
Total borrowings	661,730	642,365	659,960	641,918

Unsecured bank borrowings

The University borrowed \$60.000 million which was fully drawn down in 2008. The interest rate is 7.03% fixed for the 15-year term. The amortised cost at 31 December 2018 totals \$27.217 million (2017: \$31.612 million).

Unsecured bonds

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% fixed for seven years. The amortised cost at 31 December 2018 totals \$248.623 million (2017: \$248.114 million).

In 2017 the University issued domestic Australian dollar MTN to the value of \$100.000 million. The bond coupon rate is 4.25% fixed for 25 years. The amortised cost at 31 December 2018 totals \$99.614 million (2017: \$99.618 million).

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 (5.42% fixed interest) with three further tranches issued in 2016. These were made up of \$30.000 million AUD for 20 years (5.48% fixed interest), \$20.000 million AUD for 25 years (5.49% fixed interest) and \$131.000 million USD for 30 years (4.40% fixed interest). The repayment date is at the end of the respective tranche tenures. The amortised cost at 31 December 2018 totals \$275.703 million (2017: \$257.343 million).

Loan covenant

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

NOTE 18 BORROWINGS (CONTINUED)

Reconciliation of liabilities to cash flows arising from financing activities

Consolidated	2018			2017		
	Long term borrowings \$'000	Lease liabilities \$'000	Total \$'000	Long term borrowings \$'000	Lease liabilities \$'000	Total \$'000
Balance at 1 January	641,609	756	642,365	555,183	1,317	556,500
Cash flows	(576)	(692)	(1,268)	99,978	(608)	99,370
Foreign exchange movement	18,318	-	18,318	(14,076)	-	(14,076)
Amortised cost changes	548	-	548	524	-	524
Other	-	1,767	1,767	-	47	47
Balance at 31 December	659,899	1,831	661,730	641,609	756	642,365

Accounting policy

Borrowings

Borrowings are initially recognised at fair value net of transaction costs and 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.

Finance lease liabilities

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 19 PROVISIONS

Note	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Current provisions expected to be settled within 12 months				
Employee benefits:				
– Annual leave	65,217	60,903	62,070	58,037
– Long service leave	23,807	22,346	20,167	18,768
– Deferred Government superannuation obligation	12 8,795	8,132	8,795	8,132
WorkCover claims	1,824	1,730	1,824	1,730
Restructure	10,579	10,322	10,014	9,597
	110,222	103,433	102,870	96,264
Current provisions expected to be settled after more than 12 months				
Employee benefits:				
– Annual leave	20,557	18,685	20,557	18,685
– Long service leave	112,194	104,074	112,194	104,074
	132,751	122,759	132,751	122,759
Total current provisions	242,973	226,192	235,621	219,023
Non-current				
Employee benefits:				
– Long service leave	31,786	28,167	31,055	27,425
– Deferred Government superannuation obligation	12 95,560	94,032	95,560	94,032
WorkCover claims	7,083	6,751	7,083	6,751
Total non-current provisions	134,429	128,950	133,698	128,208
Total provisions	377,402	355,142	369,319	347,231

Movements in provisions (other than employee benefits)

Consolidated – 2018	WorkCover claims	Restructure	Total
	\$'000	\$'000	\$'000
Carrying amount at start of year	8,481	10,322	18,803
Additional provisions recognised	426	5,041	5,467
Amounts used	-	(4,267)	(4,267)
Unused amounts reversed	-	(517)	(517)
Carrying amount at end of year	8,907	10,579	19,486

NOTE 19 PROVISIONS (CONTINUED)

Key estimates, judgements and accounting policy

Employee benefits

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

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

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

Long service leave

Liabilities for long service leave are discounted to determine present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The discount rate of 2.1% (2017: 2.4%) is based on average Indicative Mid Rates of Commonwealth Government Securities. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Deferred government superannuation obligation

Refer to Note 12 for the accounting policy relating to deferred government superannuation obligations.

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

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. Significant estimates included in the actuarial valuation include number of claims and cost per claim, and have been estimated based on an analysis of past experiences.

Restructure

Provisions for restructuring are recognised where the costs of restructure are measurable, there is a present obligation and steps have been taken to implement a detailed plan, including discussions with affected areas, prior to reporting date.

NOTE 20 OTHER LIABILITIES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Australian Government unspent financial assistance	196,226	180,807	196,097	180,663
Other grants and contracts deferred revenue	98,973	98,748	98,973	98,748
Student fees received in advance	94,442	96,022	89,832	86,926
Other deferred revenue	23,589	21,895	23,589	21,895
Total current other liabilities	413,230	397,472	408,491	388,232
Non-current				
Other deferred revenue	339,530	2,211	339,530	2,211
Total non-current other liabilities	339,530	2,211	339,530	2,211
Total other liabilities	752,760	399,683	748,021	390,443

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) and also includes unspent Higher Education Loan Program (HELP) funds.

Other grants and contracts deferred revenue represents revenue received but not spent for reciprocal grants and contracts other than those relating to the Australian Government.

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

Other deferred revenue includes funds received upfront in relation to arrangements with the private sector for the provision of student accommodation. These arrangements are for terms between 38 and 41 years and the income is to be recognised over the arrangement term.

NOTE 21 OTHER FINANCIAL LIABILITIES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Derivative financial liabilities (held-for-trading)	7,654	-	7,654	-
Total current other financial liabilities	7,654	-	7,654	-
Non-current				
Cross currency interest rate swap	22,003	27,287	22,003	27,287
Derivative financial liabilities (held-for-trading)	1,431	-	1,431	-
Total non-current other financial liabilities	23,434	27,287	23,434	27,287
Total other financial liabilities	31,088	27,287	31,088	27,287

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 designated as cash flow hedges of a highly probable forecast transaction, being the drawdown of the USD denominated debt under the USPP on 17 February 2016. The fair value of the CCIRS contracts as at 31 December 2018 was \$22.003 million (2017: \$27.287 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 the 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.

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.

Derivative financial liabilities (held-for-trading)

Derivative financial liabilities (held-for-trading) comprise foreign exchange forwards used to assist the Group's foreign currency risk management and an electricity contract for difference which the Group uses to assist management of a portion of its overall electricity price exposure. Neither of these financial derivatives apply hedge accounting. Where the derivative is in a negative position at the end of the reporting period they are reported as financial liabilities. Changes in fair value of the derivatives are recognised in the Income Statement. Further information on how the Group manages its foreign currency and electricity price exposures can be found in Note 28.

NOTE 22 RESERVES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Reserves				
Reserves at 31 December comprise:				
Trust fund reserve	889,890	728,536	889,890	728,536
Asset revaluation reserve				
– land and buildings	2,794,930	2,800,358	2,682,769	2,695,758
– works of art and other collections	344,651	334,418	344,531	334,298
Available-for-sale revaluation reserve	-	264,016	-	240,494
Financial assets revaluation reserve	48,651	-	30,679	-
Hedging reserve	(24,510)	(11,171)	(24,510)	(11,171)
General reserve	5,168	5,002	4,227	4,414
Members capital reserve	19,165	30,405	-	-
Contributed equity	12,339	12,339	-	-
Foreign currency translation reserve	(167)	10	-	-
Total reserves	4,090,117	4,163,913	3,927,586	3,992,329

Reserve	Nature and purpose of reserve
Trust fund reserve	Reflects net surpluses derived from donations and bequests which can only be applied to the purpose they were donated for.
Asset revaluation reserve	Arises from the revaluation of specific asset classes of land, buildings, other collections and works of art.
Available-for-sale revaluation reserve	From 1 January 2018 this no longer applies due to adoption of AASB 9 (refer Notes 1.6 and 13). Arose from the revaluation of available-for-sale financial assets.
Financial assets revaluation reserve	Applicable from 1 January 2018 upon adoption of AASB 9 (refer Notes 1.6 and 13). Represents changes in fair value of equity instruments elected to measure at fair value through other comprehensive income (without recycling).
Hedging reserve	Arises from hedging gains and losses recognised on the effective portion of cash flow hedges.
General reserve	Maintained for a number of general purposes.
Members capital reserve	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 the donor members of MEBS received voting rights in MBS.
Foreign currency translation reserve	Maintained for translation of foreign currency balances at reporting date.

NOTE 23 RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result for the year	65,891	217,164	68,909	222,822
Add/(less) non-cash flows in net profit/(loss)				
Depreciation and amortisation	140,963	142,523	136,040	138,795
Impairment losses	780	14,050	879	14,018
Loss/(gain) on sale/redemption of investments	-	(19,217)	-	(19,217)
Transfer of (gain)/loss from equity on disposal of available-for-sale financial assets	-	(19,455)	-	(18,617)
Fair value (gain)/loss on financial assets at fair value through profit or loss	123,200	-	123,200	-
Gain on foreign currency transactions	(2,626)	(11,232)	(2,626)	(11,232)
Net (gain)/loss on disposal of property, plant and equipment	(45)	(30,979)	(49)	(21,906)
Share of (profit)/loss of equity accounted investments	(5,221)	(5,160)	(5,226)	(5,160)
Other	365	1,838	368	74
Changes in assets and liabilities				
Decrease/(increase) in receivables	21,698	8,743	17,182	(2,642)
Decrease/(increase) in other non-financial assets	(20,843)	(1,319)	(20,924)	(3,011)
Increase/(decrease) in trade and other payables	24,007	10,338	34,177	10,471
Increase/(decrease) in provisions	22,260	10,111	22,088	10,311
Increase/(decrease) in other liabilities	353,395	49,631	357,578	54,885
Net cash inflow from operating activities	723,824	367,036	731,596	369,591

NOTE 24 CONTINGENCIES

The Group has the following material contingent liabilities as at 31 December 2018.

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 \$12.580 million (2017: \$12.548 million) and the actuarial assessment of claims liability as at 31 December 2018 is \$8.907 million (2017: \$8.481 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 25 COMMITMENTS

	Consolidated		University	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Capital commitments				
Capital expenditure contracted for at the reporting date but not recognised as liabilities, payable:				
Property, plant and equipment				
Within one year	172,708	312,547	172,708	309,847
Later than one year	32,442	25,912	32,442	25,912
Later than five years	-	-	-	-
Total property, plant and equipment commitments	205,150	338,459	205,150	335,759
Lease commitments – as lessee				
Future minimum lease payments in relation to non-cancellable operating leases at the reporting date but not recognised as liabilities, payable:				
Within one year	10,333	9,144	10,186	9,144
Later than one year	28,743	30,770	28,743	30,770
Later than five years	13,626	11,296	13,626	11,296
Total lease commitments – as lessee	52,702	51,210	52,555	51,210
Lease commitments – as lessor				
Future minimum rentals receivable under non-cancellable operating leases at the reporting date but not recognised as assets, receivable:				
Within one year	5,427	4,551	4,583	3,717
Later than one year	5,909	3,306	5,909	3,024
Later than five years	631	980	631	980
Total lease commitments – as lessor	11,967	8,837	11,123	7,721
Other expenditure commitments				
Within one year	4,357	2,956	4,357	2,956
Later than one year	10,711	6,622	10,711	6,622
Later than five years	7,846	6,231	7,846	6,231
Total other expenditure commitments	22,914	15,809	22,914	15,809

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 lease payments are recognised in the Income Statement over the lease term.

Service concession arrangements

The University has entered into a number of arrangements with the private sector for the provision of student accommodation with terms between 38 and 41 years. Under terms of the project deeds, ownership of the student accommodation facilities will transfer to the University on expiry. The student accommodation facilities are not recognised as assets until ownership passes to the University at the expiry of the relevant arrangement. The University does not share the relevant risks and rewards and is not involved in operational or financial decisions. In determining treatment of the service concession arrangements the Group has determined any leases over land to be an operating lease.

NOTE 26 SUBSEQUENT EVENTS

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 27 SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

Subsidiaries

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

Name of entity	Principal activities	Principal place of business	Ownership interest	
			2018	2017
Melbourne Business School Limited Group	Provides educational services.	Australia	45%	45%
UoM Commercial Limited Group	Commercialise 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	
			2018	2017
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 a system of graded examinations in relation to music and speech in Victoria.	Australia	100%	100%
Goulburn Valley Equine Hospital Pty Limited	Provides equine hospital services, specialising in lameness and reproduction services.	Australia	100%	100%
Melbourne Teaching Health Clinics Limited	Operates and manages medical clinics to provide students at the University with world-class clinical training.	Australia	100%	100%
Melbourne University Publishing Limited	Publishes scholarly writing from Australia and overseas, both within and independent of the tertiary sector.	Australia	100%	100%
Nossal Institute Limited	Undertakes and provides research, development, education, training, consultancy and other activities in regard to medical and related areas.	Australia	100%	100%
UoM International Holdings Limited	Holding company established to act as the parent company for the University's subsidiaries established outside of Australia.	Australia	100%	-
UMELB Pte Limited	Undertakes University profiling, student recruitment, alumni support and donor relationship development.	Singapore	100%	100%

Accounting policy and judgements

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

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

An assessment of subsidiaries for material impact to the consolidated financial statements is performed annually. The assessment includes both a qualitative and quantitative assessment of materiality.

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

MU Student Union Limited was voluntarily deregistered on 21 November 2018.

UoM International Holdings Limited was established on 7 June 2018.

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

NOTE 27 SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONTINUED)

Non-controlling interests

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

Associates and joint arrangements

The Group has a 20% interest in Uniseed Management Pty Limited and a 50% interest in BioCurate Pty Limited, both of which are considered associates. The carrying value of associates as at 31 December 2018 is \$10.437 million (2017: \$5.212 million).

The Group has a 50% interest in the Australian National Academy of Music Limited Group, which is considered a joint arrangement.

Accounting policy and judgements

The associates and joint venture are individually immaterial to the Group.

The Group's associates and joint venture are accounted for using the equity method. Under this method the investment is initially recognised at cost and is adjusted annually for the Group's share of the profit or loss of the associate or joint venture.

Significant judgement has been applied in assessing the existence of significant influence. Even though the University holds a 50% interest in BioCurate Pty Limited it does not have joint control. Through the shareholder agreement, decisions about the relevant activities do not require the unanimous consent of the parties sharing control.

NOTE 28 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. The Council has established the:

- Finance Committee, which meets regularly to monitor and evaluate the University's financial management strategies in the context of the most recent economic conditions and forecasts.
- Investment Management Committee, which monitors and advises the Finance Committee on the University's investments.
- Audit and Risk Committee, which is responsible for monitoring the assessment and management of risk across the University.

Risk exposures

The main risks the Group is exposed to and management's strategy for managing them are:

Risk	Description	Strategy for management and sensitivity analysis
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.	
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. All University borrowings are at a fixed interest rate, either naturally or synthetically through the overlay of financial derivatives. This eliminates any interest rate cash flow risk to the University on borrowings. Refer to Note 18 for details of borrowings. If interest rates were 1% lower/higher for interest-bearing investments than the reporting date rates, with all other variables held constant, the Group's net result for the year would have been \$8.453 million lower/higher, reflecting the lower/higher interest income earned on affected balances (2017: \$6.314 million lower/higher).
Foreign currency risk	The Group's main exposure to foreign currency risk arises from overseas equity investments, USD denominated debt, and future revenues and payments in foreign currencies. The Group is mainly exposed to US dollars.	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 the use of cross-currency interest rate swaps (fixed-to-fixed), whereby a foreign currency exposure is converted to a functional currency exposure. These financial instruments are hedge accounted. The Group's hedged position includes AUD equivalent of \$183.050 million of non-AUD denominated debt exposure being managed at an average hedge rate of 5.55% (2017: not applicable). The impact of the hedging relationship is detailed in Note 21 for the notional amount and carrying amount. Fair value changes of the ineffective portion of the hedge are detailed in Note 5. Fair value changes of the effective portion of the hedge are detailed in Note 22. The Group's hedge position also includes AUD equivalent of \$28.385 million of USD foreign exchange exposure being actively hedged, at an average foreign exchange rate of \$0.74 (2017: not applicable). These hedges are not hedge accounted and all changes in fair value are taken through the Income Statement. At the reporting date, if the Australian dollar weakened/strengthened by 10% against the relevant foreign currency investments with all other variables held constant, the Group's equity balance would have been \$0.100 million lower/higher (2017: \$0.085 million lower/higher), due to changes in fair value of financial assets at fair value through profit and loss. There would have been no change to net result for the year (2017: nil).

NOTE 28 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk	Description	Strategy for management and sensitivity analysis
Price risk	The Group has a significant investment in marketable securities included within financial assets at fair value through profit or loss, which exposes the Group to price risk. The Group has a significant exposure to electricity price risk, given the significant amount of expenditure incurred for utilities.	To manage this risk, the Group 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% lower/higher with all other variables held constant, the Group's equity would have been \$200.342 million lower/higher (2017: \$208.449 million lower/higher), due to changes in fair value of financial assets at fair value through profit or loss. There would have been no change to net result for the year (2017: nil). To assist management of this risk the Group has contracted substantially all of its forecast electricity load for the next 10 years via two Power Purchase Agreements (PPAs). These PPAs are: <ul style="list-style-type: none"> • the Melbourne Renewable Energy Project, a PPA executed directly with the Crowlands Wind Farm as part of a consortium of significant energy consumers co-ordinated by the City of Melbourne. This has been classified as a derivative (see Note 21); and • the Murra Warra Wind Farm, where the Group executed a PPA directly with the wind farm, which is due to come online late 2019. This has been classified as an operating lease.
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 trade receivables. The Group's exposure to credit risk is influenced mainly by characteristics of each customer. Receivable balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant. The Group has established an allowance for impaired receivables that represents their estimate of expected losses in respect of receivables. An analysis of the ageing of the Group's receivables at the reporting date has been provided in Note 12.
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.

Maturity of the Group's financial liabilities:

Consolidated	Less than 1 year	1 to 5 years	More than 5 years	Carrying amount per Statement of Financial Position
	\$'000	\$'000	\$'000	\$'000
2017				
Financial liabilities				
Trade and other payables	139,415	-	-	139,415
Borrowings	4,871	21,272	616,222	642,365
Other financial liabilities	1,597	9,242	16,448	27,287
Total financial liabilities	145,883	30,514	632,670	809,067
2018				
Financial liabilities				
Trade and other payables	164,084	-	-	164,084
Borrowings	5,571	272,348	383,811	661,730
Other financial liabilities	7,802	8,159	15,127	31,088
Total financial liabilities	177,457	280,507	398,938	856,902

NOTE 29 FAIR VALUE MEASUREMENTS

(a) Fair value measurements

All financial assets and liabilities have carrying values that are a reasonable approximation of fair value at reporting date, except for Borrowings. The aggregate fair value of Borrowings at reporting date is \$669.901 million (2017: \$653.239 million). Refer to Note 18 for the carrying amount of Borrowings.

Key estimates and judgements

Note 29(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.

(b) Fair value hierarchy

Consolidated

Fair value measurements at 31 December 2017

Recurring fair value measurements

Financial assets

	2017 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Available-for-sale financial assets	2,084,490	1,338,448	746,042	-
Investments in subsidiaries and other companies	12,621	-	-	12,621
Total financial assets	2,097,111	1,338,448	746,042	12,621
Non-financial assets				
Property, plant and equipment*	4,054,624	-	827,088	3,227,536
Total non-financial assets	4,054,624	-	827,088	3,227,536
Financial liabilities				
Borrowings	653,239	-	653,239	-
Other financial liabilities	27,287	-	27,287	-
Total liabilities	680,526	-	680,526	-

Fair value measurements at 31 December 2018

Recurring fair value measurements

Financial assets

	2018 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets at fair value through profit or loss	2,003,419	1,458,499	544,919	-
Financial assets designated at fair value through other comprehensive income	149,917	101,865	-	48,052
Investments in subsidiaries	4,344	-	-	4,344
Total financial assets	2,157,680	1,560,364	544,919	52,396
Non-financial assets				
Property, plant and equipment*	4,103,712	-	767,978	3,335,734
Total non-financial assets	4,103,712	-	767,978	3,335,734
Financial liabilities				
Borrowings	669,901	-	669,901	-
Cross-currency interest rate swap	22,003	-	22,003	-
Derivative financial liability (held-for-trading)	9,085	-	7,604	1,481
Total liabilities	700,989	-	699,508	1,481

* Comprised of land, buildings and works of art and other collections. Other items of property, plant and equipment are not held at fair value (Note 15).

NOTE 29 FAIR VALUE MEASUREMENTS (CONTINUED)

Non-recurring fair value measurements

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 the education-related buildings together with limited comparable sales on a going-concern basis, it is an accepted valuation methodology to carry out a current 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. The cost approach adopted for the building component is considered to utilise level 3 inputs.

Land with a community service obligation of greater than 10% is considered to use level 3 inputs as the unobservable input is considered significant. 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.

Financial assets at fair value through profit or loss and available-for-sale financial assets (levels 2 and 3)

The fair value of 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 the actual transactions in similar instruments. From 1 January 2018 available-for-sale financial assets will no longer apply due to adoption of AASB 9 (refer to Note 1.6).

Financial assets designated at fair value through other comprehensive income (levels 2 and 3)

The fair value of 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.

NOTE 29 FAIR VALUE MEASUREMENTS (CONTINUED)

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2017 and 2018:

Consolidated	Other financial assets	Buildings	Works of art and other collections	Land	Other financial liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Level 3 Fair value measurements at 31 December 2017						
Opening balance	8,513	2,118,908	333,225	612,469	-	3,073,115
Additions	4,919	1,873	658	-	-	7,450
Transfer from construction in progress	-	95,314	-	-	-	95,314
Disposals	(350)	(10,554)	-	(18,793)	-	(29,697)
Depreciation	-	(87,754)	-	-	-	(87,754)
Revaluation	(461)	102,843	7,707	35,994	-	146,083
Transfers from level 3 to level 2	-	-	-	36,250	-	36,250
Assets classified as held for sale	-	(604)	-	-	-	(604)
Closing balance	12,621	2,220,026	341,590	665,920	-	3,240,157
Level 3 Fair value measurements at 31 December 2018						
Opening balance	12,621	2,220,026	341,590	665,920	-	3,240,157
Additions	2,015	7,588	559	-	(1,481)	8,681
Transfer from construction in progress	-	106,504	-	-	-	106,504
Disposals	-	-	(75)	-	-	(75)
Depreciation	-	(85,335)	-	-	-	(85,335)
Revaluation	36,409	3,948	10,233	49,654	-	100,244
Write-ups/transfers/(write-offs)	-	571	-	-	-	571
Transfers from level 3 to level 2	-	-	-	(44,549)	-	(44,549)
Transfers from level 2 to level 3	1,351	-	-	59,100	-	60,451
Closing balance	52,396	2,253,302	352,307	730,125	(1,481)	3,386,649

Quantitative information about significant unobservable inputs used in level 3 fair value measurements is summarised in the below table.

Description	Fair value 2018 \$'000	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Other financial assets	52,396	Net asset value	A 5% increase in net asset value would increase fair value of other financial assets by \$2.620 million (2017: \$0.631 million).
Other financial liabilities	(1,481)	Electricity long-term forward price Large Generator Certificates (LGC) long-term forward price	A 10% increase in the electricity long-term forward price would decrease the value of the liability by \$0.184 million. A 10% increase in the LGC long-term forward price would decrease the value of the liability by \$0.079 million.

NOTE 30 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Audit of the financial statements				
Fees paid or payable to the Victorian Auditor-General's Office	340	377	328	306
Fees paid or payable to KPMG	102	100	-	-
Fees paid or payable to Ernst & Young	75	-	-	-
Total remuneration for audit services	517	477	328	306
Other audit and assurance services				
Fees paid or payable to KPMG	-	138	-	138
Fees paid or payable to Ernst & Young	19	-	19	-
Fees paid or payable to PwC	136	-	136	-
Fees paid or payable to other providers	253	17	253	17
Total remuneration for other audit and assurance services	408	155	408	155

NOTE 31 RELATED PARTY TRANSACTIONS

Parent entities

The ultimate parent entity within the Group is the University.

Subsidiaries

The University's interests in its subsidiaries are set out in Note 27.

Members of Council and specified executive officers

Disclosures relating to Members of Council and specified executives are set out in Note 32.

Transactions with related parties

The following transactions occurred with related parties:

	University	
	2018 \$'000	2017 \$'000
Subsidiaries		
Funding provided	18,640	20,118
Rent in-kind provided	855	353
Lease receipts	1,269	1,486
Sale of goods and services	2,196	26,399
Purchase of goods	22,053	23,953
Associates		
Funding provided	5,616	5,000
Key management personnel		
Donations received	8,578	164

Contributions to superannuation are disclosed in Note 7.

NOTE 31 RELATED PARTY TRANSACTIONS (CONTINUED)

Outstanding balances

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

	University	
	2018 \$'000	2017 \$'000
Subsidiaries		
Current receivables (sale of goods and services)	1,109	3,816
Current payables (purchases of goods)	387	2,697
Key management personnel		
Commitments – donations	23,970	3,418
Loans to/from related parties		
Loans to subsidiaries		
Opening balance	4,456	4,456
Loan advanced	-	-
Loan repayments	-	-
Interest charged	-	-
Interest revenue	-	-
Closing balance	4,456	4,456
Loans from other related parties	309	309

There is an allowance for impaired receivables of \$4.456 million (2017: \$4.456 million) in relation to a loan receivable from Melbourne Teaching Health Clinics. No expense has been recognised during the year in respect of impaired receivables due from related parties.

Terms and conditions

During the financial year all transactions between the University and its related parties were in the ordinary course of business and on normal arm's length commercial terms and conditions. Outstanding balances are unsecured, non-interest-bearing and repayable in cash.

NOTE 32 KEY MANAGEMENT PERSONNEL

Names of responsible persons

Professor Duncan Maskell, Vice-Chancellor (appointed 1 October 2018)	Mr Ross McPherson (until 31 December 2018)
Professor Glyn Davis, Vice-Chancellor (until 30 September 2018)	The Hon. Justice J Middleton
Professor Marilys Guillemin	Mr Martyn Myer
Ms Jane Hansen	Mr Allan Myers
Mr Tyson Holloway-Clarke	Professor Nilss Olekalns
Professor Joseph J Y Sung (appointed 1 January 2018)	Dr Helen Szoke (appointed 16 May 2018)
Mr Mark Leibler	Ms Wendy Stops

Remuneration of responsible persons

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

	Consolidated	
	2018 \$'000	2017 \$'000
Short-term benefits	387	302
Total remuneration of responsible persons	387	302

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

	Consolidated	
	2018 No.	2017 No.
Nil	5	6
\$1–\$9,999	-	1
\$20,000–\$29,999	-	1
\$30,000–\$39,999	6	3
\$40,000–\$49,999	2	2
\$70,000–\$79,999	-	1
\$80,000–\$89,999	1	-
Total number	14	14

Remuneration of executive officers

Total amounts received by, payable to, or otherwise made available to Executives of the Group are outlined below. The Executives of the Group are members of the University Executive Committee comprising the Vice-Chancellor, the Faculty Deans, the Provost, the Deputy Vice-Chancellors and the Vice-Principals.

	Consolidated	
	2018 \$'000	2017 \$'000
Short-term benefits	10,886	10,302
Post-employment benefits	1,471	1,428
Termination benefits	557	-
Other long-term benefits	337	198
Total remuneration of executive officers	13,251	11,928

As a responsibility of office, one executive included 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 for 2018 is \$83,019 (2017: \$251,426).

NOTE 32 KEY MANAGEMENT PERSONNEL (CONTINUED)

The number of executive officers and their remuneration during the reporting period is shown in the table below in their relevant bands.

	Consolidated	
	2018 No.	2017 No.
\$15,000-\$29,999	1	-
\$30,000-\$44,999	-	1
\$60,000-\$74,999	1	-
\$120,000-\$134,999	1	1
\$135,000-\$149,999	1	-
\$210,000-\$224,999	1	-
\$240,000-\$254,999	-	1
\$255,000-\$269,999	1	-
\$315,000-\$329,999	1	-
\$345,000-\$359,999	-	2
\$360,000-\$374,999	1	2
\$375,000-\$389,999	2	2
\$390,000-\$404,999	2	-
\$405,000-\$419,999	1	-
\$420,000-\$434,999	-	3
\$435,000-\$449,999	1	3
\$450,000-\$464,999	1	-
\$465,000-\$479,999	3	-
\$510,000-\$524,999	-	1
\$525,000-\$539,999	1	2
\$540,000-\$554,999	1	1
\$555,000-\$569,999	-	1
\$570,000-\$584,999	2	1
\$585,000-\$599,999	2	1
\$630,000-\$644,999	1	-
\$645,000-\$659,999	-	1
\$735,000-\$749,999	1	-
\$855,000-\$869,999	-	1
\$1,080,000-\$1,094,999	1	-
\$1,290,000-\$1,304,999	-	1
\$1,575,000-\$1,589,999	1	-
Total number of executives	28	25
Total annualised employee equivalent (AEE)	22.7	22.2

Minister

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

NOTE 33 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY)

Note 33.a Education – CGS and other education grants

	Commonwealth Grants Scheme ¹		National Institutes Funding		Access and Participation Fund		Indigenous Student Success Program ²		Disability Performance Funding ³	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	279,012	291,253	5,634	5,550	1,650	1,625	-	-	265	175
Net accrual adjustments	3,242	(7,141)	-	-	-	-	(3)	81	-	-
Revenue for the period	282,254	284,112	5,634	5,550	1,650	1,625	(3)	81	265	175
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	(81)	-	-
Total revenue including accrued revenue	282,254	284,112	5,634	5,550	1,650	1,625	(3)	-	265	175
Less expenses including accrued expenses	(282,254)	(284,112)	(5,634)	(5,550)	(1,650)	(1,625)	3	-	(265)	(175)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

	Promotion of Excellence in Learning and Teaching		Supporting More Women in STEM Careers		Academic Centres of Cyber Security Excellence		AMSI Vacation Schools		Superannuation Programs	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	-	55	-	8,900	235	231	498	490	9,592	7,421
Net accrual adjustments	-	-	-	-	-	-	-	-	(2,102)	1,807
Revenue for the period	-	55	-	8,900	235	231	498	490	7,490	9,228
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	-	55	-	8,900	235	231	498	490	7,490	9,228
Less expenses including accrued expenses	-	(55)	-	(8,900)	(235)	(231)	(498)	(490)	(7,490)	(9,228)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

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

2 Indigenous Student Success Program replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2018.

3 Disability Performance Funding includes Additional Support for Students with Disabilities.

NOTE 33 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

Note 33.a Education – CGS and Other education grants (continued)

	Menzies Institute and Library		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	7,000	-	303,885	315,700
Net accrual adjustments	-	-	1,137	(5,253)
Revenue for the period	7,000	-	305,022	310,447
Surplus/(deficit) from the previous year	-	-	-	(81)
Total revenue including accrued revenue	7,000	-	305,022	310,366
Less expenses including accrued expenses	(7,000)	-	(305,022)	(310,366)
Surplus/(deficit) for reporting period	-	-	-	-

Note 33.b Higher Education Loan Programs (excluding OS-HELP)

	HECS-HELP (Australian Govt payments only)		FEE-HELP		SA-HELP		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	156,308	158,583	113,720	115,367	3,245	3,526	273,273	277,476
Net accrual adjustments	3,581	(2,613)	(138)	(4,456)	24	(200)	3,467	(7,269)
Revenue for the period	159,889	155,970	113,582	110,911	3,269	3,326	276,740	270,207
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	159,889	155,970	113,582	110,911	3,269	3,326	276,740	270,207
Less expenses including accrued expenses	(159,889)	(155,970)	(113,582)	(110,911)	(3,269)	(3,326)	(276,740)	(270,207)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

NOTE 33 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

Note 33.c Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	98,264	95,722	99,266	95,435	197,530	191,157
Net accrual adjustments	-	1,273	-	-	-	1,273
Revenue for the period	98,264	96,995	99,266	95,435	197,530	192,430
Surplus/(deficit) from the previous year	-	(3,411)	-	1,273	-	(2,138)
Total revenue including accrued revenue	98,264	93,584	99,266	96,708	197,530	190,292
Less expenses including accrued expenses	(98,264)	(93,584)	(99,266)	(96,708)	(197,530)	(190,292)
Surplus/(deficit) for reporting period	-	-	-	-	-	-

Note 33.d Total Research Training Program expenditure

	Total domestic students		Total overseas students		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Research Training Program fee offsets	62,732	62,357	4,989	5,818	67,721	68,175
Research Training Program stipends	28,074	23,073	2,251	2,153	30,325	25,227
Research Training Program allowances	132	36	86	146	218	182
Total for all types of support	90,938	85,466	7,326	8,117	98,264	93,584

Note 33.e Capital funding

	Linkage Infrastructure Equipment and Facilities Grant		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	1,208	2,730	1,208	2,730
Net accrual adjustments	263	217	263	217
Revenue for the period	1,471	2,947	1,471	2,947
Surplus/(deficit) from the previous year	-	(98)	-	(98)
Total revenue including accrued revenue	1,471	2,849	1,471	2,849
Less expenses including accrued expenses	(1,471)	(2,849)	(1,471)	(2,849)
Surplus/(deficit) for reporting period	-	-	-	-

NOTE 33 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

Note 33.f Australian Research Council grants

	Discovery		Linkages		Networks and centres		Special research initiatives		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	48,823	53,225	13,440	13,474	7,775	11,980	3,611	3,557	73,649	82,236
Net accrual adjustments	2,036	(1,691)	450	11,821	5,261	2,628	1,029	253	8,776	13,011
Revenue for the period	50,859	51,534	13,890	25,295	13,036	14,608	4,640	3,810	82,425	95,247
Surplus/(deficit) from the previous year	(744)	1,074	180	1,918	803	2,422	(28)	96	211	5,510
Total revenue including accrued revenue	50,115	52,608	14,070	27,213	13,839	17,030	4,612	3,906	82,636	100,757
Less expenses including accrued expenses	(50,711)	(53,352)	(14,883)	(27,033)	(14,251)	(16,227)	(4,624)	(3,934)	(84,468)	(100,546)
Surplus/(deficit) for reporting period	(595)	(744)	(813)	180	(412)	803	(12)	(28)	(1,833)	211

Note 33.g Other Australian Government finance assistance

	Other Australian Government financial assistance	
	2018 \$'000	2017 \$'000
Cash received during the reporting period	221,074	194,941
Cash spent during the reporting period	(204,723)	(152,318)
Net cash received	16,351	42,623
Cash surplus/(deficit) from the previous period	86,229	43,606
Cash surplus/(deficit) for reporting period	102,580	86,229

NOTE 33 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (UNIVERSITY ONLY) (CONTINUED)

Note 33.h OS-HELP

	OS-HELP	
	2018 \$'000	2017 \$'000
Cash received during the reporting period	3,540	4,497
Cash spent during the reporting period	(3,668)	(3,447)
Net cash received	(128)	1,050
Cash surplus/(deficit) from the previous period	2,836	1,786
Cash surplus/(deficit) for reporting period	2,708	2,836

Note 33.i Student Services and Amenities Fee

	Student Services and Amenities Fee	
	2018 \$'000	2017 \$'000
Unspent/(overspent) revenue from previous period	5,891	6,938
SA-HELP revenue earned	3,269	3,326
Student Services Fees direct from students	5,630	5,421
Total revenue expendable in period	14,790	15,685
Student services expenses during period	(11,606)	(9,794)
Unspent/(overspent) Student Services and Amenities Fee	3,184	5,891

STATEMENT BY THE CHANCELLOR THE VICE-CHANCELLOR AND CHIEF FINANCIAL OFFICER

The University Council at its meeting held on 14 March 2019 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 2018 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 2018 Reporting Period as issued by the Australian Government Department of Education and Training,
- (iii) the Group has complied with all material requirements of applicable legislation, contracts, agreements and various program guidelines that apply to the 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 2018 was expended for the purposes for which it was provided.



Allan J Myers AC QC
Chancellor
14 March 2019



Professor Duncan Maskell
Vice-Chancellor
14 March 2019



Katerina Kapobassis
Chief Financial Officer
14 March 2019

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 2018, I declare that, to the best of my knowledge and belief, there have been:

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



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
22 March 2019

Independent Auditor's Report

To the Council of The University of Melbourne

Qualified opinion	<p>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:</p> <ul style="list-style-type: none"> consolidated entity and university statement of financial position as at 31 December 2018 consolidated entity and university income statement and comprehensive income statement for the year then ended consolidated entity and university statement of changes in equity for the year then ended consolidated entity and university statement 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. <p>In my opinion, except for the effects of the matter described in the <i>Basis for Qualified opinion</i> section of my report, the financial report is in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> including:</p> <ul style="list-style-type: none"> presenting fairly, in all material respects, the financial position of the University and the consolidated entity as at 31 December 2018 and their financial performance and cash flows for the year then ended complying with Australian Accounting Standards.
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Basis for qualified opinion	<p>The University of Melbourne has recognised a liability of \$272 million in the statement of financial position (2017: \$249 million) that represents grants and contributions received but not spent during the year ended 31 December 2018.</p> <p>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 <i>Contributions</i>, 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.</p> <p>The following adjustments to the financial report are required to recognise income for both the University of Melbourne and the consolidated group in accordance with AASB 1004: <i>Other current liabilities</i> be reduced by \$272 million (2017: \$249 million) and the <i>Net Result</i> and <i>Total Comprehensive income</i> be increased by \$23 million in 2018 (2017: \$26 million).</p>
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Basis for qualified opinion (continued)	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the University and the consolidated entity in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>
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Council' responsibilities for the financial report	<p>The Council of the University are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Council determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Council are responsible for assessing the University and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
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Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University and the consolidated entity's internal control
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Auditor's responsibilities for the audit of the financial report (continued)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council
- conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the University and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- 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.



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
22 March 2019

DISCLOSURE INDEX

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MANAGEMENT AND STRUCTURE			
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10.	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators	82-85
11.	FRD 22H	Workforce data for current and previous reporting period, including a statement on employment and conduct principles, and that employees have been correctly classified in the workforce data collections	86
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17.	FRD 22H	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	87
18.	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	16–67
19.	FRD 22H	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target	N/A
20.	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	N/A

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21.	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <i>Victoria's Competitive Neutrality Policy</i> and any subsequent reform	88
22.	FRD 22H	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	88
23.	FRD 22H	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act	87
24.	FRD 22H and FRD 24D	Summary of Environmental Performance	N/A
25.	FRD 22H	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available 1. Consultant engaged 2. Brief summary of project 3. Total project fees approved (excluding GST) 4. Expenditure for reporting period (excluding GST) 5. Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period.	97
26.	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	89
27.	FRD 22H	An entity shall disclose the following in the report of operations: a. Total entity ICT Business As Usual (BAU) expenditure for the full 12-month reporting period; and b. Total entity ICT Non-Business As Usual expenditure for the full 12-month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	89
28.	FRD 25C	Victorian Industry Participation Policy Disclosures	N/A
29.	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
30.	FRD 119A	Transfers through contributed capital	N/A
31.	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.	81
32.	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions, the Standing Directions, the instructions, the applicable Australian Accounting Standards and the FMA	6
33.	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved	6

Item No.	Source	Summary of reporting requirement	Page No./s
Standing directions / Financial Management Act 1994 (FMA)			
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER STANDING DIRECTIONS/ FINANCIAL MANAGEMENT ACT 1984			
34.	SD 5.2.2(a), 5.2.2(b) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none">Present fairly the financial transactions during reporting period and the financial position at end of the period;Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.	146
35.	FRD 30D	Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none">\$10,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and\$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.	103
36.	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none">review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister.	74, 146
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
37.	FRD 11A	Disclosure of ex-gratia payments	N/A
38.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	139-140
39.	FRD 102A	Inventories	N/A
40.	FRD 103G	Non-financial physical assets	116-120
41.	FRD 105B	Borrowing costs	98
42.	FRD 106B	Impairment of assets	110
43.	FRD 107B	Investment properties	N/A
44.	FRD 109A	Intangible assets	121
45.	FRD 110A	Cash flow statements	102
46.	FRD 112D	Defined benefit superannuation obligations	109, 112-113, 125-126
47.	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	114, 131-132
48.	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	104-105
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
49.	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2018	89
50.	PAEC	Financial and other information relating to the university's international operations	13, 20, 40, 55
51.	University Commercial Activity Guidelines	<ul style="list-style-type: none">Summary of the university commercial activitiesIf the university has a controlled entity, include the accounts of that entity in the university's Annual Report	131-132

GLOSSARY

Academic Ranking of World Universities (ARWU)

Academic Ranking of World Universities ranks the world's top 1000 colleges and universities based on specific indicators

Access Melbourne

Special guaranteed entry and scholarship scheme for domestic undergraduate applicants whose circumstances in secondary school have prevented them from achieving the best possible ATAR

Australian Research Council (ARC)

One of the Australian Government's two main agencies (with the NHMRC, see below) for allocating competitive research funding to academics and researchers at Australian universities

Australian Tertiary Admission Rank (ATAR)

Primary criterion for entry into most undergraduate-entry university programs in Australia.

Career Outcomes Survey (COS)

Survey conducted to assess career outcomes of University graduates

Course Experience Questionnaire (CEQ)

Administered in conjunction with Graduate Outcomes Survey (GOS) to coursework graduates approximately five months after their course completion, collecting information on quality of education by asking graduates about their study experience

Doctor of Philosophy (PhD)

Highest academic degree awarded by universities in most countries

Domestic student retention rate

Proportion of students in a year enrolled in the following year

Domestic student success rate

Ratio of subjects passed versus subject attempted

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Net income with interest, taxes, depreciation and amortisation added back to it, used to analyse and compare profitability among companies and industries, eliminating effects of financing and accounting decisions

Equivalent full-time student load (EFTSL)

Components used to calculate student contribution – one EFTSL is equivalent to a full-time study load for one year. For standard undergraduate degrees, an annual total of 80 credit points is equivalent to a standard year of full-time study (one EFTSL)

Flexible Academic Programming Project (FlexAP)

Whole-of-University Project begun in 2015 to review and enhance quality of teaching and the student experience, provide more choice and flexibility of study options and make more effective and efficient use of University infrastructure and resources throughout the calendar year

Go8 (Group of Eight)

Comprises Australia's eight leading research universities: Australian National University, Monash University, University of Adelaide, University of Melbourne, University of New South Wales, University of Queensland, University of Sydney and University of Western Australia

Graduate Outcomes Survey (GOS)

National survey funded by the Federal Department of Education and Training, to collect information on graduates' labour market outcomes and further study activities

Growing Esteem

University of Melbourne strategic plan, the most recent iteration, *Growing Esteem 2015–2020*, seeks to realise the vision first articulated in 2005 and follows *Growing Esteem 2010*

HASS

Humanities, Arts, and Social Sciences

Higher Education Research Data Collection (HERDC)

Comprises research income data submitted annually by universities to the federal Department of Education and Training

Highly cited researchers (Hi-Cis)

Annual list recognising leading researchers in the sciences and social sciences from around the world

International Financial Reporting Standards (IFRS)

Issued by IFRS Foundation and International Accounting Standards Board (IASB) to provide common global language for business affairs to ensure that company accounts are understandable and comparable across international boundaries

Low socio-economic status (Low-SES)

Socio-economic status (SES) in Australian higher education is determined using a student's residential address. Low SES students are defined as those who live in bottom 25 per cent in this ranking

Massive Open Online Courses (MOOCs)

Free online courses offered in partnership with Coursera to a global audience and accessible from any internet device

Melbourne Centre for Cancer Research (UMCCR)

Collaboration of cancer researchers from across the University of Melbourne working in collaboration to improve outcomes for cancer patients through fostering innovation and integration in cancer care, research, education and training

Melbourne Model, the

Globally competitive curriculum which couples broad undergraduate studies with postgraduate specialisation

Melbourne School of Professional and Continuing Education (MSPACE)

Launched and delivering wholly online graduate-level courses – 27 award courses (masters, graduate diplomas, graduate certificates) and seven non-award specialist or professional certificates in 11 program areas

National Health and Medical Research Council (NHMRC)

Peak funding body for medical research – one of the Australian Government's two main agencies (with the ARC, see above) for allocating competitive research funding to academics and researchers at Australian universities

New Colombo Plan (NCP)

Federal Government funding of student participation in Indo-Pacific experiences

Reconciliation Action Plan (RAP)

Business plan documenting the practical actions an organisation will undertake to contribute to reconciliation in Australia. The first University of Melbourne RAP was for the period 2011–2013, the second from 2015–2017 and the third is for the period 2018–2022

Research Higher Degree (RHD)

Postgraduate university degree involving a unique supervised research project, either as Masters by Research or Philosophy, or Doctoral degree (either Professional Doctorate or Doctor of Philosophy)

STEMM

Science, Technology, Engineering, Mathematics and Medicine

Universitas 21 (U21)

Global network of research universities formed in 1997

Victorian Comprehensive Cancer Centre (VCCC)

Purpose-built centre for cancer research, treatment, care and education, located within the Parkville Precinct

Victorian Tertiary Admissions Centre (VTAC)

Web of Science (WoS)

Citation index built on the fact that citations in science serve as linkages between similar research items, and lead to matching or related scientific literature, such as journal articles, conference proceedings and abstracts

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