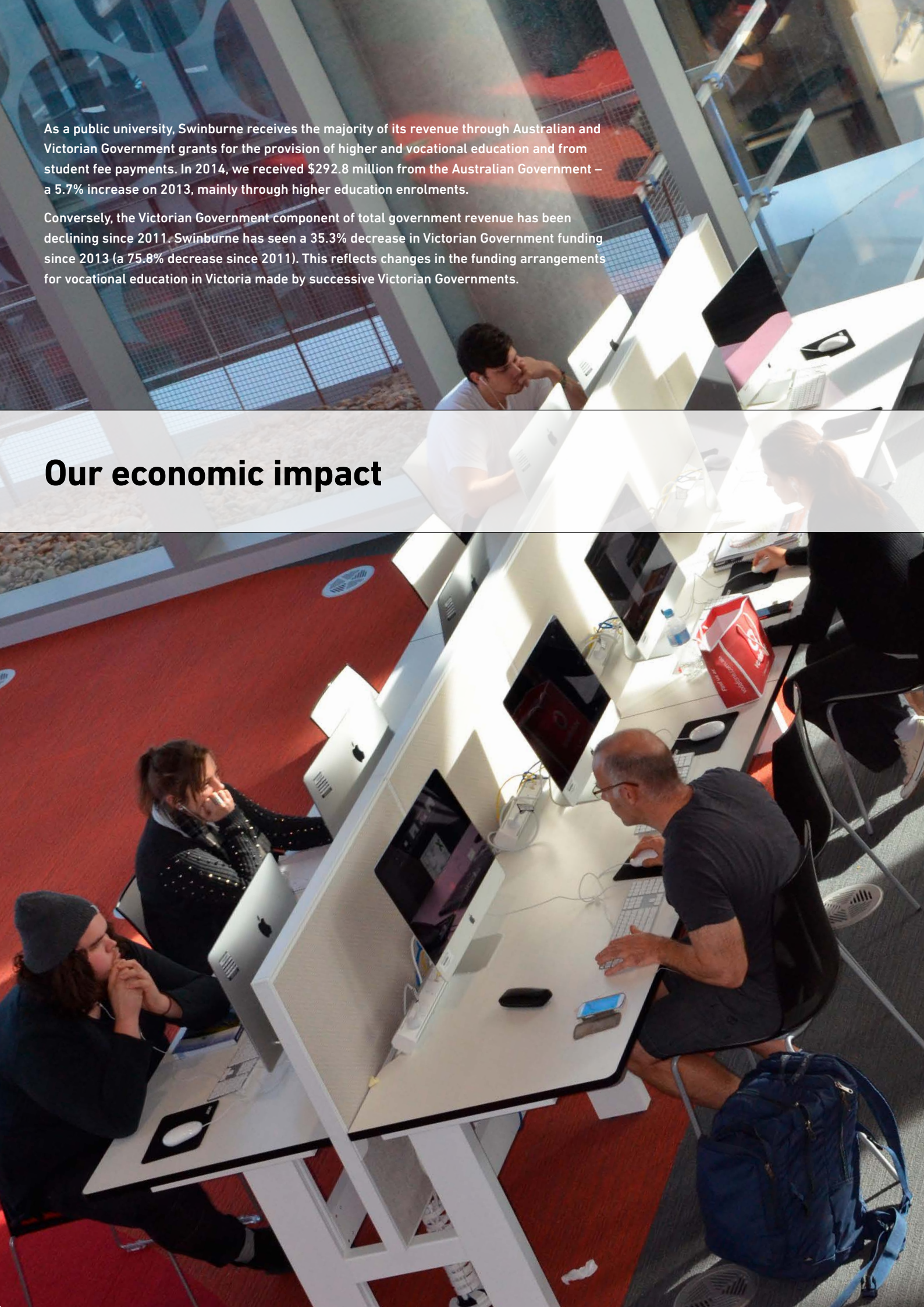


As a public university, Swinburne receives the majority of its revenue through Australian and Victorian Government grants for the provision of higher and vocational education and from student fee payments. In 2014, we received \$292.8 million from the Australian Government – a 5.7% increase on 2013, mainly through higher education enrolments.

Conversely, the Victorian Government component of total government revenue has been declining since 2011. Swinburne has seen a 35.3% decrease in Victorian Government funding since 2013 (a 75.8% decrease since 2011). This reflects changes in the funding arrangements for vocational education in Victoria made by successive Victorian Governments.

## Our economic impact



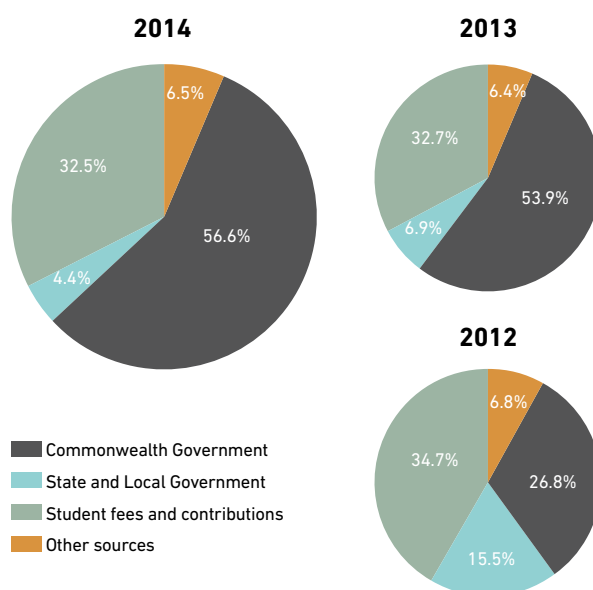
## Economic performance

Swinburne receives the majority of its revenue through Australian and Victorian Government grants to support the provision of higher and vocational education, and from student fee payments. The financial assistance received from the Australian Government comes in the form of contributions to the cost of providing higher education, research grants, scholarships and funding for capital works. In 2014, we received \$292.8 million from the Australian Government, a 5.7% increase on 2013.

In contrast, Victorian Government funding has declined sharply since 2011. We have experienced a 35.3% decrease in Victorian Government funding since 2013 (and a 75.8% decrease since 2011). This reflects changes in the funding arrangements for vocational education in Victoria made by successive Victorian Governments.

The Commonwealth Government has signalled that it intends to reduce its contribution to the meeting the cost of providing higher education in the future. This presents a challenge and a risk for Swinburne and other universities, because all providers rely significantly on revenue from the Commonwealth. We are addressing this by strengthening our commitment to high quality teaching, excellence in research and strong engagement with industry. Notwithstanding, it is highly likely that Swinburne and other universities will need to substantially increase student fees to meet the shortfall in public funding in the event that legislation is passed to give effect to these proposed changes.

## Funding sources



PERFORMANCE (\$000)	\$000	\$000	\$000	\$000	\$000
Income from continuing operations	2014	2013	2012	2011	2010
Australian Government financial assistance:					
– Australian Government grants	163,458	159,221	140,302	102,486	102,303
– HECS-HELP – Australian Government payments	98,316	87,569	63,429	50,983	45,189
– FEE-HELP	29,472	28,614	20,491	19,223	17,712
– SA-HELP	1,588	1,512	1,199	–	–
State and local Government financial assistance					
HECS-HELP – Student payments	8,520	9,088	8,585	8,606	7,579
Fees and charges	159,876	158,996	173,358	177,170	166,282
Investment revenue	9,539	8,414	12,889	14,227	10,743
Royalties, trademarks and licences	3,248	2,319	1,954	1,952	1,872
Consultancy and contracts	17,628	17,776	14,507	17,746	15,630
Other revenue	3,055	4,408	6,548	5,249	4,018
<b>Total revenue (direct economic value generated)</b>	<b>517,661</b>	<b>513,383</b>	<b>524,467</b>	<b>492,652</b>	<b>451,892</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	277,985	256,299	281,986	268,682	242,664
Depreciation and amortisation	31,711	27,233	31,777	27,932	27,157
Repairs and maintenance	12,718	19,503	13,726	13,884	10,562
Borrowing costs	–	109	8,172	15,130	125
Impairment of assets	1,294	1,592	3,793	1,584	157
Losses on disposal of assets	396	979	527	1,525	132
Deferred Superannuation expense	182	226	188	199	307
Other expenses	189,685	168,676	163,614	125,622	119,561
<b>Total expenses (economic value distributed)</b>	<b>513,971</b>	<b>474,617</b>	<b>503,783</b>	<b>454,558</b>	<b>400,665</b>
<b>Net Operating result (economic value retained)</b>	<b>12,556</b>	<b>49,961</b>	<b>19,891</b>	<b>38,140</b>	<b>51,315</b>
Current and non-current Assets	1,052,537	1,005,425	989,036	1,065,066	936,914
Current and non-current Liabilities	263,270	233,468	285,055	327,989	232,743
<b>Equity</b>	<b>789,267</b>	<b>771,957</b>	<b>703,981</b>	<b>737,077</b>	<b>704,171</b>

View Swinburne's 2014 Annual Report at: [www.swinburne.edu.au/corporate/spq/reports\\_annual.html](http://www.swinburne.edu.au/corporate/spq/reports_annual.html)

## Direct and indirect economic impacts

Sustained, mutually beneficial engagement with industry and the wider community is a high priority for Swinburne. Our aim is to be the most user-friendly and connected university in Australia, focused on meeting the needs of our stakeholders and partners.

It is difficult to quantify the direct and indirect economic impacts of the University's activities in 2014, particularly those delivered through our 'core' business activities – education and research. For example, 5,700 students graduated from Swinburne's higher education courses in 2013 (4,040 undergraduate degree completions and 1,660 postgraduate degree completions including 140 higher degree by research completions). These graduates will make an enormous contribution to society over the course of their professional careers, in disciplines as diverse as business, biochemistry, education, engineering, health and IT. The contribution that will be made by those who completed apprenticeships and other vocational education programs at Swinburne in 2014 (1542\* completions in VE) is also difficult to quantify, as are the benefits to society that derive from the University's research activity.

*\* Currently VE completion rates are based on students' requests 'to complete' rather than actual completion of VE qualifications. Actual completion rates tend to be higher however the accurate data was not available at the time of reporting.*

A major contribution is also made through the provision of expertise in many fields. Again, the value of this contribution is difficult to quantify, but Swinburne is regarded within government and the wider community as a trusted source of expertise and 'thought leadership', particularly in relation to science, technology and innovation, and public policy.

It is perhaps easier to quantify the direct financial impact of the University as a business operation and thus as a significant employer and contributor to the local economy. In 2014, employee benefits and on-costs amounted to \$278 million, spending on capital works, plant and equipment, major computer systems upgrades and repairs and maintenance was \$75 million and spending on such items as library acquisitions, consumables, operating leases and external teaching services was in excess of \$170 million.

## Cost of living and minimum wage

Swinburne's campuses are located in and close to the city centre and in the eastern suburbs of Melbourne. The cost of living for our students and employees living, studying and working at our campuses at Croydon and Wantirna tends to be less than for those based at our city and Hawthorn campuses.

Swinburne offers a range of support services to students such as; equity scholarships; refugee and asylum seeker status support; accommodation assistance; study and living expenses support; health and well-being; childcare facilities; personal development and counselling; career guidance. Further information is available at: [www.swinburne.edu.au/stuserv/](http://www.swinburne.edu.au/stuserv/)

The Swinburne University of Technology Academic and General Staff Enterprise Agreement 2014 was approved by the Fair Work Commission on 16 December 2014 and took effect from 23 December 2014. The Agreement provides academic and general staff with a salary increase of 3.1% per annum over the next four years. The University expects to commence negotiations with the Australian Education Union (the AEU) over a new Swinburne agreement for VE Teachers in 2015.

Minimum wage levels	Ratio	
	2013	2014
Australian Government minimum wage	1.00	1.00
Higher Education academic minimum wage (Level A, point 1) Swinburne	1.81	1.77
Higher Education academic minimum wage (Level A, point 1) national average*	1.87	1.83
TAFE Teaching minimum wage (T1.1) Swinburne	1.61	1.52
Professional minimum wage (HEW 1, Level 1) Swinburne	1.31	1.28
Professional minimum wage (HEW 1, Level 1) national average*	1.30	1.27

*\* National average derived from group of 14 post-1960s universities*

## Investment practices

Swinburne's investment portfolio is managed by Jana Investment Advisers Pty Ltd at the direction of the University Council which, in turn, draws on advice from its Resources Committee on investment policy and practice. The invested assets are held through trust structures, rather than through specific companies, in line with Jana's Environmental, Social and Governance (ESG) policy and Socially Responsible Investment (SRI) policy.

## CASE STUDY

Swinburne students, staff and alumni grouped together to form *Fossil Free Swinburne* – a campaign to increase awareness, foster discussion, and engage the University's leadership in divesting away from fossil fuels. The campaign follows on the back of a growing international movement for universities and other institutions to support the transition to a low carbon economy by divesting away from greenhouse gas producing fossil fuel investments. Swinburne's senior management have met with *Fossil Free Swinburne* and are examining the University's approach to investment in response to the concerns expressed by this group.

## Procurement practices

We promote principles of sustainability in our procurement practices. Sustainable procurement aims to reduce the adverse environmental, social and economic impacts of purchased products and services throughout their life, including consideration to waste disposal and the cost of operation and maintenance over the life of the goods.

'Value' for money is central to our procurement practices. For Swinburne, this means that all relevant financial and non-financial costs and benefits are taken into account over the entire life of the procurement. As a responsible organisation, we aim to:

- adopt strategies to avoid unnecessary consumption and manage demand
- minimise environmental impacts over the life of the goods and services by choosing products or services that have lower adverse impacts associated with any stage in their production, use or disposal
- foster innovation in procuring sustainable products and services
- ensure that fair and ethical sourcing practices are applied and that suppliers are complying with socially responsible practices, including legislative obligations to employees.

Recent examples of sustainable procurement include:

- **Power Management** – we purchase energy efficient equipment with power management settings where available, for operating low power, sleep and off modes. For example, we are introducing and replacing existing desktop network telephones with power management systems that enable sleep mode from 6pm on weekdays.
- **Increasing Asset Lifecycle** – we purchase equipment with longer warranties and consider the associated operating, maintenance and consumable costs prior to purchase. For example, we are increasing the lifecycle of staff desktop computers and laptops from three years to four years; and increasing the server environment lifecycle to four years
- **Minimising Print Waste** – we are implementing strategies to deal with waste associated with printing such as enabling default double-sided/duplex, monochrome printing and encouraging the purchasing of recycled or sustainable sourced paper.

Sustainable Procurement Actions	2013 achievement	2014 progress update
Develop a strategy for sustainable procurement	Ongoing	Completed
Incorporate Sustainable Vendor Assessment processes within tender programs	Ongoing	Ongoing
Introduce Sustainable Procurement development training for procurement staff	Ongoing	Ongoing
Implement an e-tendering system to replace manual and hardcopy tender processes, minimising paper collection, printing, disposal and records storage	Ongoing	Completed
Introduce workflow management and replace hardcopy forms	Ongoing	Staged implementation starting in 2015
Increase lifecycle of IT hardware – extending the lifecycle of desktop monitors to 8 years	Ongoing	In place and continuous review based on performance
Implement print toner automation, partnering with Swinburne's stationery supplier to implement just in time toner delivery to reduce toner stockpiling	Ongoing	Work in progress (2015)