



DEAKIN UNIVERSITY

**ANNUAL
REPORT**
2010



**REPORT OF OPERATIONS AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

17 March, 2011

The Honourable Peter Hall, MP
Minister for Higher Education and Skills
Level 1, 2 Treasury Place,
East Melbourne Vic 3002

Dear Minister

On behalf of the Council of Deakin University, and in accordance with the requirements of regulations under the *Financial Management Act 1994*, I have pleasure in presenting to you the Deakin University Annual Report 2010.

This Annual Report was approved at the Council meeting held on 17 March, 2011.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Morgan', with a small horizontal line extending to the right.

Mr David M. Morgan
Chancellor

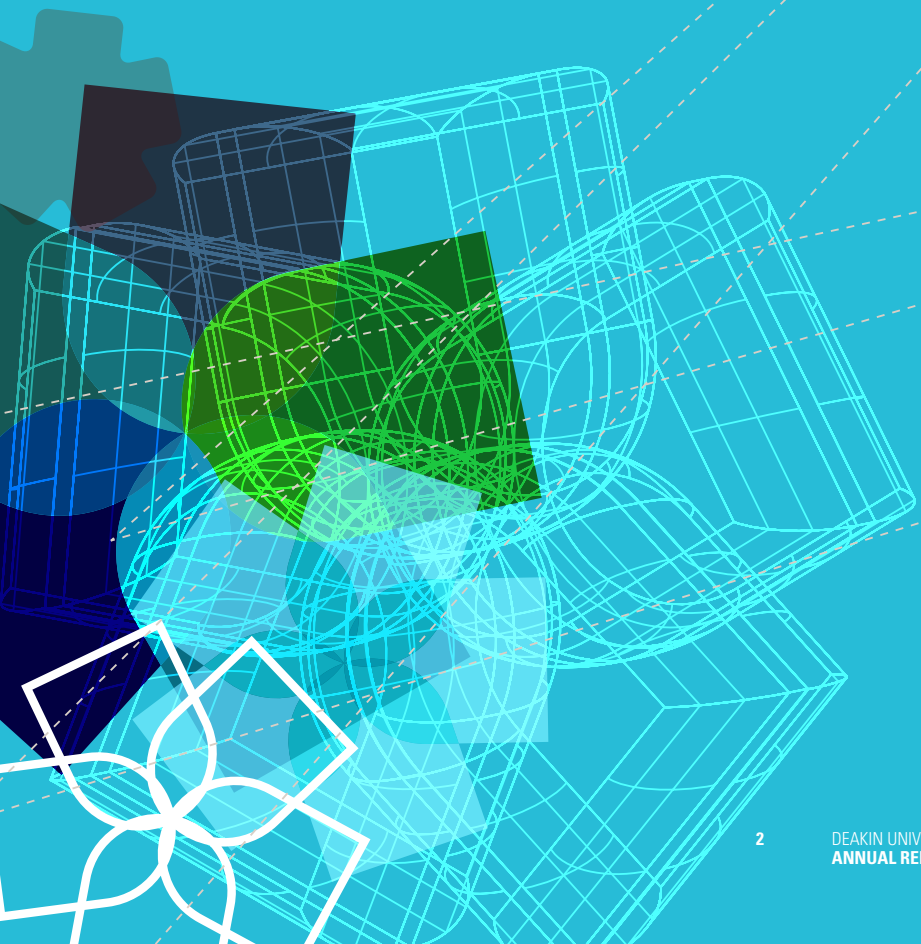


DEAKIN UNIVERSITY

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MISSION

Deakin University aims to be a catalyst for positive change for the individuals and the communities it serves.

This will be achieved by ensuring that Deakin's teaching, its research, its partnerships, its international programs and the services that support those activities are:

- Relevant
- Innovative and
- Responsive

By pursuing these objectives, Deakin aspires to be recognised as Australia's most progressive University.

CORE COMMITMENTS

Deakin University has identified six core commitments that shape its distinctive position in higher education in Australia. These core commitments guide every aspect of the University's activities:

- Rural and regional engagement
- Continuing education and life-long learning
- Equity and access for individuals and groups who might not otherwise enjoy the benefits that flow from participation in higher education
- Research that makes a difference
- Contemporary and flexible teaching programs
- An international outlook.

**RELEVANT
INNOVATIVE
RESPONSIVE
PROGRESSIVE**

DEAKIN AT A GLANCE STATISTICS SUMMARY 2010

STUDENT LOAD¹

(EQUIVALENT FULL TIME
STUDENT LOAD – EFTSL)

Student load 27,599

STAFF²

FULL-TIME EQUIVALENT

Full time/fractional full time 2,661

Casual (estimate) 611

Total 3,271

COURSE DATA

Active award courses 367

LIBRARY

Books 1,555,525

Current serials
(includes electronic titles) 126,333

FINANCE

(AS AT 31 DECEMBER 2010)

(\$ MILLIONS)

Total income 677

Total expenditure 593

CAMPUSES AND

LAND AREA

(HECTARES)

Melbourne Campus at Burwood 27

Geelong Campus at Waurn Ponds 325

Geelong Waterfront Campus 4

Warrnambool Campus 94

Total 450

COURSE ENROLMENTS¹

	2010	2009	2008	2007
Commencing	15,412	14,420	14,114	13,371
Returning	24,196	23,365	23,019	21,764
Total	39,627	37,785	37,133	35,135

BY FACULTY

Arts and Education	12,038	11,824	11,745	11,527
Business and Law	14,340	13,895	13,656	12,597
Health, Medicine, Nursing and Behavioural Sciences	7,820	6,826	6,538	5,949
Science and Technology	5,076	4,880	4,706	4,582
Cross institutional	354	360	488	480

BY COURSE TYPE

Higher degree by research	1,130	974	880	917
Postgraduate coursework	11,278	10,567	9,782	8,492
Undergraduate	26,517	25,604	25,829	25,151
Non-award	702	640	642	575

BY CAMPUS

Melbourne Campus at Burwood	19,917	18,600	18,167	16,685
Geelong Campus at Waurn Ponds	4,788	4,575	4,423	4,281
Geelong Waterfront Campus	2,320	2,181	2,080	1,910
Warrnambool Campus	1,253	1,057	1,069	1,096
Off Campus	11,036	10,718	10,607	10,240
Offshore	314	654	786	924

BY GENDER

Female	23,534	22,126	21,595	20,439
Male	16,091	15,659	15,538	14,696

1. The 2010 EFTSL and course enrolment data provides a 'snapshot' of enrolments as at 28 December 2010. The 2010 snapshot includes finalised Trimester 1 and Trimester 2 data and an interim snapshot from Trimester 3. Full-year data is not finalised until 31 March 2011. Data for previous years provides a finalised end-of-year picture. The 2010 figures should therefore be compared with those of previous years with this proviso. Please note also that as part of the transition to a new teaching calendar, the 2008 year included four teaching periods: Summer, Semester 1, Semester 2 and Trimester 3. For this reason data for 2008 is not comparable to data for other years.

2. FTE figures are as at 31 December 2010 and exclude external entities (DeakinPrime and Callista). Casual FTE estimates are based on contact hours worked during the 2010 calendar year in accordance with the DEEWR formulae.

Finance

Total income
677 million

Total expenditure
593 million

STUDENT LOAD¹ (EQUIVALENT FULL TIME STUDENT LOAD – EFTSL)

	2010	2009	2008	2007
Commencing	10,831	9,902	9,620	8,965
Returning	16,763	16,373	15,968	14,266
Total	27,599	26,275	25,589	23,230

BY FACULTY

Arts and Education	8,140	8,159	8,122	7,760
Business and Law	9,503	8,976	8,758	7,482
Health, Medicine, Nursing and Behavioural Sciences	5,880	5,205	4,975	4,517
Science and Technology	3,965	3,831	3,585	3,318
Cross institutional	112	105	148	154

BY COURSE TYPE

Higher degree by research	835	701	612	615
Postgraduate coursework	5,143	4,640	4,221	3,324
Undergraduate	21,428	20,764	20,561	19,108
Non-award	193	171	195	183

DOMESTIC FEE-PAYING LOAD (EFTSL)

Commencing	1,268	1,265	1,673	1,392
Returning	1,366	1,553	1,604	1,305
Total	2,634	2,818	3,277	2,697

INTERNATIONAL FEE-PAYING LOAD³ (EFTSL)

Commencing	3,093	2,733	2,487	2,035
Returning	3,379	3,218	3,268	2,871
Total	6,476	5,952	5,755	4,906

COURSE COMPLETIONS BY COURSE TYPE

	2010	2009	2008	2007
Higher degree by research	147	145	137	118
Higher degree by coursework	1,673	1,634	1,385	1,457
Other postgraduate	1,264	1,229	1,237	1,174
Bachelor	5,331	4,964	4,747	4,883
Other undergraduate	73	84	111	156
Total	8,488	8,056	7,617	7,788

STAFF² (FULL-TIME EQUIVALENT INCLUDING CASUAL)

	2010	2009	2008	2007
Academic	1,479	1,461	1,340	1,219
General	1,792	1,675	1,572	1,444
Total	3,271	3,136	2,912	2,663

FINANCE (\$ MILLIONS)

	2010	2009	2008	2007
Total revenue	676.7	611.4	557.2	460.8
Government grant revenue	245.4	222.0	198.3	171.6
Consultancy and contract research	14.8	13.7	14.1	12.0
Fee-paying students	186.8	166.7	154.9	125.7
Commercial activities	49.7	53.6	60.8	60.0
HECS	110.6	102.5	99.2	80.6
Other revenue	69.4	52.9	29.9	10.9

1. 2010 EFTSL and course enrolment data provides a "snapshot" of enrolments as at 28 December 2010. The 2010 snapshot includes finalised Trimester 1 and Trimester 2 data and an interim snapshot for Trimester 3. Full year data is not finalised until 31 March 2011. Data for previous years provides a finalised end-of-year picture. It follows that 2010 figures should be compared with those of previous years with this proviso. Furthermore, the transition to a new teaching calendar meant that the 2008 year included four teaching periods: Summer, Semester 1, Semester 2 and Trimester 3. For this reason data for 2008 is not comparable to data for other years.

2. FTE figures are as at 31 December 2010 and exclude external entities (DeakinPrime and Callista). Casual FTE estimates are based on contact hours worked during the 2010 calendar year in accordance with the DEEWR formulae.

3. International fee-paying load (EFTSL) includes offshore.



2010 IN REVIEW A YEAR OF CHANGE AT DEAKIN

It gives me great pleasure to introduce Deakin University's Annual Report for 2010.

I commenced as Deakin University's sixth Vice-Chancellor on 19 July, 2010. I record my admiration and gratitude to Professor Sally Walker who led the University as Vice-Chancellor with great success for the past seven and a half years. Her excellent stewardship enabled Deakin's many achievements during this time and her contribution will be remembered.

COMPACTS

In its 2009-10 Budget, the Australian Government announced a comprehensive 10-year reform package for the higher education sector in *Transforming Australia's Higher Education System*. Reforms announced included the introduction of a demand driven funding system, improved indexation of grants and the establishment of a new relationship between the Australian Government and each university through the introduction of mission-based Compacts.

On 26 October the Minister for Tertiary Education, Senator Chris Evans and the Minister for Innovation, Industry, Science and Research, Senator Kim Carr issued a draft Compact template and draft Performance Funding guidelines to the university sector for comment. Individual amended draft Compacts were subsequently provided to each university in late December and the completed Deakin Compact document was submitted to the Australian Government by the due date of 1 February, 2011.

Our Compact, a formal Agreement between the Australian Government and Deakin University, sets out how our mission contributes to the Australian Government's goals for higher education, and includes details of major higher education and research funding, as well as serving as a mechanism for delivering Performance Funding in relation to defined and agreed targets.

The formal meeting with the two relevant Departmental representatives (DEEWR and DIISR) in late March 2011 will finalise our Agreement. Significant planning and analysis has informed the Deakin Compact which will impact our future funding and, in turn, influence and direct our thinking in relation to the future size, shape and culture of Deakin University in a new, deregulated environment.



The partnership with TERI further fulfils the prophecy of Alfred Deakin, made in 1893, that it was inevitable that Australians and Indians would work together at the intellectual level for the benefits of both countries.



RESEARCH

In May, 2010, the then Prime Minister, the Hon Kevin Rudd MP visited the Geelong Technology Precinct (GTP) at the Geelong Campus at Waurin Ponds to announce funding of \$37 million to support the establishment of a new collaborative research facility - the Australian Future Fibre Research Innovation Centre (AFFRIC). This initiative, funded through a competitive process and which signalled the excellence the University has developed in materials and fibres, will see the expansion of the existing research laboratories at the GTP, construction of a new processing building and the establishment of the Australian Carbon Fibre Research Facility. Further details regarding this very significant program of work are provided in the Research and Research Training section of this Annual Report.

Another significant research event this year was the official opening of the Proof of Concept Building at the GTP by the then Minister for Regional and Rural Development, Jacinta Allan, in August. This initiative relates to and supports the University's approach to industry partnerships and the support of new ideas and new industry generation.

In November, two important events highlighted the strength of Deakin's research relationships, most significantly with India. The Nano-Biotechnology Research Centre, a partnership between Deakin University and The Energy Research Institute (TERI), was opened in New Delhi. TERI, one of India's most prestigious research institutes, is directed by Nobel Prize winner Dr Pachauri. It is a significant compliment for Deakin to be involved in such a partnership and with a growing number of Deakin research students and staff in India, there is the promise of excellent outcomes for Deakin and Australia.

In the media for this event I noted that this partnership further fulfils the prophecy of Alfred Deakin, made in 1893, that it was inevitable that Australians and Indians would work together at the intellectual level for the benefit of both countries.

Coincident with the launch of the Nano-Biotechnology Research Centre, Deakin University also signed a Memorandum of Understanding to work with India Oil to collaborate on a number of research-related activities.

The significant work of Professors Peter Hodgson and Lee Astheimer has enabled these excellent outcomes in Geelong Waurin Ponds and in India.

Substantial preparations for the introduction of *Excellence in Research for Australia* (ERA) were undertaken throughout 2010. The ERA process will assess research quality within Australia's higher education institutions using a combination of indicators and expert review by committees comprising experienced, internationally-recognised experts. Results will become available to universities in 2011 and our outcomes will inform strategic planning as well as our approach to the second ERA cycle due to begin in April 2011.

TEACHING AND LEARNING

Seven Deakin staff members received Australian Learning and Teaching Council (ALTC) citations this year (compared with 5 in 2008 and 6 in 2009) – this is a great achievement for Deakin. Details of the staff members who achieved these citations and the projects that received ALTC funding are provided in the Teaching and Learning section of this Annual Report.

In 2010 the University signed an agreement to implement a new learning management system, *Desire to Learn* (D2L), to further improve and consolidate its expertise in flexible and distance education. The trial of D2L will commence in 2011 with full implementation in late 2011 or early 2012.

STAFF

During 2010 many staff excelled at Deakin; 50 academic staff were promoted, 3 to Personal Chairs and 5 to Professor. Professor Marita McCabe was awarded the title of Alfred Deakin Professor in recognition of her international and national reputation and outstanding research contribution. Professor Maria Forsyth was successful in a substantial competitive Research Grant for a new nuclear magnetic resonance facility.

Teaching excellence was also evident in seven staff receiving ALTC citations.



STUDENTS

In a difficult and changing environment, the University achieved its target student load, particularly in relation to increased postgraduate enrolments. During 2010 significant attention was given to developing new relationships and articulation pathways to Deakin for targeted equity cohorts including socially and academically disadvantaged Australians. A key project, *Deakin at Your Doorstep*, which harnesses the University's expertise in flexible education, has had a most successful beginning and we are hopeful of its further development and expansion across regional Victoria in support of the University's commitment to regional education and access to those for whom traditional entry is not possible.

AUQA PREPARATIONS AND TEQSA

The University has spent a good deal of time during 2010 preparing for its audit in 2011 by the Australian Universities Quality Agency (AUQA). This included a University-wide review of the aspects of the University's operations relevant to the audit. Deakin was last audited by AUQA in 2004.

As part of the Australian Government's *Transforming Australia's Higher Education System* commitments, the draft legislation informing and describing the work and powers of the Tertiary Education Quality Standards Agency (TEQSA) has been considered and we expect to be within the ambit of TEQSA regulatory influence sometime after July 2011. Deakin University supports the introduction of the legislation as a means to ensure the excellence and continuous improvement of Australian higher education generally.

In the later part of 2010 the University began to consider its future and the development of its new Strategic Plan. Part of this has involved a detailed discussion regarding the size, shape and culture of Deakin to better understand the competitive environment that is likely to arise from the altered higher education environment post 2012.

The University is financially sustainable, is administratively sound, has excellent staff capability and is thus well positioned for the challenges in 2011 and beyond.

Professor Jane den Hollander
Vice-Chancellor

PLANNING FOR A SUCCESSFUL FUTURE

DELIVERING EFFECTIVE PARTNERSHIPS

Deakin University is relatively young, formed from a series of significant mergers and located across four distinct campuses: one in Melbourne, two in Geelong and one in Warrnambool. A fifth, virtual campus, comprising some 10,000 students, adds an additional dimension to the unique culture of our ambitious University.

Deakin, as behoves a university of our size and stature, aims for excellence in all of its activities. It is committed to continuous quality improvement to advance its teaching programs, its contribution to research, the development of its staff and students and its infrastructure.

Deakin has an integrated cycle of planning, resourcing, accountability and evaluation. The Planning Cycle involves the development of a five-year Strategic Plan that is advanced by annual Operational Plans and Work Plans governing all areas of the University. This contributes to the development of a culture aligned with the University's Mission and Core Commitments and ensures there is a shared sense of purpose at every level of the University.

Deakin is improving the alignment of its budget setting with its Strategic and Operational Plan development. Also, during 2010 the link between individual performance review for all staff members and the advancement of the University's Plans was reinforced.

At its highest level, the Strategic Plan sets out Deakin's long-term goals and strategies. The current Strategic Plan - *Delivering Effective Partnerships* - was designed to guide the University's activities over the five years from 2008 to the end of 2012.

In developing *Delivering Effective Partnerships*, Deakin identified the unique characteristics that it wished to preserve and enhance. These include:

- community relationships
- a contemporary, friendly and welcoming environment
- a flexible education platform
- effective research partnerships
- Indigenous education
- DeakinPrime's activities.

Delivering Effective Partnerships provides a framework for action by which Deakin can achieve its planned growth over the five-year period. The theme of partnerships, which underpins the Strategic Plan, is based on the premise that Deakin can best achieve its goals both by working in partnership with people and groups external to the University and by creating a collegial, engaged community of staff and students.

Performance measures and targets are identified in the Strategic Plan. The Strategic Plan also sets out how Deakin will benchmark its performance. In most cases, the benchmarks are expressed in relation to a group of universities, comprising Curtin University, Griffith University, Macquarie University, Newcastle University, the University of South Australia and the University of Wollongong. Deakin has chosen to compare itself with these universities because of the rankings that they have achieved in terms of key performance measures. Additionally Deakin routinely benchmarks with other Victorian universities.

The Strategic Plan is complemented by an annual University-wide Operational Plan that sets out immediate priorities in the form of measurable targets for the year. Faculties, Institutes and other areas develop their own Operational Plans or, in the case of Schools and Divisions, Work Plans. These are consistent with and advance the University's Operational Plan and the goals and strategies in the Strategic Plan.

DEAKIN UNIVERSITY HIGHLIGHTS 2010

TEACHING AND LEARNING

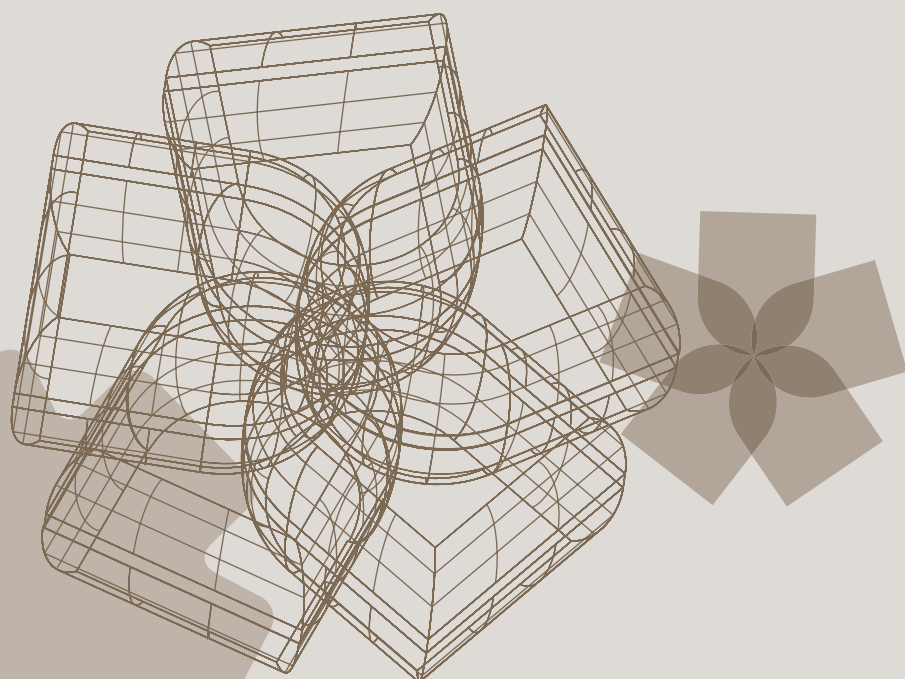
- Purchase of the *Desire2Learn* learning management system to replace the Blackboard system that has been the centrepiece of Deakin Studies Online in the past
- Opening of the newly refurbished library at the Geelong Campus at Waurm Ponds which features state-of-the-art flexible learning spaces
- Significant increase (25.6%) in Trimester 3 enrolments compared to the previous year
- National recognition for seven Deakin staff who received Australian Learning and Teaching Council citations
- Review and restructure of the central teaching and learning offices to form a more coordinated and strategic functional area

More information regarding teaching and learning can be found on pages 14-18.

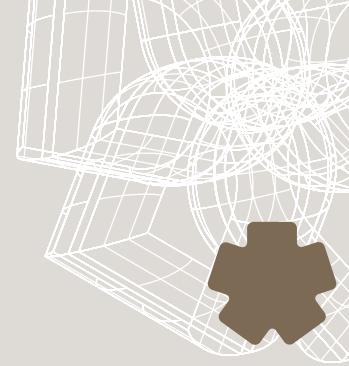
RESEARCH AND RESEARCH TRAINING

- Announcement by Prime Minister in May of funding of \$37 million to support the establishment of the Australian Future Fibre Research Innovation Centre – a new collaborative research facility
- Completion and opening of the new Proof of Concept facility at Geelong Waurm Ponds
- Opening of the NanoBiotechnology Centre in India – a partnership between Deakin and The Energy Research Institute in New Delhi
- Major Australian Research Council Linkage, Infrastructure, Equipment and Facilities grant awarded to Professor Maria Forsyth to establish a nuclear magnetic resonance facility
- Endorsement of a new cultural research integrity protocol, as a guide to researchers conducting research pertaining to Aboriginal people, communities and/or culture

More information regarding research and research training can be found on pages 19-22.



Deakin At Your Doorstep is a flexible delivery model across regional Victoria, delivered into a number of Institutes of TAFE through leading edge technology.



INTERNATIONALISATION

- International student enrolment targets achieved despite the severe downturn in international student enrolments in the higher education sector in general and Victoria in particular
- Launch of the Global Citizenship Program which consolidates opportunities for Deakin students to extend their international awareness and engagement alongside their studies
- Series of events held to significantly increase Deakin's engagement with Indonesia, India and China

More information regarding internationalisation can be found on pages 23-24.

RURAL AND REGIONAL ENGAGEMENT

- Introduction of *Deakin At Your Doorstep* – a flexible delivery model across regional Victoria which includes a new Associate Degree of Arts, Business and Sciences, delivered from the Warrnambool Campus into a number of Institutes of TAFE through leading edge technology
- Community Fora series held in partnership with local government and community organisations to stimulate discussion about the future challenges facing South West Victoria
- Becoming a member of Horizon21 Limited – a company formed to undertake projects to improve the environmental, social and economic sustainability of South West Victoria

More information regarding rural and regional engagement can be found on pages 25-26.

EQUITY AND ACCESS

- Development of the Widening Participation Plan that will drive an integrated and evidence-based approach to issues surrounding student equity, access and participation
- Extension of the Deakin Engagement and Access Program to a further 36 secondary schools in Deakin's catchment areas
- Receipt of a citation as an Employer of Choice for Women – for the fifth consecutive year
- Comprehensive review of the University's Disability Discrimination Action Plan to identify opportunities for improvement across a full range of University services

More information regarding equity and access can be found on pages 27-28.

PEOPLE, CULTURE AND CHANGE

- Settlement of the Deakin University Enterprise Agreement 2009-2012, which came into effect in October
- Improvement in Deakin's 'organisational climate' identified in the results of the 2010 Staff Survey indicating a considerable increase in staff members' understanding of Deakin's aims and aspirations
- Delivery of a suite of tailored, cohort-specific leadership development programs for academic and professional staff to improve leadership capability
- 50 academic staff promoted, and a revision of the Promotions Policy to enable promotion to Level E as well as to a Personal Chair
- The number of central University committees (Council, PRC and Academic Board) reduced from 37 to 25 as part of an efficiency drive to better enable decision making
- Reorganisation and streamlining of the University Executive and the creation of a new Enterprise and Engagement portfolio

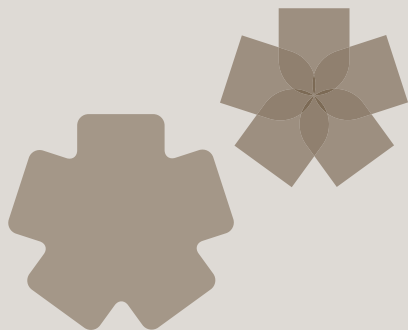
More information regarding people, culture and change can be found on pages 29-30.

ACADEMIC SUPPORT

- Improved results achieved in the Australasian Survey of Student Engagement for 2010 especially in the areas of students' career readiness and engagement in work integrated learning
- Above average results achieved in the 2010 International Student Barometer indicating an increased satisfaction level among international students with Deakin's support services
- Librarian-in-Residence program rolled out to all Faculties to improve access to library expertise for academic staff and research students
- Deakin University Library placed in the top 25 per cent in the Council of Australian University Libraries Client Survey for overall client satisfaction

More information regarding academic support can be found on page 31.





COMMUNICATION, MARKETING AND 'POSITIONING'

- Growth of market share in total timely preferences for Commonwealth Supported Places in Victoria to 17.2 per cent
- Delivery of the 2010 Richard Searby Oration by the Chief Justice of the Supreme Court of Victoria, the Hon Marilyn Warren AC
- Introduction of an online mentoring program for alumni – the first of its kind in Australia

More information regarding communication, marketing and 'positioning' can be found on page 32.

RESOURCES, INFRASTRUCTURE AND SERVICES

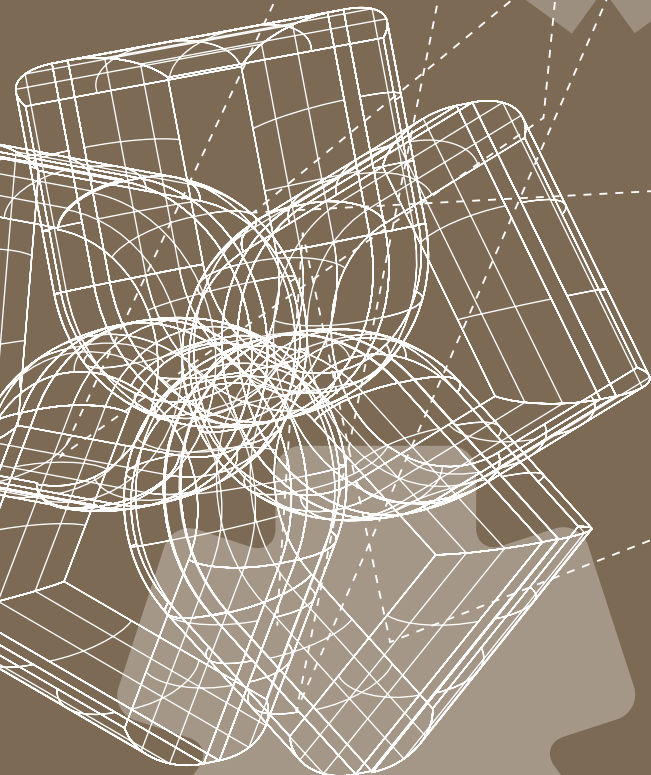
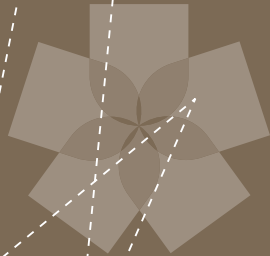
- Commencement of the construction of a 250-seat lecture theatre at the Melbourne Campus at Burwood
- Extensive redevelopment of student amenities at the Geelong Campus at Wearn Ponds
- Expansion of the Geelong Technology Precinct including the completion of a new 'proof of concept' building and new laboratories and accommodation
- Implementation by the Office of Environment of environmental actions within waste, water, energy, biodiversity and sustainable transport projects

More information regarding resources, infrastructure and services can be found on pages 33-35.

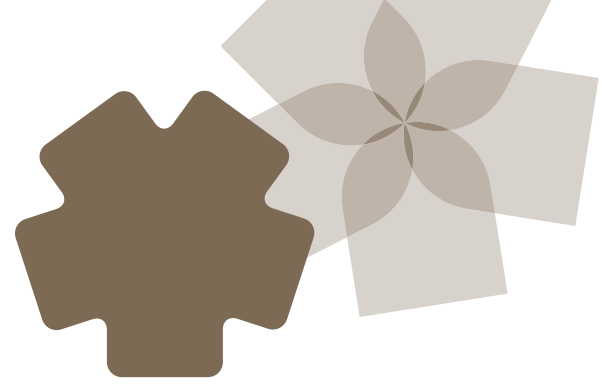




REVIEW OF OPERATIONS



TEACHING AND LEARNING



**Deakin's goal is:
To work in partnership with students, staff, industry, employers and governments to ensure that Deakin's academic programs are of high quality, relevant, informed by contemporary research and create a unique Deakin student experience; and to be recognised as a national leader in flexible education.**

The Australian higher education system, as with the international higher education environment, is experiencing significant challenges and change. For Deakin University, 2010 was a year characterised by the implementation of plans and initiatives to ensure the University is well-placed to benefit from, and lead, changes in the Australian higher education environment. In relation to teaching and learning, a great deal of work was undertaken to advance our flexible education agenda, to prepare for an emerging cohort of students who are less academically prepared for university, to provide the best possible professional development programs for our academic teaching staff, to ensure that Deakin offers comprehensive student support programs that are available to all students, and to provide all of our students with the best possible student experience.

A NEW ERA IN FLEXIBLE EDUCATION

Deakin's teaching and learning agenda heralds a new approach to the integration of traditional classroom teaching, distance education and online teaching in ways most appropriate to the needs of its diverse student cohorts and the fast changing student environment and within a pedagogical framework which maintains sound and consistent academic standards. During 2010, work was carried out refining the University's flexible education strategy and the development of a Flexible Education

Plan. This Plan was subsequently integrated into a revision of the Teaching and Learning Functional Area Plan given that flexibility is integral to the University's teaching and learning program.

The theme for Deakin's annual Teaching and Learning Conference in 2010 was *Flexible Education Futures: Partnering for collaborative and active learning*. The conference provided an opportunity to explore ways in which flexible education can enable collaborative and active learning approaches through partnerships that include staff-staff, staff-student and student-student interactions. Keynote addresses were delivered by Professor Larry Michaelson (Professor of Management at the University of Central Missouri) and Associate Professor Alf Lizzio (Griffith University). Colleagues from Deakin presented papers on a wide range of approaches that improve the student learning experience and illustrate what 'flexibility' can mean at Deakin. The conference program also provided an opportunity for communication and sharing of teaching methodologies through plenary sessions, panel discussions and posters. Topics included cross-school and cross-faculty development of units and courses, active learning strategies such as use of e-simulations, and personal response systems that permit students to interact anonymously in response to questions posed by teachers.

Following an extensive evaluation process, the decision was made to purchase the Desire2Learn (D2L) learning management system (LMS) that will replace the ageing Blackboard system that has been the centrepiece of Deakin Studies Online (DSO) for several years. D2L has 'intelligent system' characteristics with the capacity to support the University's flexible education agenda well into the future. A project management board was established, and the implementation was begun. A staged approach to implementation of D2L has been adopted, with full implementation expected to be completed by the end of 2011. Implementation has included close collaboration between the Institute of Teaching and Learning (ITL), Knowledge Media Division (KMD), Information Technology Services Division (ITSD) and the Faculties to ensure that appropriate and tailored programs and resources are available.

The University continued to provide the resources necessary to ensure that the libraries at each campus maintain contemporary best practice. The newly refurbished library at the Geelong Campus at Waurn Ponds was opened by the Vice-Chancellor on November 15, 2010.

2010 was a year characterised by the implementation of plans and initiatives to ensure the University is well-placed to benefit from, and lead, changes in the Australian higher education environment.

The \$8 million refurbishment delivers flexible learning spaces that enrich the student campus experience. The technology-rich learning spaces are comfortable, contemporary and support individual learning, group work and social interaction. The Library, which has locations on all four campuses, received approximately 1.6 million visitors during 2010. The Library continued to target growth of its collection in electronic format to better support the pedagogy of flexible education. This collection includes 90,000 e-journals, over 130,000 e-books and 440 online databases. Support for students was strengthened through the introduction of a new library services model focussing on excellent frontline assistance and providing pathways for students on campus, off campus and online to receive the help they need. The *Insync* Library Client Survey conducted by Australian University libraries places Deakin University in the top 25 % of university libraries in terms of overall performance.

Enrolments in Trimester 3, 2010 showed a significant increase on Trimester 3, 2009 enrolments; the Trimester system was fully introduced in 2009. The growth in enrolments in Trimester 3 is shown in the table below.

IMPROVING PATHWAYS

During 2010, there were several developments designed to improve, expand, or increase pathways into the University. A new orientation program was developed for students transitioning from MIBT to Deakin and a new program was introduced to intervene when an international student fails his or her first assessment. This involves an in-depth assessment of underlying reasons for the failure and the development of a facilitated "recovery" plan. The recommendations of the 2008 Students at Risk Working Party were also revisited and actioned during 2010.

The Equity and Diversity Unit developed the *Widening Participation Plan* for the University which drives an integrated and evidence based approach to raising aspirations, enhancing academic preparation, increasing access and supporting retention and success of students from educationally disadvantaged backgrounds, including mature age students, students from low SES backgrounds, students from regional and rural areas, students with disability and Indigenous students. The Plan also includes strategies directed toward development of a more inclusive curriculum, implementing teaching and support practices that enable all students to succeed and building and nurturing a diverse staff community.

STUDENT PARTICIPATION IN TRIMESTER 3
BY FUNDING CATEGORY¹

Funding Category	Trimester 3 2010	Trimester 3 2009	Trimester 3 2008	Variance 2009-2010	% Variance 2009-2010
Commonwealth Supported	4,531	3,727	2,537	804	21.6%
Domestic Fee-paying – UG	288	318	311	-30	-9.4%
Domestic Fee-paying – PG	1,680	1,477	1,052	203	13.7%
International Fee-paying	2,779	2,145	1,625	634	29.6%
International Fee-paying (Offshore)	136	181	164	-45	-24.9%
Employer Funded (DeakinPrime & Non-Deakin Prime)	52	77	87	-25	-32.5%
Total	9,486	7,921	5,770	1565	19.8%

Note: The totals shown are the number of individual students who participated in Trimester 2. A small number of students enrolled in two courses under two separate funding categories. This means that the total may be less than the sum of all funding categories.



During 2010, Deakin hosted one of the premier higher education conferences in Australasia – the international conference of the Higher Education Research and Development Society of Australasia.

A project was completed to map all current pathways to Deakin from vocational and other institutions. An important element of this project was a comprehensive review of Deakin's existing TAFE relationships. This included an audit of all of Deakin's 300 or so current pathway arrangements and a review of the currency of the credit for prior learning (CPL) database. Recommendations were made about the ways in which these arrangements can be improved to take advantage of government initiatives, to support access and participation of educationally disadvantaged students. A recommendation to appoint a Manager, TAFE Partnerships, in the Office of the Deputy Vice-Chancellor (International and Development), was implemented in order that the improvements could be fast tracked.

INTERNATIONALISING THE CURRICULUM

During 2010, progress was made implementing recommendations of the *Internationalisation of the Curriculum Review* conducted in 2009 to ensure that all of Deakin's courses provide a learning experience that encompasses international and intercultural perspectives and experiences and enhances intercultural understanding. Guidelines were revised to assist Faculties to ensure that curricula and teaching are internationally relevant and culturally inclusive. Faculties conducted projects in internationalising the curriculum.

Deakin also introduced an extension program that provides students with the opportunity to enhance their inter-cultural understanding and cultural competence to ensure that Deakin graduates are properly equipped to work in a global environment. A website has been developed that provides a collection of available resources that offer opportunities for students to enhance their inter-cultural understanding and cultural competence. The website also provides information to staff to assist them in ensuring that Deakin graduates are properly equipped to work in a global environment.

PROMOTING AND REWARDING EXCELLENCE

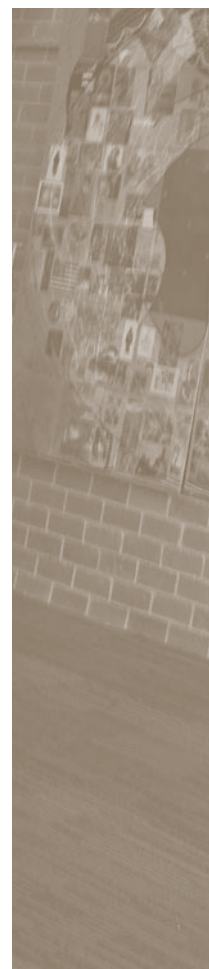
During 2010, there were several outstanding developments in teaching and learning related to promoting and rewarding excellence. The Higher Education Research Group (HERG) continued to contribute to excellence in both research and teaching and learning at Deakin University. The purpose of HERG is to provide a mechanism for research and scholarship in the field of higher education. HERG members won four new national

competitive grants from the Australian Learning and Teaching Council (ALTC). These cover matters of national significance such as effective teaching and support of students from low socioeconomic backgrounds in higher education and leadership in teaching and learning within universities. One member won an Australian Research Council (ARC) grant and other HERG members contributed to ongoing research funded by the ARC. HERG members also published books and book chapters, were appointed to editorial boards of journals, were invited speakers at national and international conferences, published in national media and were interviewed on radio.

Deakin hosted one of the premier higher education conferences in Australasia – the international conference of the Higher Education Research and Development Society of Australasia (HERDSA). HERG's Director, Professor Marcia Devlin, was appointed Conference Chair and Convenor. There were 397 delegates from nine countries who came together for four days of debate, discussion and deliberation over the reshaping of higher education. Delegates hailed the conference as a great success.

The Institute of Teaching and Learning produced the *Mentoring for all Academic Staff at Deakin University: Guidance for Faculties and Schools* booklet. Acknowledging national trends in academic mentoring and peer review, as well as building on the literature on mentoring/peer review, the booklet provides all staff with both a conceptual and practical look at this aspect of professional academic development. In collaboration with members of the broader University community, the Institute produced *Teaching and learning at Deakin: A handbook for staff*. This publication provides a detailed overview of the mission, objectives and theories driving the development of teaching and learning experiences at Deakin University. The Institute facilitated a wide range of academic professional development workshops, seminars and online learning modules, as well as offering University staff individualised (tailored) training upon request. A comprehensive induction program was developed for casual staff and delivered on campus and online. This included components dealing with the principles of teaching, learning and the student experience, and with the University's aspirations as a leader among Australian universities in relation to teaching and learning.

The Associate Deans (Teaching and Learning) in each Faculty play an important role in devising and implementing initiatives designed to improve



performance in teaching and learning. The Associate Deans maintain close working relationships, meet regularly and also meet with the deputy Vice-Chancellor (Academic) on a regular basis. The Associate Deans (Teaching and Learning) also administered the annual Teaching Performance Incentive Funds (TPIF) from a central University allocation. Funding from the University's TPIF allows the Associate Deans to drive improvement in teaching and learning as well as creating incentives for the scholarship of teaching. Project outcomes are shared among the Faculties as part of the University's commitment to continuous quality improvement in teaching and learning.

As part of Deakin's ALTC-funded *Promoting Excellence Initiative* (PEI), in March 2010, the College of Distinguished Deakin Educators was reconstituted as the Teaching Leaders Forum (TLF) with a current membership of 105. A website was set up to serve the TLF and its activities. During the year, the TLF convened five 'hot topic' discussions and produced three associated publications. Other PEI events were conducted to facilitate and strengthen relations with the ALTC.

AUSTRALIAN LEARNING AND TEACHING COUNCIL (ALTC) CITATIONS

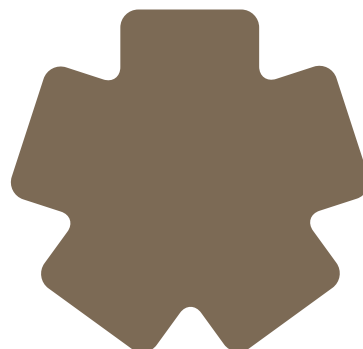
A teaching and learning 'capstone' for 2010, was national recognition for seven Deakin staff who received ALTC Citations. Those teaching leaders include:

- Dr Debra Bateman, Senior Lecturer, School of Education, for the sustained use of highly innovative and imaginative pedagogies and curriculum, and leading-edge design of learning spaces, that significantly enhance student learning
- Paul Bethell, Associate Head of School (Teaching and Learning), School of Communication and Creative Arts, for engaging and creative teaching strategies that take the newsroom into the classroom and build a bridge between the academy and industry for journalism students
- Associate Professor Malcolm Campbell, Associate Dean (Teaching and Learning), Faculty of Science and Technology, for sustained and inspirational leadership of teaching and learning across an institution

THE THEN DEPUTY PRIME MINISTER, THE HON JULIA GILLARD MP, VISITED THE INSTITUTE OF KOORIE EDUCATION ON 13 FEBRUARY 2010, PICTURED WITH GERALDINE ATKINSON (LEFT), CHAIR OF THE IKE BOARD AND PROFESSOR WENDY BRABHAM, DIRECTOR, IKE.



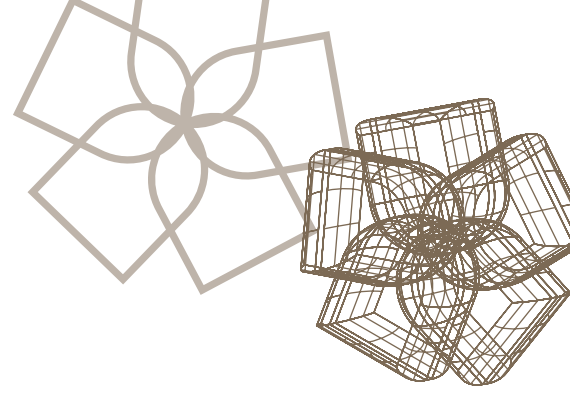
- Associate Professor Julie Cassidy, School of Law, for pioneering innovative and engaging teaching methodologies and technologies to support inclusive experiential learning that facilitates practical legal skills development and promotes inter-cultural competencies
- Associate Professor Kieran Lim, School of Life and Environmental Sciences, for the development of curriculum and learning resources, which encourage, empower and engage chemistry students
- Berni Murphy, Lecturer, School of Health and Social Development, for inspiring students in Public Health and Health Promotion through innovative and highly engaging approaches, and a strong command of the field
- Jo Raphael, Lecturer, School of Education, for creative approaches to providing relevant, authentic and student-centred learning experiences that inspire education students to become effective and reflective future educators.



COURSE COMPLETIONS

	2009	2008	2007	2006
Total	8,488	8,056	7,617	7,788
BY COURSE TYPE				
Higher degree by research	147	145	137	118
Higher degree by coursework	1,673	1,634	1,385	1,457
Other postgraduate	1,264	1,229	1,237	1,174
Bachelor	5,331	4,964	4,747	4,883
Other undergraduate	73	84	111	156
BY RESPONSIBLE FACULTY				
Arts and Education	2,625	2,409	2,367	2,350
Business and Law	3,088	3,059	2,822	3,009
Health, Medicine, Nursing and Behavioural Sciences	1,773	1,622	1,385	1,283
Science and Technology	1,002	966	1,043	1,146
BY GENDER				
Female	5,050	4,793	4,492	4,499
Male	3,438	3,263	3,125	3,289

RESEARCH AND RESEARCH TRAINING



**Deakin's goal is:
To improve Deakin's
research performance so
that it is in the top third of
the Australian higher
education sector by
building a critical mass of
researchers who will
develop a distinctive
portfolio of high quality
discovery, applied and
commercial research.**

Deakin University celebrated a number of significant achievements in research during 2010.

On 21 May 2010, the then Prime Minister, the Hon Kevin Rudd MP, visited the Geelong Campus at Waurin Ponds to announce funding of \$37 million to support the establishment of a new collaborative research facility - the Australian Future Fibre Research Innovation Centre (AFFRIC).

AFFRIC will be located at the Geelong Technology Precinct (GTP) and involves the co-location of a materials and fibres research group from the CSIRO. The initiative will see the expansion of the existing research laboratories at the GTP, construction of a new processing building and the establishment of the Australian Carbon Fibre Research Facility (ACFRF). The ACFRF is one of the world's few carbon fibre research plants, developed through a partnership between Deakin and the Victorian Centre for Advanced Materials Manufacturing (VCAMM) and supported by the Victorian State Government.

AFFRIC will focus on the development of a range of innovative and functional materials including:

- nanomaterials
- smart fibrous materials
- green natural fibres
- carbon fibre.

The Centre will conduct research that is relevant to applications in the aerospace, alternative energy, automotive and textile industries, and will accommodate up to 300 additional staff and students.

Deakin's growth as a research-driven university was again highlighted in December when Professor Maria Forsyth was awarded a major Australian Research Council (ARC) Linkage, Infrastructure, Equipment and Facilities (LIEF) grant to establish a nuclear magnetic resonance facility to enhance Deakin's research in three ARC Centres of Excellence (Electromaterials Science, Nanotechnology and Light Metals), as well as in Biotechnology and Energy. This research will lead to the development of new materials and new technologies in clean energy, carbon capture and health care.

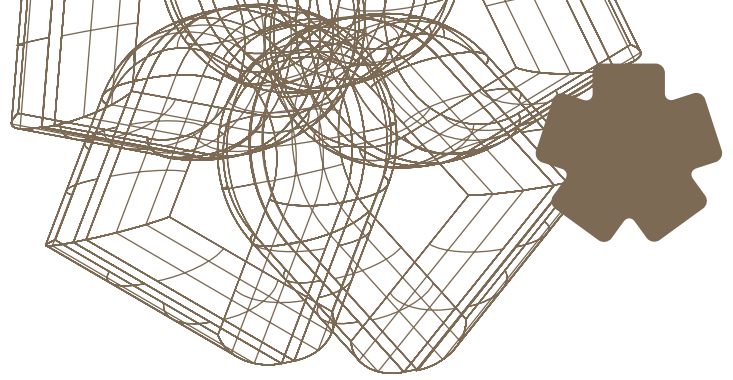
Deakin was also the lead organisation in a successful application for a LIEF grant to construct a facility for the development of new lightweight extruded alloys and structures.

The official opening of the Proof of Concept Building by the then Victorian Minister for Regional and Rural Development, the Hon Jacinta Allan, in August was another significant event at the GTP.

The strength of Deakin's research relationships with India was on show in November, with the opening of the NanoBiotechnology Research Centre, a partnership between Deakin and The Energy Research Institute (TERI), in New Delhi. One of India's most prestigious research institutes, TERI is directed by the Nobel Prize winner, Dr Rajendra K. Pachauri.



THE THEN PRIME MINISTER,
THE HON KEVIN RUDD MP, ON HIS VISIT
TO DEAKIN TO ANNOUNCE FUNDING
FOR AFFRIC, 21 MAY 2010.



The aim of the NanoBiotechnology Research Centre is to make a positive difference to the peoples of both countries, and the world generally, in areas such as food and water security; the remediation of polluted environments through natural products; and health, via novel molecules. It is envisaged that, within five years, the Centre will have approximately 70 researchers, including 50 PhD students enrolled at Deakin and co-supervised by Deakin and TERI staff.

The partnership further fulfils the prophecy made by Prime Minister Alfred Deakin in 1893 that it was inevitable that Australians and Indians would work together at the intellectual level for the benefit of both countries.

Coinciding with the launch of the NanoBiotechnology Research Centre, Deakin also signed a Memorandum of Understanding to work with India Oil.

The University's Alfred Deakin Research Institute (ADRI) held its first Fusion Lecture in November. This is a public lecture series that invites prominent thinkers to discuss current public policy issues. The Fusion lectures draw inspiration from the intellectual and political legacy of Alfred Deakin and bring different disciplines to the debate in interpreting and responding to global and regional change.

The inaugural speaker was internationally respected economist, Professor Paul Collier CBE, Professor of Economics and Director for the Centre for the Study of African Economies at the University of Oxford, and author of two award-winning books: *The Bottom Billion: Why the poorest countries are failing and what can be done about it* and *Plundered Planet: How to reconcile prosperity with nature*.

The Atrium in ADRI's building at the Geelong Waterfront Campus was the venue for the fifth annual IT'S NOT MY FAULT FORUM, in conjunction with ABC Radio National's Life Matters program. These public forums, which are broadcast on Radio National, have embraced debate on ethics, sustainability, literacy and obesity. This year, the subject was YES WE'RE STILL A MONARCHY BUT IT IS NOT MY FAULT. The speakers were Greg Barns, former chairman of the Australian Republican Movement, and Deakin's Professor Marian Simms and Professor Damien Kingsbury.

Originally established as one of Deakin's new Strategic Research Centres (SRCs) in 2009, ADRI has now combined with the Centre for Citizenship and Globalisation to become the Centre for Comparative Social Research.

The Institute for Technology Research and Innovation (ITRI) has continued to develop significant national and international partnerships resulting in a number of major outcomes that are reported in this section of the Annual Report. A further, notable example is the research contract with Boeing to carry out optimisation, modelling and simulation to support the manufacture of the Boeing 787 Dreamliner. Boeing are world leaders in Discrete Event Simulation and Decision Support Systems. The award of this research project to Deakin is recognition of the world-leading research that Deakin is undertaking in this field.

The SRCs continue to play an important role in the growth of Deakin as a research-driven university, building on existing research strengths. There are 11 SRCs:

- Comparative Social Research --incorporated with ADRI (CCSR)
- Memory, Imagination and Invention (CMII)
- Mental Health and Wellbeing Research (CMHWR)
- Physical Activity and Nutrition Research (CPAN)
- Research in Educational Futures and Innovation (CREFI)
- Sustainable and Responsible Organisations (CSaRO)
- Quality and Patient Safety Research (QPS)
- Integrative Ecology (CIE)
- Molecular and Medical Research (MMR)
- Population Health (PH)
- Biotechnology, Chemistry and Systems Biology (BCSB)

In 2010 the Centre for Physical Activity and Nutrition Research (CPAN) was particularly successful in obtaining grant awards. Of note was an ARC Discovery Grant made to Dr Kylie Hesketh and her team. Dr Hesketh was also honoured with an award by the Australian Society for Behavioural Health and Medicine for best oral presentation by an early-career researcher and was a finalist in the Humanities and Social Sciences section of the Scopus Young Researcher of the Year Awards.

Dr Karen Campbell won a World Cancer Research Fund grant for child obesity prevention. Dr Sarah McNaughton received a number of grants, including a prestigious ARC Future Fellowship, and a National Health and Medical Research Council (NH&MRC) Career Development Award. Professor Matthew Barnett (ITRI) was also awarded an ARC Future Fellowship. This is the first time that Deakin has been the recipient of these prestigious awards to support outstanding mid-career researchers.

A number of PhD candidates received external awards in 2010. In particular, Marita Wallace received a prestigious

travel award from the European Society for Muscle Research and Alison Spence received a Research in Practice Award from the Dieticians' Association of Australia.

The SRCs had great success in ARC Discovery and Linkage schemes. CMII produced five books and Associate Professor Kim Vincs and her team developed a work for the Melbourne Ballet Company entitled 'Infinite Space', which combines motion capture technology, 3D stereo projection and live dance. The performance showcased a new approach to live theatre using motion capture technology to track dancers' movements and generate 3D imagery.

The development of both early and mid-career researchers was again a key feature of 2010 and included the delivery of a range of workshops and opportunities for early career researchers. The Alfred Deakin Postdoctoral Research Fellowship Scheme, targeting talented young researchers, drew an outstanding field. Deputy Vice-Chancellor (Research), Professor Lee Astheimer commented: "These bright young minds will underpin our push to build a vibrant culture and put Deakin on the international map in research".

The Institute of Research Training also organised a series of skills development workshops for higher degree by research students on a range of topics.

The Three-Minute Thesis Competition proved again to be very popular, with research students having to describe their research to a non-specialist audience in three minutes. The result was a wonderful series of short talks that proved informative and entertaining for a diverse audience. Moreover several of the finalists received media publicity about their research on ABC Radio, in The Age and on Deakin's You-Tube channel. The 2010 winner was Anthony Ware from the School of International and Political Studies, whose prize included the honour of representing Deakin at a trans-national competition involving 33 universities from Australia, New Zealand and Fiji.

2010 saw the implementation of a new internal funding model for research: the Research Investment Allocation Model (RIAM). This funding is administered by the Deputy Vice-Chancellor (Research) to support and develop the research strategies and objectives that are set out in the University's Strategic Plan and the Research and Research Training Plan. The RIAM is separate from the central research operating budgets and seeks to achieve rapid and sustained improvement in research performance and research culture.



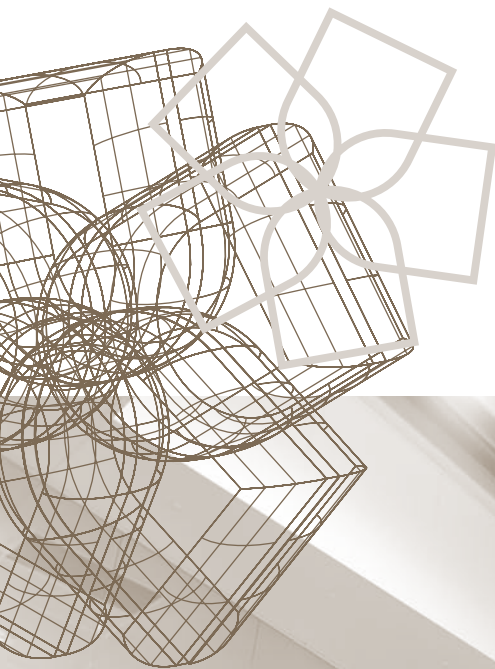
The new model places particular emphasis on growing the number of students undertaking higher degrees by research. It also targets funding to identify and build research strengths and to encourage collaboration with external partners.

There were a number of new senior appointments in 2010; Professor Maria Forsyth was appointed to ITRI, Professor John Endler to the Centre of Integrative Ecology and Professor Marian Simms took up the role of Head of the School of History Heritage and Society in the Faculty of Arts and Education.

Three new personal chairs were appointed:

- Associate Professor Ian Robottom, School of Education, Faculty of Arts and Education
- Associate Professor Lyn McCredden, School of Communication and Creative Arts, Faculty of Arts and Education
- Associate Professor Kylie Ball, School of Exercise and Nutrition Sciences, Faculty of Health, Medicine, Nursing and Behavioural Sciences.

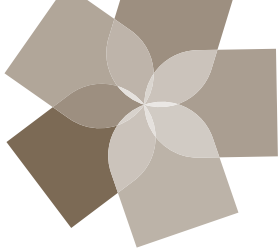
Professor Marita McCabe was awarded the title of Alfred Deakin Professor in recognition of her international and national reputation and outstanding research contribution.



OPEN DAY AT THE GEELONG TECHNOLOGY PRECINCT, 8 AUGUST 2010.

Other research highlights included:

- Development of the “Smart Bike”, a project led by Dr Paul Collins in ITRI bringing together cutting edge research from across Deakin in collaboration with industry partners to produce a lighter, stiffer, cheaper and ultimately ‘smarter’ bike using light metals, carbon fibres and composites. The bike was developed ahead of the UCI world cycling championships held in Geelong in early October and attracted significant interest and media focus on Deakin’s research and innovation capabilities.
- Presentation of a Victorian Young Tall Poppy Science Award to Dr Paul Francis, Faculty of Science and Technology.
- Launch of the Deakin Research Showcase and the Deakin Research Channel on the research website: a new initiative to highlight the university’s research activities to the broader community.
- Establishment of “Breakthrough”; a weekly news page in the Geelong Advertiser that showcases research activities at Deakin, the CSIRO and Barwon Health.



INTERNATIONALISATION

**Deakin's goal is:
To have an international outlook in relation to teaching and research and to enhance international capabilities and intercultural understanding among students, staff and the wider community, so as to be a university of choice for international and Australian students and staff.**

Deakin strengthened its position as an international university of choice in 2010. Onshore international student enrolment targets were achieved despite the severe downturn in the sector as a whole. International and intercultural programs provided staff and students with an increased array of opportunities to be engaged as global citizens.

ENROLMENTS

2010 saw a very difficult environment for recruiting international students to Australia. Changes to migration rules and visa conditions, coupled with the appreciation of the Australian dollar and some adverse publicity in key markets made Australia a less attractive destination compared with North American and European countries, which energetically increased their international student recruitment. It was a tribute to the international engagement of Deakin staff that the University achieved its enrolment targets in 2010. There was an increase in the conversion rate of enquiries into enrolments, which offset a decline in the total number of applications. Enrolments in Trimester 3 continued to grow, including in postgraduate coursework programs. Ninety nationalities were represented among commencing students in 2010.

The Deakin University English Language Institute (DUELI) defied the difficulties affecting the English language teaching sector nationwide. DUELI enrolments exceeded targets, with a total of 1979 commencing students from 47 countries. In addition 386 students from six countries undertook study tours at DUELI.

INTERNATIONAL STUDENT LOAD (EFTSL) AS A PERCENTAGE OF TOTAL LOAD¹

EFTSL	2010	2009	2008	2007
International Load	6,476	5,952	5,755	4,906
Total Student Load	27,599	26,275	25,589	23,230
%	23.5%	22.7%	22.5%	21.1%

STUDY AND ENGAGEMENT ABROAD

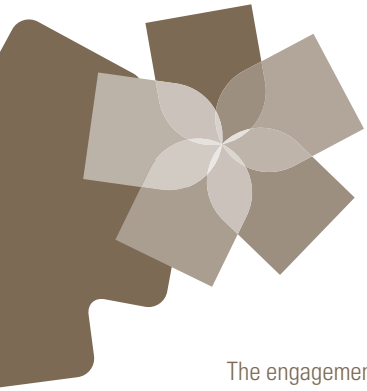
In September the University launched its Global Citizenship Program, which consolidates opportunities for Deakin students to extend their international awareness and engagement alongside their normal study.

In 2010, 729 Deakin students participated in an international study experience in 52 countries, as shown in the table below.

NUMBER OF STUDENTS PARTICIPATING IN INTERNATIONAL STUDY EXPERIENCES IN 2010

Type of program	Number of students
Full semester exchange	170
Short semester exchange	17
International study tours	500
Overseas research projects	42
TOTAL	729

1. The 2010 EFTSL and course enrolment data provides a 'snapshot' of enrolments as at 28 December 2010. The 2010 snapshot includes finalised Trimester 1 and Trimester 2 data and an interim snapshot from Trimester 3. Full-year data is not finalised until 31 March 2011. Data for previous years provides a finalised end-of-year picture. The 2010 figures should therefore be compared with those of previous years with this proviso. Please note also that as part of the transition to a new teaching calendar, the 2008 year included four teaching periods: Summer, Semester 1, Semester 2 and Trimester 3. For this reason data for 2008 is not comparable to data for other years.



The engagements between Deakin staff and their international peers are increasingly part of multi-faceted strategic partnerships. For example, 2010 saw a number of notable events in regard to engagement with Indonesia:

- In trimester 2, 10 academic staff members from Indonesian universities commenced doctoral or academic recharge programs at Deakin, which were sponsored by the Indonesian government
- In December staff from Deakin and three Padang universities jointly organised a research conference and PhD colloquium in Padang, featuring doctoral and post-doctoral projects
- Collaboration with Indonesia's leading university, Universitas Indonesia, was deepened in 2010 and now includes a double-degree program, joint research activities, and staff and student exchange.

Deakin continued to play a significant role in the redevelopment of the education sector in the province of Aceh, which suffered a dreadful loss of educators in the 2004 tsunami. Teachers who are part of the reconstruction of the education sector are undertaking studies at Deakin, building on long-standing collaborative partnerships. In 2010 teachers in science, mathematics and English undertook Masters studies at the University. As graduates they will return to impart their knowledge to others at new Teacher Training Development Centres in Aceh.



RURAL AND REGIONAL ENGAGEMENT



Deakin's goal is: To advance the interests and aspirations of communities in rural and regional Australia, with a particular emphasis on Geelong and Western Victoria, by developing distinctive, lasting and mutually beneficial education, research, economic, social and cultural partnerships, and by providing knowledge, expertise and resources that will contribute to the life of those communities.

DEAKIN AT YOUR DOORSTEP: FLEXIBLE DELIVERY OF A NEW ASSOCIATE DEGREE OF ARTS, BUSINESS AND SCIENCES

In 2010 the new Associate Degree of Arts, Business and Sciences, which is funded through an \$8.2 million grant from the Commonwealth Government's Diversity and Structural Adjustment Fund, was introduced at the Warrnambool Campus and was also offered via high speed video conferencing technology to students at the Bairnsdale campus of East Gippsland TAFE, Dandenong campus of Chisholm TAFE and Swan Hill campus of Sunraysia TAFE.

BENCHMARKING

Deakin continued to contribute to a number of important benchmarking exercises, especially in the area of community engagement.

OECD Review of Higher Education Institutions in Regional Development

Deakin was an active participant in the Organisation for Economic Co-operation and Development's (OECD) Regional Self-Evaluation Review of Higher Education in Regional Development. The State of Victoria is one of 15 regions globally where the project is being conducted. The Review included a self-evaluation benchmarking exercise and a visit to Deakin by an OECD-led expert Review Panel to discuss key issues.

Pascal Universities and Regional Engagement (PURE) Benchmarking Project

Deakin continued its participation in the international PURE Benchmarking Project, which aims to strengthen the higher education contribution to regional development and to enable participant universities to identify areas where they can work together or learn from each other (or both), and opportunities for cooperation in a competitive environment. The University took part in a repeat benchmarking exercise in 2010, with the results showing an improvement across the benchmarking components. This was principally due to:

- Deakin's dedicated involvement in organisations such as the G21 Geelong Regional Alliance, the Community Leaders Groups in Geelong and Warrnambool, and Regional Development Australia
- projects such as the Corio-Norlane suite of initiatives
- an increase in the number of business events and fora to discuss regional issues
- input to initiatives such as the development of the Great South Coast Regional Strategic Plan and the Great South Coast Industry Workforce Development Plan.

The PURE Project is aligned with other developments such as the recent *OECD Review of Higher Education and Regional Development* and the Victorian Tertiary Education Plan.

Deakin's commitment to rural and regional engagement is embodied in the development of mutually beneficial partnerships with local communities.

RURAL AND REGIONAL TEACHING AND LEARNING WEBSITE

In July Deakin launched a rural and regional teaching and learning website entitled, "Responding to the needs and priorities of rural and regional Victoria" to provide resources to assist course teams and individual academic staff to respond to the needs and priorities of rural and regional Victoria through the curriculum. In particular, the website offers information, links and exemplars to help staff and students to engage with rural and regional issues.

ENGAGEMENT ACTIVITIES

Faculties continued to focus on increasing and improving their rural and regional engagement activities and outcomes, in particular:

- Promoting excellence and learning opportunities for rural and regional undergraduate midwifery students (School of Nursing and Midwifery)
- Understanding rural pathways: Building on success (School of Education)
- High School to University – Indonesian and Regional Links (School of International and Political Studies)
- Establishing Community Vision and Community Voice for Warrnambool (School of Architecture)

In May and August, the first of a series of Community Fora were held by Deakin in partnership with local government and community organisations to stimulate discussion about the future challenges facing Warrnambool and South-West Victoria. The fora outcomes will also inform a study being undertaken by the human and social justice services' organisation, Community Connections, which is examining the history and future of Victoria's regional centres, using the City of Warrnambool as a case study. Fora topics included regional education and skill needs, and planning issues associated with growth.

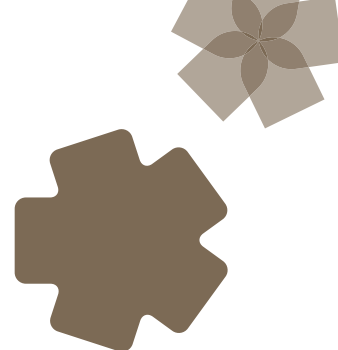
HORIZON21 LIMITED

Deakin has joined Horizon21 Limited, a company that has been formed to undertake projects that improve the environmental, social and economic sustainability of South West Victoria. Its members include Warrnambool City Council, Wannon Water Corporation, West Vic Dairy Inc., Midfields Meats Pty Ltd, Urbanomics (on behalf of the region's land developers) and Warrnambool Bus and Car Company. The company, based in Warrnambool, has been formed as a not-for-profit company limited by guarantee.

Deakin's participation in Horizon21 Limited will enhance its regional and rural engagement, support the profile of the Warrnambool Campus and provide a mechanism for engaging with industries and research partners in South West Victoria.



EQUITY AND ACCESS



Deakin's goal is: To champion higher education equity and access in the broader community; to be an exemplar of an inclusive organisation committed to the principles of social justice and fair treatment of its members; and to ensure that Deakin's teaching, research and services address the diversity of Australian and Deakin University communities and enable all staff and students to realise their potential irrespective of background or personal circumstances.

Deakin has a number of innovative strategies, plans and programs in place that build on its core commitment to equity and access. In 2010 the University developed a Widening Participation Plan that will drive an integrated and evidence-based approach to:

- raising aspirations
- enhancing academic preparation
- increasing access
- supporting retention and success of students from educationally disadvantaged backgrounds, including mature age students, students from low SES backgrounds, students from regional and rural areas, students with disability and Indigenous students.

The Plan also includes strategies directed towards:

- developing a more inclusive curriculum
- implementing teaching and support practices that enable all students to succeed
- building and nurturing a diverse staff community.

The Equity and Diversity Unit will take a leadership role in coordinating the implementation, monitoring and evaluation of the Plan and the Higher Education Participation and Partnerships Program (HEPPP) funding.

In 2010 the Deakin Engagement and Access Program (DEAP) was extended to include partnerships with 36 secondary schools in Melbourne, Geelong and the Western District of Victoria. The program is based on collaborative partnerships with schools and aims to implement strategies to increase awareness among, and raise the aspirations of, students from low SES and regional backgrounds to attend university and improve their access to higher education.

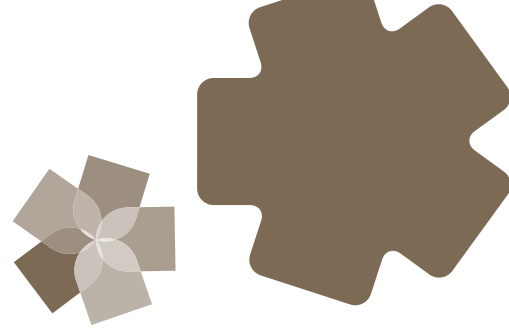
The Unit also implemented a comprehensive set of strategies to improve outcomes for all staff. These included:

- the appointment and training of a network of 68 Harassment and Discrimination Contact Officers covering all campuses
- a comprehensive program of Equal Employment Opportunity training for managers and supervisors
- the availability of online training in the compulsory training areas of harassment and discrimination.

In collaboration with the Division of Student Life and the Facilities Management Services Division, parenting facilities were established or improved on all campuses.

Early in 2010 a comprehensive review of the Equity and Equal Opportunity Policy Framework was completed. This included the redrafting of discrimination and sexual harassment complaint policies and procedures for students and staff. Approval of the new policies and procedures was received in June and a communication and implementation plan was developed to support them. For the fifth consecutive year, Deakin University was awarded the Employer of Choice for Women citation. This award reflects the University's excellent gender equity performance.

Deakin supports a growing population of students and staff with disability. In 2010 the University provided services to more than 600 of these students and staff. Learning Access Plans were implemented to assist Faculty staff to support students with a health condition or disability and to clarify arrangements that are needed to minimise educational disadvantage. Support provided to staff with disability has also been streamlined through the introduction of a new Staff with Disability Workplace Adjustments procedure.



A comprehensive review of the University's Disability Discrimination (DDA) Action Plan was undertaken.

The review built on the strengths of current approaches, identified additional barriers faced by students and staff with disability and outlined opportunities for improvement across the full range of University services.

The Equity and Diversity Unit successfully organised the inaugural Deakin University Social Inclusion and Innovation Conference in October 2010. The conference provided opportunities for debate of social inclusion issues critical to the future success of Deakin and showcased social inclusion projects in teaching, research and service delivery.

EQUITY GROUP STUDENTS AS A PERCENTAGE OF DOMESTIC STUDENT ENROLMENTS, 2007-2009¹

Equity group	DEAKIN			STATE	SECTOR
	2009	2008	2007	2009	2009
Aboriginal and Torres Strait Islander	1.8%	1.7%	1.6%	0.6%	1.4%
Non-English speaking background		2.4%	2.4%		
Low socio-economic background	12.7%	12.9%	12.5%	12.7%	15.3%
Students with disability	4.0%	2.7%	2.6%	3.8%	4.3%
Students from regional areas	21.9%	21.9%	20.8%	17.5%	18.0%
Students from remote areas	0.7%	0.7%	0.7%	0.3%	1.1%

INDIGENOUS STUDENT ENROLMENTS BY HIGHER EDUCATION PROVIDER AND STATE, 2007 – 2009

Institution	2009	2,008	2007	Variance 2007-2009
Deakin University	506	467	443	63
University of Melbourne	176	172	181	-5
La Trobe University	140	113	88	52
Monash University	120	99	117	3
RMIT University	92	77	63	29
University of Ballarat	47	39	44	3
Victoria University	44	44	42	2
Swinburne University	28	32	30	-2
Other Institutions	10	11	8	2
Victorian Total	1163	1054	1016	147
Deakin % of Victorian Total	43.5%	44.3%	43.6%	

INDIGENOUS ENROLMENT AT DEAKIN UNIVERSITY, 2007-2010²

Commencing Status	2010	2009	2008	2007
Commencing	230	201	180	163
Returning	330	305	287	280
Total	560	506	467	443

1. Figures have been taken from the 2010 Institution Performance Portfolio published by the Federal Department of Education, Employment and Workplace Relations.

2. 2010 enrolments are as at 28 December 2010. The 2010 snapshot includes finalised Trimester 1 and Trimester 2 data and an interim snapshot from Trimester 3. Finalised 2010 data will not be available until 31 March, 2011.

INDIGENOUS STUDENT COMPLETIONS, 2006-2009

	2009	2008	2007	2006
Course completions	42	38	33	22

Deakin is committed to providing a safe and healthy working environment for all staff, students, contractors and visitors

PEOPLE, CULTURE AND CHANGE

Deakin's goal is: To have a workplace culture which fosters and supports excellence in teaching, research and the services that support those activities through recruiting and retaining a workforce of the highest calibre who are engaged with, and united by, Deakin's mission, core commitments and values.

In 2010 Deakin continued its workplace reform program, which aims to enhance the University's efficiency, effectiveness, productivity and performance.

Efforts were focussed on developing Deakin's leadership capability with the delivery of a suite of tailored cohort-specific leadership development programs for academic and professional staff. These programs are underpinned with participatory leadership practices that connect and create 'communities of practice' across the University. A series of 'think tanks' were hosted to give staff opportunities to come together and share thoughts on key themes for Deakin, such as improving its research capability.

The Deakin University Enterprise Agreement 2009-2012 came into effect in October. The Agreement introduced improvements to some key human resource practices, including:

- streamlined processes for managing change, redundancy and performance
- provisions that support the University's trimester teaching calendar and academic workload allocation, and
- a range of enhanced conditions of employment for casual staff.

A number of initiatives were introduced or advanced in 2010 to ensure Deakin has a high calibre future workforce. Implementation of the workforce planning model also continued. It will help to:

- develop staffing profiles aligned with current and future University needs
- identify current and future skill gaps
- develop staff in areas identified as priority skill requirements
- inform recruitment and retention strategies.

The results of the 2010 Staff Survey highlighted an improvement in Deakin's 'organisational climate', with a considerable increase in understanding of Deakin's aims and aspirations. Survey results revealed that staff perceptions of Deakin also improved, particularly regarding the extent to which Deakin values its people, and the University's strategy and commitment to being a leader in the higher education sector. Moreover, the Survey highlighted a close alignment in the cultural behaviour of academic and general staff; it also indicated that many workgroups reflected a high performing environment consistent with Deakin's Top Third aspirations in teaching and learning, and research and service excellence.

HEALTH AND SAFETY

Deakin is committed to providing a safe and healthy working environment for all staff, students, contractors and visitors, and encourages and values safe work practices and behaviours through leadership at all levels and consultation with workers on safety matters.

In 2010 Deakin adopted a revised Occupational Health and Safety (OHS) manual and published a range of guidelines in support of it. Deakin also undertook a range of activities to strengthen its OHS program, including audits and inspections, training programs, risk assessments, reviews of new and refurbished buildings, access and facilities' upgrades, and asbestos abatement.

STAFF (PERSONS) AS AT 31 DECEMBER 2010 BY CLASSIFICATION, CAMPUS AND GENDER AND TOTAL BY CAMPUS FOR 2008 AND 2009

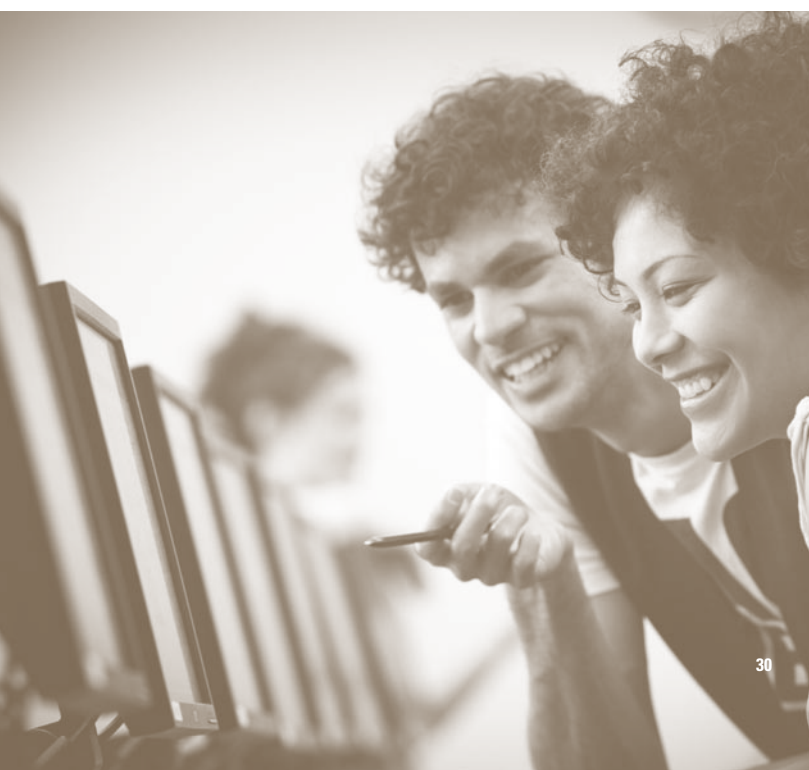
	Academic	General	Male	Female	Total 2010	Total 2009	Total 2008
Geelong Campus at Waurin Ponds	367	535	397	505	902	865	821
Geelong Waterfront Campus	120	367	213	274	487	481	457
Melbourne Campus at Burwood	662	701	485	878	1363	1314	1212
Warrnambool Campus	68	82	56	94	150	147	135
Total	1217	1685	1151	1751	2902	2807	2625
DeakinPrime	-	75	23	52	75	73	89
Callista Software Services	-	104	71	33	104	102	97

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE INDICATORS, 2006–2010

	Lost time injury frequency rate	WorkCover frequency rate	Average lost time rate	Days lost per 100 full time equivalence <12 months	WorkCover costs per full time equivalence <12 months	Premium costs per full time equivalence	WorkCover premium rate as a % of remuneration
2010 ¹	2.76	3.53	60.6	27.9	\$84.87	\$321	0.34%
2009	2.07	3.69	77.9	26.4	\$87.34	\$351	0.39%
2008	3.72	5.71	56.7	35.0	\$111.31	\$320	0.36%
2007	2.98	6.48	48.5	24.6	\$82.85	\$415	0.49%
2006	2.53	5.08	27.5	11.7	\$43.15	\$412	0.52%

Note

1. 2010 figures are the 12 months from 1 November, 2009 to 31 October, 2010





ACADEMIC SUPPORT

**Deakin's goal is:
To ensure the delivery of
an excellent student
experience and to enhance
the University's teaching
and research performance
by providing a range of high
quality, innovative,
responsive and efficient
academic support and
information services for
students and staff.**

In 2010 Deakin strengthened its delivery of academic support services to assist students to make the most of their university experience and to enhance the University's community of learning.

The Australasian Survey of Student Engagement for 2010 showed positive results for Deakin. The University's ratings in terms of student engagement and outcomes were higher than in 2009. Highlights in 2010 were Deakin's rating above the national average on the scales for students' career readiness (score of 43 against national average of 40), engagement in work integrated learning (48 against 46) and a supportive learning environment (55 against 54).

The 2010 International Student Barometer (ISB), an international survey of students studying away from their home country, showed that the satisfaction level among international students with Deakin's support services was above both Australian and ISB averages (Deakin 87.9%, Australia 86.3%, ISB 84.2%).

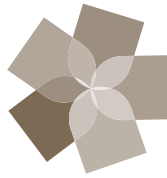
Further improvement initiatives were introduced during the year to ensure that international students have optimal opportunities for engagement in all aspects of university life and in activities in Deakin's local communities. The University was an active contributor to the Australian government's Review of the Education Services for Overseas Students Act, which reported on 26 February 2010, as well as to the earlier Senate Inquiry into the Welfare of International Students (29 November 2009).

ONLINE TEACHING AND LIBRARY SERVICES

Excellent online academic support services are integral to the flexible education Deakin provides and to the maintenance of a connected community of learners and researchers. In 2010 the University completed considerable preparatory work ahead of the implementation of a new learning management system to enhance online teaching and learning from 2011.

An increasing array of high quality library services is available online. The Library continues to grow its collection in electronic formats to better support the pedagogy of flexible education and is partnering with industry to develop innovative search interfaces to information-rich resources. The Library has been recognised internationally for its online guide to assist students in their access to e-books. In 2010 the Library introduced a new approach to delivering services. The complementary models of the Library Liaison Service and the new Frontline Services support the increasing diversity of students as well as providing the specialised disciplinary expertise to assist researchers. The Librarian-in-Residence program rolled out to all Faculties this year has been a key strategy to improve access to library expertise for academic staff and higher degree by research students.

Benchmarking by the Council of Australian University Librarians, through the Library Client Survey administered in September 2010, places Deakin University Library in the top 25 percent of university libraries for overall client satisfaction, with information resources, library staff and communication with students and staff all performing in the top quartile.



COMMUNICATION, MARKETING AND POSITIONING

Deakin offers flexible education providing accessibility and choice, which is valued by people returning to study or developing their career options.

Deakin's goal is: To raise the standing of Deakin University so that it is increasingly the preferred choice for students, staff and employers of graduates and to ensure that Deakin's distinctive contribution and research strengths are widely recognised.

Deakin deepened its community connections through new and continuing partnerships in 2010 and maintained its strong position as a university of choice, with the third highest number of first preferences lodged by students with the Victorian Tertiary Admission Centre (VTAC) prior to the close of timely preferences on 30 September 2010 and the second highest number of first to fourth and total preferences. Deakin's VTAC market share of total timely preferences for Commonwealth Supported Place in Victoria was 17.2 per cent in 2010, second to Monash with 23.8 per cent.

The University offers flexible education providing accessibility and choice, which is valued by people returning to study or developing their career options. Demand for postgraduate coursework places increased by 220 applications in 2010, highlighted by a substantial 15.15 per cent increase in applications in trimester 3, 2010.

Deakin Week, held from 25 to 30 October, had the theme of *Deakin Engaged* and featured activities for Deakin alumni and members of the public in Geelong, Melbourne and Warrnambool, including:

- Deakin's Contemporary Small Sculpture Award, which attracted entries from each State and Territory of Australia and is now one of Australia's premier sculpture awards
- Gathering Places an exhibition by alumna artist Gillian Turner at the Geelong Waterfront campus
- Deakin on Film, a festival of films made by students held at the Australian Centre for the Moving Image
- The Peter Quail Oration, which was organised as part

of the strategic alliance between Deakin and the State Departments of Health and Human Services

- A public lecture by Professor Ian Lowe AO on 'Issues to Consider in Regional Approaches to Sustainability', which was presented at the Alfred Deakin Research Institute
- *Engaging Communities* through Social Media, a talk by Deakin academic Ross Monaghan in Warrnambool.

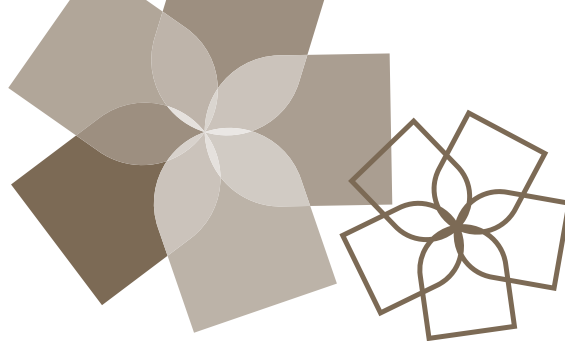
The University attracted strong, positive media coverage in 2010, further building the profile of Deakin as flexible and contemporary with significant research strength. The research work of Deakin's School of Exercise and Nutrition into obesity attracted notable media interest, as well as projects around farmer health and wellbeing, and a new "Smart Bike" developed by researchers at Deakin's Institute for Technology Research and Innovation and released to coincide with the staging of the 2010 UCI Road World Championships in Geelong (see Research and Research Training section for further details).

Two major orations presented during the year engaged with important public issues. The 2010 Richard Searby Oration was delivered by the Chief Justice of the Supreme Court of Victoria, the Hon Marilyn Warren AC, on 'The Obligation to Communicate: the Interaction between Language and the Law'. The Brookes Oration was delivered by the Hon Dr Steve Bracks AC on the topic 'Migration Makes Australia Work'.

The Deakin alumni community continued to grow. In 2010 a record 71.4 per cent of new graduates registered as Deakin alumni members. Deakin has introduced an online mentoring program for alumni, which is the first of its kind in Australia. To date there are 169 mentors who have enrolled.

CHIEF JUSTICE OF THE SUPREME COURT OF VICTORIA, THE HON MARILYN WARREN AC, DELIVERS THE 2010 RICHARD SEARBY ORATION.





RESOURCES, FINANCE AND INFRASTRUCTURE

**Deakin's goal is:
To manage the financial
and infrastructure
resources of the University
efficiently and effectively
so as to meet its needs in
relation to teaching and
research and to strengthen
Deakin's immediate and
longer term capacity to
fulfil its mission, core
commitments and goals.**

RESOURCES AND FINANCE

Utilising the enhanced financial management capability, which was enabled through the recently acquitted (Workplace Productivity Program) Financial Management Improvement Project, the focus for 2010 was on applying the more sophisticated financial management framework to provide oversight and more actively manage the University's finances. The CFO Group portfolio continued to engage with the wider University community to ensure a commercial business approach and to refine further the enterprise risk management strategy, which seeks to actively identify and manage risk. The funding requirements of all Operational Plans were satisfied, while still producing a higher than expected surplus outcome. This will be used to fund future capital and essential operating needs.

The University's reported consolidated operating surplus, after tax, was \$83.5m in 2010, compared to \$71.5m in 2009. The University earned \$676.7m in revenue compared to \$611.4m in 2009; this included an increase in revenue from domestic and international fee-paying students of \$20.1m, together with increased revenue from domestic Commonwealth Supported students totalling \$22.6m. When adjusted for major one-off items, the underlying operating surplus was \$60.2m, comparable to the figure of \$49.2m in 2009.

Deakin's strong growth in both Commonwealth Supported Places and fee-paying enrolments contributed to the strong financial performance in 2010. Growth in student numbers poses challenges as the University embarks on an enhanced and challenging 3 year capital program to expand its infrastructure and support services to provide for the increased numbers of students and staff, to maintain the quality of current facilities and to support the anticipated growth in research capacity.

PAYMENTS TO CONSULTANTS 2010

Consultancies costing more than \$100,000 for their services totalled 6 for the year, with a combined cost of \$782,729. Details are as follows:

- \$116,684 KPMG – for professional services towards the Financial Management Improvement Project
- \$185,302 Ernst & Young – for professional services towards the Deakin Business Intelligence Project
- \$125,409 ABM Technologies – for professional services towards the Financial Management Improvement Project
- \$110,600 INEUM Consulting – for services towards the Financial Management Improvement Project
- \$136,800 Insight SRC – for professional services for the Transforming Organisational Culture Program
- \$107,934 Pricewaterhousecoopers – for professional services for the Trimester System Review

Consultancies costing less than \$100,000 totalled 17 for the year, with a combined cost of \$693,809.

PROPER USE OF FUNDS

Public funds received by Deakin were allocated through the University budget process for the purposes specified by the government or other public funding bodies. The University has no evidence that public funds were used other than for the purposes specified.

INFRASTRUCTURE

To meet the needs of growing numbers of students, maintain the quality of existing infrastructure and support the anticipated growth in research capacity, Deakin continued its major capital works program. The University utilises its Strategic Asset Management Planning methodology to take a rolling approach to assessing infrastructure needs over the next ten years and prioritising identified projects to be undertaken in the next 3 years.

MAJOR PROJECTS

Deakin University continued to invest in a number of large infrastructure projects to ensure that the University continues to meet the needs of its increasing student and staff populations, improve teaching and research facilities and ensure the quality and efficient and effective utilisation of the University's existing infrastructure.

Melbourne Campus at Burwood

Several projects were undertaken in 2010 to provide additional space for teaching, learning and research at Burwood, where student and staff numbers have exceeded projections. Funding from the Australian Government enabled a more rapid construction of a 250-seat lecture theatre and the upgrade of a number of student amenities and learning spaces. These projects will be completed in time for the commencement of teaching in 2011.

Plans were also developed for the construction of a new student accommodation building, to provide an additional 401 beds on-campus for existing and new Deakin students. It is anticipated that this project will be completed in 2012.

In addition, to accommodate a range of academic and research activities, preliminary work was undertaken on plans to provide for potential expansion at the Melbourne Campus at Burwood.

Geelong Campus at Waurn Ponds

Deakin is undertaking an extensive redevelopment of student amenities at the Geelong Campus at Waurn Ponds supported by Australian Government funding. The makeover of building j6 and surrounding areas aimed to improve the appearance and functionality of, and circulation through, the central hub of the Campus. The redevelopment of the café precinct created an attractive, accessible and functional area for all students year-round.

In November, the 'new generation' library learning spaces at Waurn Ponds were opened. They provide an accessible, dynamic series of spaces that recognise the changed role of electronic media, online resources and study methods in a modern university.

Expansion of the Geelong Technology Precinct continued apace at Waurn Ponds. A new proof of concept building was completed, together with new laboratories and accommodation. Existing facilities were also refurbished, with funding from a State Government grant. In addition, design progressed on a world-first research facility for

carbon fibre innovation. A collaborative project between Deakin, CSIRO and the Victorian Centre for Advanced Materials Manufacturing, the Australian Future Fibres Research and Innovation Centre is being developed through a grant from the Australian Government.

Geelong Waterfront Campus

The additional space made available through the refurbishment of the Dennys Lascelles building provided Deakin with the opportunity to reassess overall space allocation and utilisation at the Waterfront Campus. To complement this analysis, Deakin commenced a study of its two Geelong Campuses to determine the optimum balance of activities between Waurn Ponds and the Waterfront. This project will be aggressively progressed in 2011.

Warrnambool Campus

Infrastructure in the form of a new 50 seat highly interactive video conferencing lecture space to support the Australian Government funded Deakin at Your Doorstep project (outlined in detail in the Rural and Regional Engagement section of this Annual Report) was completed at the Warrnambool Campus in 2010.

ENVIRONMENTAL INITIATIVES

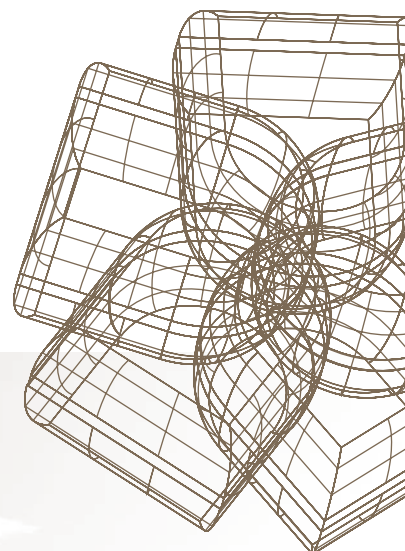
Deakin's environmental sustainability program gained further momentum with the Office of Environment implementing environmental actions within waste, water, energy, biodiversity, and sustainable transport programs. Five inter-campus working groups, which include staff and student representation, guide progress in the program areas and regularly report to the Environment Policy Subcommittee of the Planning and Resources Committee.

A number of environmental sustainability actions were undertaken in 2010. These included:

- Detailed audits of the University's carbon emissions, energy, and water consumption across all Campuses to ensure that realistic performance objectives and targets are developed and to guide future initiatives
- Implementation of an Office Recycling Pilot at three buildings across Campuses, which resulted in 20.4 per cent of recyclable materials being diverted from landfill
- Successfully lobbying the State Government for two new bus services and changes to tram zones, resulting in significant benefits to staff and students at the Melbourne Campus at Burwood



- Planting more than 800 native trees to improve bio-diversity conservation. This project involved local community, staff and students at the Melbourne Campus at Burwood and the Warrnambool Campus.
- Offsets delivered via the University's Green Fleet membership for the 1675 tonnes CO² equivalent greenhouse gas emissions produced by the car fleet in 2009
- Development of Deakin's draft Environmental Sustainability Strategy, which incorporates a detailed risk assessment and three-year action plan.



THE REDEVELOPED CENTRAL HUB OF THE GEELONG CAMPUS AT WAURN PONDS



THE ORGANISATION

Establishment of the University

Deakin University was established under the *Deakin University Act 1974* (Vic). In respect of the 2010 year, the responsible Minister until 20 January was Ms Jacinta Allan MLA, the Victorian Minister for Skills and Workforce Participation. The Hon Bronwyn Pike MLA, Minister for Education and Minister for Skills and Workforce Participation assumed the responsibility from 20 January until 2 December. The Hon Peter Hall MLA, Minister for Higher Education and Skills, became the responsible Minister from 2 December.

For funding purposes, and some aspects of the University's operations, the responsible Minister is the Commonwealth Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

On 1 August 1990 Deakin University at Geelong and the Warrnambool Institute of Advanced Education merged under the provisions of the *Deakin University (Warrnambool) Act 1990* (Vic).

On 31 December 1991 Deakin University merged with the Victoria College to form a new Deakin University under the terms of the *Deakin University (Victoria College) Act 1991* (Vic).

In December 2009 the Victorian Parliament enacted the *Deakin University Act 2009*, which will come into effect on 1 January 2011. The enactment of the 2009 legislation is part of a wider project undertaken by the Victorian Government to create uniform legislation in relation to Victorian universities.

OBJECTIVES

The objectives of Deakin University are set out in Section 5 of the *Deakin University Act 1974* (Vic) as follows:

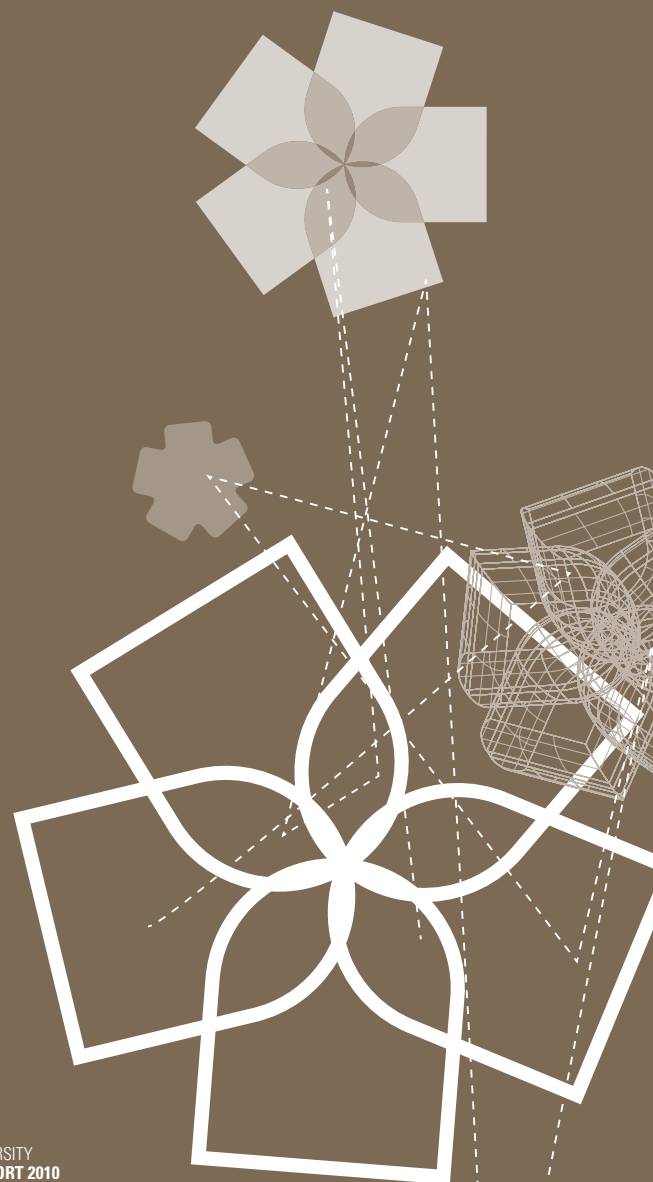
- (a) to establish a university in the Geelong area
- (ab) to maintain campuses of the University at Geelong, Warrnambool, Burwood, Malvern and such other place or places as are prescribed by the Statutes
- b) to provide tertiary education at university level for students attending the University and to provide the opportunity for tertiary education at university level to all qualified persons whether within or outside Victoria by means of distance education programmes
- c) to arrange for the provision of study centres at appropriate places, whether in or outside Victoria, where students taking distance education programmes can have access to library and other study facilities and can be given tutorial and practical assistance
- d) to provide all such courses of study as are prescribed by the Statutes and all such units as are approved by the Academic Board from time to time
- e) to aid by research and other means the advancement of knowledge and the pursuit of the benefits of its practical application
- (ea) to promote critical enquiry within the University and in the general community
- f) to confer after appropriate assessment the several degrees of Bachelor, Master and Doctor and grant such diplomas and certificates as are prescribed by the Statutes.

The *Deakin University Act 2009* states that the objects of Deakin University include:

- (a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard
- (b) to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University
- (c) to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing, and to apply those matters to the advancement of knowledge and to the benefit of the well-being of the Victorian, Australian and international communities
- (d) to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community
- (e) to serve the Victorian, Australian and international communities and the public interest by -
 - (i) enriching cultural and community life
 - (ii) elevating public awareness of educational, scientific and artistic developments
 - (iii) promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society
- (f) to use its expertise and resources to involve Aboriginal and Torres Strait Islander people in its teaching, learning, research and advancement of knowledge activities and thereby contribute to -
 - (i) realising Aboriginal and Torres Strait Islander aspirations, and
 - (ii) the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- (g) to provide programs and services in a way that reflects the principles of equity and social justice
- (h) to confer degrees and other awards
- (i) to utilise or exploit its expertise and resources, whether commercially or otherwise.



ACTING CHANCELLOR JENNI LIGHTOWLERS (CENTRE) ACCEPTS THE NEW DEAKIN UNIVERSITY ACT FROM THE GOVERNOR, PROFESSOR DAVID DE KRETSER AC AND THE THEN MINISTER FOR EDUCATION, THE HON BRONWYN PIKE, MLA, AT A CEREMONY AT GOVERNMENT HOUSE ON 19 AUGUST 2010.



DEAKIN UNIVERSITY COUNCIL

Director, Internal Audit
Mr Peter Dwyer

Vice-Chancellor
Professor Jane den Hollander

Chair, Academic Board
Professor Joe Graffam

**Vice-President
(Enterprise and
Engagement)**
Mr Kean Selway

Human Resources
Services Division
Equity and Diversity
Unit
Rural and Regional
Office
DeakinPrime
Government and
Media Relations

**Deputy Vice-
Chancellor
(International and
Development)**
Ms Robin Buckham

Deakin International
National Recruitment
Division of Student
Administration
Division of Student
Life
External Relations

**Deputy Vice-
Chancellor
(Academic)**
Prof Philip Clarke

Institute of Koorie
Education
Institute of Teaching
and Learning
Knowledge Media
Division
Library
Planning Unit
Quality

**Deputy Vice-
Chancellor
(Research)**
Prof Lee Astheimer

Geelong Technology
Precinct
Institute for
Technology Research
and Innovation
Research Services
Division

**Chief Operating
Officer**
Mr Graeme Dennehy

Callista
Facilities
Management
Services Division
Information
Technology Services
Division
Logistics Division
Solicitor's Office

**Chief Financial
Officer**
Mr Andrew Walters

Commercial
Management Unit
Deakin Management
Centre
Financial and
Business Services
Division
Risk Management
Unit
Governance Unit

**Dean, Faculty of Arts
and Education**

**Professor
Jennifer Radbourne**

School of
Communication and
Creative Arts
School of Education
School of History,
Heritage and Society
School of
International and
Political Studies

**Dean, Faculty of
Business and Law**

**Professor
Gael McDonald**

Deakin Graduate
School of Business
School of Accounting,
Economics and
Finance
School of Information
Systems
School of Law
School of
Management and
Marketing

**Dean, Faculty of
Health, Medicine,
Nursing and
Behavioural Sciences**

**Professor
John Catford**

School of Exercise
and Nutrition
Sciences
School of Health and
Social Development
School of Medicine
School of Nursing
and Midwifery
School of Psychology

**Dean, Faculty
of Science and
Technology**

**Professor
Christopher Gray**

School of
Architecture and
Building
School of Engineering
School of Information
Technology
School of Life and
Environmental
Sciences



SENIOR OFFICERS

VICE-CHANCELLOR

Professor J. den Hollander (from 19 July 2010)

BSc (Hons), MSc Wits, PhD University of Wales

Professor S.A. Walker (to 14 July 2010)

LLB (Hons), LLM Melbourne

The Vice-Chancellor reports to the Council and is responsible for the academic and administrative affairs of the University and for maintaining and promoting its efficiency and good order.

CHAIR OF ACADEMIC BOARD

Professor J. Graffam

BBSoc Cal State U, MA, PhD, UCLA, FAICD, MAPS, MACEA

The Academic Board, the principal academic authority within the University, reports to the Council and is responsible for maintaining the highest standards in teaching and research. Its representative on the Council is the Chair of the Academic Board.

DEPUTY VICE-CHANCELLOR (ACADEMIC)

Professor P.H. Clarke (to 31 December)

LLB W.Aust., LLM Auckland

The Deputy Vice-Chancellor (Academic) reports to the Vice-Chancellor and is responsible for the development and enhancement of the University's academic activities and the internationalisation of its curriculum. The position has responsibility for the Division of Student Life, the Institute of Koorie Education, the Institute of Teaching and Learning, the Library, the Knowledge Media Division, and the Planning Unit.

PRO VICE-CHANCELLOR (ACADEMIC)

Professor J. Graffam (from 18 November 2010)

BBSoc Cal State U, MA UCLA, PhD UCLA, FAICD, MAPS, MACEA

The Pro-Vice Chancellor (Academic) reports to the Vice-Chancellor and is responsible for developing and managing the AUQA Audit Performance Portfolio. Pending the appointment of a new Deputy Vice-Chancellor (Academic), the responsibilities of this portfolio have been transferred to the position of Pro Vice-Chancellor (Academic).

DEPUTY VICE-CHANCELLOR (RESEARCH)

Professor L. Astheimer

BSc (Hons) Lakehead, PhD UC Davis

The Deputy Vice-Chancellor (Research) reports to the Vice-Chancellor and is responsible for the development and enhancement of the University's research, research training and commercialisation activities.

DEPUTY VICE-CHANCELLOR (INTERNATIONAL AND DEVELOPMENT)

Ms R. Buckham

MCom (Mkg) Wollongong, BA, DipEd Sydney, MAICD

The Deputy Vice-Chancellor (International and Development) reports to the Vice-Chancellor and is responsible for the development and oversight of the University's international and domestic marketing and recruitment. This position also has responsibility for the Division of Student Administration, the Division of Student Life, Deakin International and external relations, including Deakin's art collection and galleries.

PRO VICE-CHANCELLOR (RURAL AND REGIONAL)

Professor S. Kilpatrick

BEc UTAS, Grad Dip Lib, MEc UNE, PhD UTAS, Dip Ad Voc Ed, MACE, MAICD

DEAN, FACULTY OF ARTS AND EDUCATION

Professor J. Radbourne

Cert.T.KPTC, BA, MA, PhD UQ, LSDA Melbourne, ATCL, FAIM, MAICD

The Faculty comprises the School of Communication and Creative Arts; the School of Education, History, Heritage and Society; and the School of International and Political Studies.

DEAN, FACULTY OF BUSINESS AND LAW

Professor G. McDonald

BBS Massey, MBA UWA, PhD London

The Faculty comprises the School of Accounting, Economics and Finance; the School of Information Systems; the School of Law; the School of Management and Marketing; and the Deakin Graduate Business School.

DEAN, FACULTY OF HEALTH, MEDICINE, NURSING AND BEHAVIOURAL SCIENCES

Professor J.C. Catford

MA Cambridge, MSc London, MB BChir Cambridge, DCH, DM Southampton, FFP, FRCP, FAFPHM, FIPAA, FAICD

The Faculty comprises the School of Exercise and Nutrition Sciences; the School of Health and Social Development; the School of Medicine; the School of Nursing and Midwifery; and the School of Psychology.

DEAN, FACULTY OF SCIENCE AND TECHNOLOGY

Professor C. Gray

BA (Hons) Lancaster, MSc Leeds, PhD Bradford, CIH ABIH

The Faculty comprises the School of Architecture and Building; the School of Engineering; the School of Information Technology; and the School of Life and Environmental Sciences.

CHIEF FINANCIAL OFFICER

Mr A. Walters

BCom Natal, B.Compt UNISA, Chartered Accountant (Australia)

The Chief Financial Officer reports to the Vice-Chancellor and is responsible for the financial operations of the University, as well as for its commercial management, governance, risk management and insurance portfolio.

CHIEF OPERATING OFFICER AND VICE-PRESIDENT

Mr G. Dennehy

BEng (Hons) UTS, CPEng, FCDA

The Chief Operating Officer reports to the Vice-Chancellor and is responsible for all of the University's corporate services that relate to logistics, facilities management and information and communication technology, including Callista, the student information system. The Chief Operating Officer is also responsible for the University Solicitor's Office and has the oversight of the University's controlled entities.

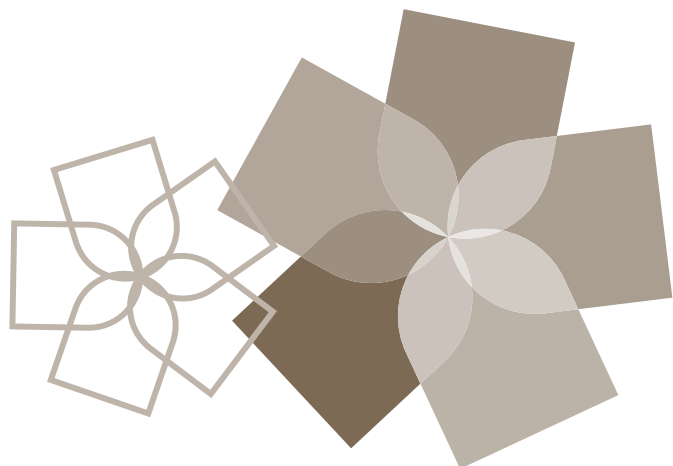
CHIEF EXECUTIVE OFFICER, DEAKINPRIME

VICE-PRESIDENT (ENTERPRISE AND ENGAGEMENT)

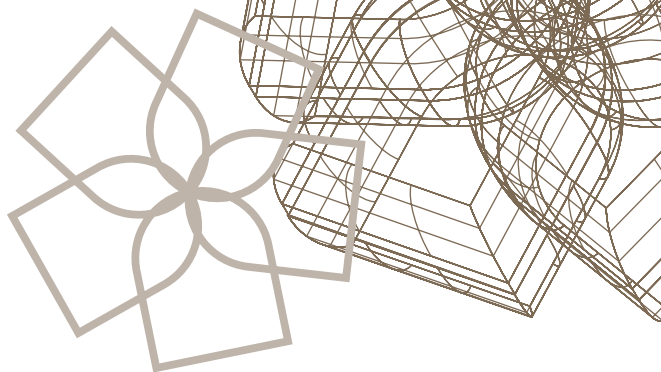
Mr K. Selway (from 14 November 2010)

BBus(Mktg) Chisholm, GDipMgt Victoria UT, FAICD

The Vice-President (Enterprise and Engagement) reports to the Vice-Chancellor and is responsible for the development of the University's internal and external communities. The Vice-President's portfolio includes responsibility for human resources, social inclusion, rural and regional engagement, corporate education and government relations.



COUNCIL MEMBERS' REPORT



MEMBERS

The names, qualifications and experience, method of appointment, term of office and years served on Council, of the people who held office as members of the Deakin University Council during the year 2010 are set out below.

MEMBERS EX OFFICIO

THE CHANCELLOR

Mr D.M. Morgan

BCom Melbourne

Term of office 1 January 2006 – 31 December 2011

Years on Council 12

Company director; currently Chair of the Australian Trade Commission's Audit and Risk Committee and of the National Motor Vehicle Theft Reduction Council.

Previously Chair of the Geelong Economic Development Board and G21—Geelong Region Alliance Ltd; former President of the Ford Motor Company of Australia (1995-1999) and of the Federal Chamber of Automotive Industries (1996-1999).

THE VICE-CHANCELLOR

Professor J. den Hollander

BSc (Hons), MSc Wits, PhD University of Wales

Term of office 19 July 2010 -

Years on Council 0.5

Vice-Chancellor and President of Deakin University; currently a board member of the Australian Learning and Teaching Council. Previously Deputy Vice-Chancellor (Academic) (2007-2010), Pro Vice-Chancellor Academic Services (2003-2007) and General Manager Student and Staff Services (2000 – 2003) of Curtin University of Technology in Western Australia.

THE VICE-CHANCELLOR

Professor S.A. Walker

LLB (Hons), LL.M Melbourne

Term of office 3 January 2003 – 14 July 2010

Years on Council 7.5

Vice-Chancellor and President of Deakin University (2003-2010). Previously Senior Deputy Vice-Chancellor (2000-2003), President of the Academic Board (1999-2000), Pro-Vice Chancellor (1997-2000) and Hearn Professor of Law (1993-1997) at the University of Melbourne.



The members of the Deakin University Council present their report on the consolidated entity consisting of Deakin University and the entities it controlled at the end of, or during, the year ended 31 December 2010.

THE CHAIR OF ACADEMIC BOARD

Professor J. Graffam

BBSoc Cal State U, MA, PhD UCLA, FAICD, MAPS, MACEA

Term of office 1 January 2010 – 31 December 2011

Years on Council 1

Professor and Chair in Psychology, Faculty of Health, Medicine, Nursing and Behavioural Sciences at Deakin University; member of the Academic Board since 2005; currently a member of the Victorian Government's Ministerial Disability Industry Advisory Group. Previously a Deputy Dean and Head of School, Psychology, and Associate Dean (Research) and Head of School, Studies in Disability, at Deakin University.

MEMBERS APPOINTED BY THE GOVERNOR IN COUNCIL

Ms H.F. Bender OAM

BCom Melbourne, DipTravel & Tourism RMIT

Term of office 21 May 2008 – 31 December 2010

Years on Council 2.5

Company director; currently Chair of the Barwon Health Foundation and the Geelong Cats Sports Foundation; member of the Geelong Grammar School Council and the Geelong Major Events Committee. Ms Bender is the proprietor of Allabout Tours and Travel, a leisure and corporate travel agency.

Ms H. Buckingham

BA, DipEd La Trobe, DipAICD UNSW, GradDip Careers Deakin

Term of office 1 January 2009 – 31 December 2011

Years on Council 2

Former Member of the Legislative Council of the Victorian Parliament (2002-2006) and the Parliamentary Standing Committee for Education and Training (2003-2006); former councillor in the City of Whitehorse, representing the Riversdale Ward (1997-2002), and mayor (1998-1999); former board member of Box Hill Hospital (1991-1995). Prior to her parliamentary career, Ms Buckingham was a secondary school teacher and careers counsellor.

Ms K. Grigg BEc, DipEd Adelaide, FCPA, FAICD

Term of office 8 September 2009 – 31 December 2010

Years on Council 1.3

Company director; currently Chair of CoINVEST Ltd and a board member of Navy Health Ltd and Australian Pork Limited; member of the Audit and Risk Management Standing Committee of the Victorian Department of Primary Industries. Previously Ms Grigg was Director, Finance and Administration for The Woolmark Company/ Australian Wool Research and Promotion Corporation/ Australian Wool Corporation.

Ms J.M. Lightowlers

BA DipEd UWA, LLB (Hons), LLM Melbourne

Term of office 1 January 2010 – 31 December 2012

Years on Council 7

Solicitor and founding partner of the law firm, Francis Abourizk Lightowlers; currently a director and Company Secretary of International Network for Acid Prevention Ltd; Company Secretary of Vision CRC Limited and a member of the Intellectual Property Committee of the Law Institute of Victoria. Ms Lightowlers specialises in intellectual property law, corporate governance and fiduciary obligations, and is a qualified mediator.

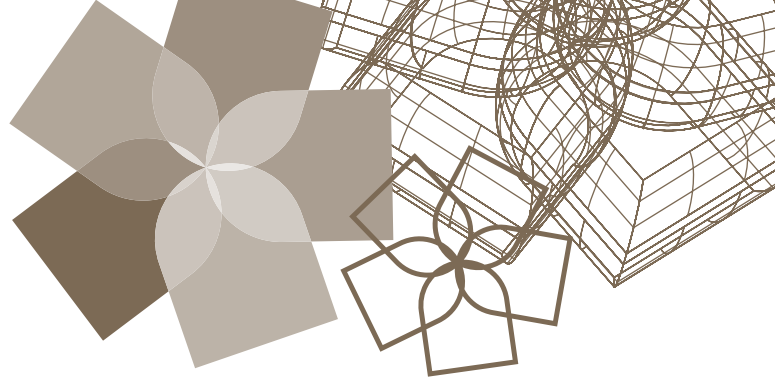
Mr P. Niblett

BCom Deakin, CA, FCPA, CISA, CISM

Term of office 1 January 2009 – 31 December 2011

Years on Council 2

Chartered Accountant. Executive Director in Advisory Services, Ernst & Young (Melb); Client Service Partner responsible for the Victorian Emergency Services Cluster of accounts and Tasmanian Government. Prior to joining Ernst & Young in Melbourne was in London where he coordinated the technology activities in the UK Government Sector, delivering large scale projects on Procurement and Shared Services across government agencies. Previously Director - Technology, Risk & Business Advisory Services, WHK Day Neilson for 20 years.



Mr J.G. Nicol LLB Melbourne

Term of office 1 January 2010 – 31 December 2012

Years on Council 5.5

Solicitor (retired) and company director; currently board member and former chairman (2003-2006) of Lyndoch Warrnambool Inc.; Deputy Chair, Southern Way Direct Care Inc.; and board member of the Western Region Alcohol & Drug Centre Inc. Former councillor of the City of Warrnambool (1988-1992 and 1996-2004), including a term as mayor (2001-2003); a partner of Maddens Lawyers in Warrnambool (1975-2009); a Notary Public (1985-2009) and past president of the Western District Law Association (2005-2008).

A MEMBER APPOINTED BY THE MINISTER

Mr G. Heywood BEc Monash

Term of office 17 April 2008 – 7 October 2010

Years on Council 2.5

Former Chief Executive, Tourism Victoria and Deputy Secretary (Brand, Communications and Tourism) of the Victorian Department of Innovation, Industry and Regional Development. Previously Executive Director, Policy and Cabinet of the Victorian Department of Premier and Cabinet; and Editor-in-Chief of the Australian Financial Review, the Sydney Morning Herald, the Sun Herald and The Age.

MEMBERS APPOINTED BY COUNCIL

Ms J. Bonnington BCom, Auckland, MBA, Monash, FCPA, FAICD

Term of office 1 January 2010 – 31 December 2012

Years on Council 1

Chartered accountant and company director; currently a board member of St John of God Healthcare Group, Prince Henry's Medical Research Institute, Port of Melbourne Corporation, Agriculture Victoria Services, Metropolitan Fire Brigade, Royal Botanic Gardens Victoria and The Lord Mayor's Charitable Foundation; trustee of The Queen's Fund. Previously CFO/Finance Director of Yallourn Energy Ltd, National Director of CPA Australia, National CEO of the Make-a-Wish Foundation of Australia and Chairman of the Dental Services Board.

Ms M.L. Edmond BArch Melbourne, LFRAIA

Term of office 1 January 2008 – 31 December 2010

Years on Council 12

Architect. Principal of Edmond and Corrigan Pty. Ltd. Architects & Urban Designers. Ms Edmond specialises in institutional architecture, urban design, dispute resolution and design teaching.

Ms P. Kelly LLB, UWA, FFin, GAICD

Term of office 1 January 2010 – 31 December 2011

Years on Council 1

Currently Chief Operating Officer, Juilliard Group of Companies; board member of 3D Oil Ltd and the Australian Drug Foundation. Ms Kelly is a specialist in property funds management and has held a number of senior roles in the property trust industry. Previously an investment banker with Goldman Sachs JBWere.

Mr A.J. Kloeden

BSc (For) Hons ANU, MSc(BusStud) Lond, FAICD

Term of office 1 January 2009 – 31 December 2011

Years on Council 14

Company director; currently Chair of Serco Group Pty Ltd; board member of the Committee for Economic Development of Australia (CEDA) and Infrastructure Partnerships Australia. Previously Chief Executive Officer of Serco Asia Pacific, Managing Director of the Woolmark Company and Chief Executive Officer of Melbourne IT. Mr Kloeden has extensive experience in leadership and change management roles.

Mr P. Meehan BBus RMIT, FCA, FCPA

Term of office 1 January 2010 – 31 December 2012

Years on Council 4

Former Chief Financial Officer, Australia Post; board member and trustee of the Australia Post Superannuation Scheme; Group Finance Manager, National Mutual Holdings. Mr Meehan has been appointed Chief Executive Officer of the G100 organisation and will take up his appointment in 2011.

Dr P.C. Turner

BA (Hons) UWA, LITTM Paris, PhD Sydney, AMusA, MACE

Term of office 1 January 2008 – 31 December 2010

Years on Council 15

Educator; currently Principal of The Geelong College. Previously Head of Senior School, Pembroke School, Adelaide; Head of Languages, Abbotsleigh Girls' School, Sydney; member of the Council of Marcus Oldham College (1996-2006); trustee of the Geelong Performing Arts Centre (1996-1999). Dr Turner has served on and chaired a number of committees for the New South Wales Board of Studies and the Association of Independent Schools. Prior to her career in teaching, she was a research scholar in French studies at the universities of Western Australia, Paris and Sydney.

A MEMBER ELECTED BY AND FROM THE PROFESSORS

Professor G. Stokes BA (Hons), DipEd Adelaide, PhD Flinders

Term of office 1 January 2008 – 31 December 2011

Years on Council 5

Currently Associate Dean (Research), Faculty of Arts and Education, and Professor of Politics in the School of International and Political Studies at Deakin University; co-editor, *Australian Journal of Political Science*. Previously Convenor of the Institute for Citizenship and Globalisation in the Faculty of Arts, Deakin University (2002-2004); senior academic positions at the University of Queensland, Griffith University, Murdoch University, Flinders University and the University of New England; former government advisor, in particular Senior Advisor to the Commonwealth Minister for Trade and Overseas Development (1990-1991). Professor Stokes' research interests include democratic theory and practice, cosmopolitanism and Australian political thought.

A MEMBER ELECTED BY AND FROM THE ACADEMIC STAFF

Mr N.T. Millen

TPTC Coburg, BA (Hons) La Trobe, MSocSci UQ

Term of office 6 February 2008 – 31 December 2011

Years on Council 5

Currently Senior Lecturer, School of History, Heritage and Society, Faculty of Arts and Education at Deakin University. Mr Millen has served on many Deakin committees, including the Academic Board, the Faculty of Arts Faculty Board, Vice-Chancellor's Staff Consultative Committee and 2003–2008 Enterprise Bargaining Implementation Committee. Mr Millen's research focus is the sociology of health and illness, with emphasis on the politicisation of illness in public health policy, and chronic illness and stigma.

A MEMBER ELECTED BY AND FROM THE GENERAL STAFF

Ms H. Keogh BEc Monash

Term of office 1 January 2009 – 31 December 2010

Years on Council 2

Currently Executive Officer for the School of Management and Marketing, Faculty of Business and Law at Deakin University. Ms Keogh has held positions in the Division of Student Administration and in the Faculty of Health, Medicine, Nursing and Behavioural Sciences. She is a member of the Association for Tertiary Education Management and National Tertiary Education Union.

MEMBERS ELECTED BY AND FROM THE STUDENTS

Ms B. Townsend BAppSc, BA (Hons)

Term of office 1 July 2010 – 31 December 2010

Years on Council .5

A graduate of Deakin University, Ms Townsend commenced her appointment following the resignation of postgraduate student, Mr Jey Thevaraj. Ms Townsend's PhD studies are in the field of politics. She has undertaken voluntary work in Nepal and Kenya, working in health promotion, community development and advocacy roles.

Ms K. Watson

Term of office 1 January 2010 – 31 December 2010

Years on Council 1

Currently a third-year Arts/Science student at Deakin University; President of the Deakin University Student Association (DUSA), with responsibility for the provision of representation and advocacy; Member, Australian Young Labor; union convenor, Young Labor left.

SENIOR OFFICERS

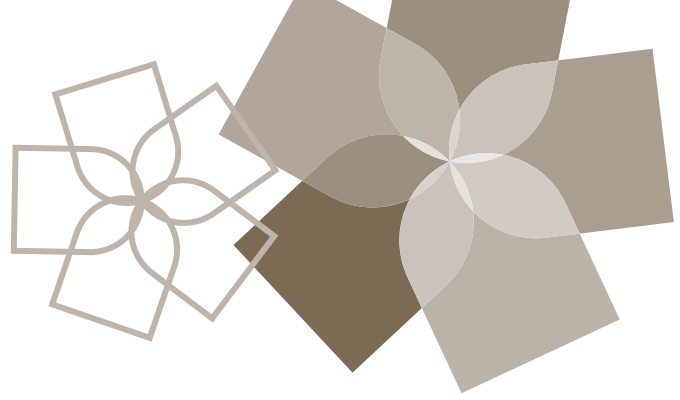
MEETINGS OF MEMBERS

The number of meetings of the Deakin University Council and of each standing committee of Council held during the year ended 31 December 2010, and the number of meetings attended by each member, were as follows:

	Council		Standing Committees of Council											
	A	B	Audit and Risk		Campus Planning		Chancellor's Advisory		Finance and Business Affairs		Legislation		University Appeals	
Number of meetings held during the year	8		4		6		6		8		4		None in 2010	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mr D. M. Morgan	8	8					6	5						
Mrs H. F. Bender	8	6					6	4	8	4	1	0		
Ms J. Bonnington	8	7	4	4					7	4				
Ms H. Buckingham	8	6			6	5								
Professor J. den Hollander	4	4					2	2	5	4	1	0		
Ms M. L. Edmond	8	8			6	5								
Professor J. H. Graffam	8	7					6	5	8	6				
Ms K. Grigg	8	7							8	7				
Mr G. Hywood	5	3									3	1		
Ms P. Kelly	8	7	4	3										
Ms H. Keogh	8	8							8	8				
Mr A. J. Kloeden	8	6							8	7				
Ms J. M. Lightowlers	7	5					6	4			4	3		
Mr P. J. Meehan	8	7	4	3										
Mr N. T. Millen	8	7												
Mr P. Niblett	8	7	4	3					8	6				
Mr J. G. Nicol	7	6					6	5	8	6				
Professor G. M. Stokes	8	8			6	6								
Mr J. Thevaraj	3	1			3	0								
Ms B. Townsend	4	4			2	1								
Dr P. C. Turner	8	4			6	6								
Professor S. A. Walker	4	4					4	4	3	2				
Ms K. Watson	8	7							8	5	4	0		
Mr G. Dennehy					6	6					4	3		
Professor P. Clarke					6	3								
Professor H. Elkadi					5	2								
Mr J. Green							1	1						
Ms G. Luck											3	3		
Assoc. Professor B. Marshall											4	3		
Dr T. Mordini							5	5			2	2		
Professor A. Rees											4	4		
Mr A. Walters									8	7				

A Meetings eligible to attend as a member

B Meetings attended as a member



PRINCIPAL ACTIVITIES

During the year the principal continuing activities of Deakin University were:

- the provision of academic and professional studies at undergraduate and postgraduate level in award and non-award courses to suitably qualified entrants
- the undertaking of research
- the provision of academic and other expertise to industry, the professions and government through professional development and continuing education programs, teaching, research and consultancies.

During the 2010 reporting period there were no significant changes in the nature of the University's continuing principal activities.

Review of Operations

A review of operations for the year 2010, of which this report forms a part, is set out on pages 13-35.

Significant changes in the state of affairs

No major changes or factors occurred during 2010 to affect the University's operational objectives for the year.

No events occurred subsequent to the balance date that could have a significant effect on the operations of subsequent years.

Significant changes in financial position for the year ended 31 December 2010

The University's reported consolidated operating surplus, after tax, was \$83.5m in 2010, compared to \$71.5m in 2009.

Total revenue for 2010 was \$676.7m, \$65.3m above 2009, attributable to:

- an increase of \$20.1m for fee paying students
- an increase of \$22.6m for Commonwealth Supported Places – Commonwealth Grant Scheme (CGS) and Higher Education Loan Programme scheme (HELP)
- an increase of \$6.4m for capital grants
- an increase of \$10.0m in income from the Australian Government under its obligations to finance unfunded liabilities of the State Superannuation Fund
- an increase of \$6.8m from investment income
- an increase of \$5.9m in research grants from Commonwealth, State Government and Industry
- an increase of \$ 2.8m in royalties received
- a reduction of \$6.2m in short courses fee income.

Total expenses were \$593.2m, \$53.3m higher than 2009, as a result of:

- an increase of \$22.7m in staff costs
- an increase of \$8.3m in buildings and grounds maintenance
- an increase of \$3.6m in depreciation and amortisation
- an increase of \$3.6m in student expenses
- a net increase of \$10.0m in deferred employee benefits for superannuation
- a reduction of \$2.9m on the loss on sale of investments.

When adjusted for major one-off items, the underlying operating surplus is \$60.2m, comparable to the figure of \$49.2m in 2009, as detailed below.

	2010 \$000's	2009 \$000's
Operating result after income tax	83.5	71.5
Major one-off items:		
Capital grants	(23.3)	(19.4)
DEEWR Undergraduate Domestic fee paying grant	-	(1.9)
Investment dividend	-	(1.0)
Underlying operating result after income tax	60.2	49.2

Balance Sheet

Total assets have increased by \$148.9m from 2009. Reflecting the solid surplus performance in 2010, cash and other financial assets were \$33.5m higher than in 2009. Receivables increased by \$25.5m largely as a result of an increase in the deferred government contribution for superannuation of \$29.7m. A combination of \$88.7m in capital expenditure and \$41.8m in asset revaluations, less depreciation and disposals totalling \$41.0m contributed to an increase of \$89.5m in capital assets including property, plant and equipment.

Total liabilities increased by \$21.7m, reflecting in particular an increase of \$29.7m in deferred superannuation benefits and a \$10.9m decrease in bank loans.

Environmental regulation

Deakin University is subject to the following environmental legislation:

- *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- *National Greenhouse and Energy Reporting Act 2007* (Cth)
- *Planning and Environment Act 1987* (Vic)
- *Environment Protection Act 1970* (Vic)
- *Water Act 1989* (Vic)
- *Water Industry Act 1994* (Vic)

The University has a number of measures in place to ensure compliance with this legislation, including an Environmental Sustainability Policy and an Environmental Management Plan.

Insurance of officers

The University maintains a comprehensive insurance program, which is renewed annually. The program includes a suite of directors' and officers' liability insurances for members of Council and directors and officers of the University, including all controlled entities of the University and the Deakin Foundation. For the 2010 year, the premium for this insurance was \$26,243.

Proceedings on behalf of Deakin University

As at 31 December 2010, Deakin University was involved in the following litigation:

GAYE ALEXANDRA LUCK -V- DEAKIN UNIVERSITY

– Proceedings in the Federal Court of Australia instituted by a former student seeking relief under the *Trade Practices Act 1974* (Cth). This proceeding has been stayed pending the outcome of the High Court application.

– Ms Luck has also initiated an application to the High Court of Australia in respect of the proceedings.

SILVIA RAMETTA -V- DEAKIN UNIVERSITY

Proceedings in the Federal Court of Australia instituted by a staff member arising from an employment dispute.

KAYE GWENDALYNE A'VARD -V- DEAKIN UNIVERSITY AND ANOR

Proceedings in the Supreme Court of Victoria instituted by a former student for damages for alleged sexual harassment.

BERNADINE MCNAMARA -V- DEAKIN UNIVERSITY

Proceedings in the Victorian Civil and Administrative Tribunal instituted by a staff member disputing the Vice-Chancellor's decision in relation to the release of documents under the Freedom of Information Act 1982.

ANNE KARATJAS -V- SPOTLESS SERVICES AUSTRALIA LTD AND DEAKIN UNIVERSITY

Proceedings in the County Court of Victoria instituted by a Spotless Services Australia Ltd employee seeking damages for personal injury.

This report is made in accordance with a resolution of the members of the Deakin University Council.



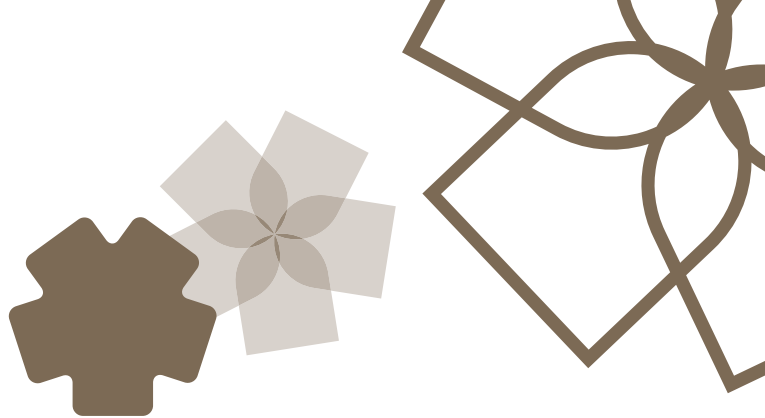
Mr David M Morgan
Chancellor

17 March, 2011

FIVE-YEAR FINANCIAL SUMMARY (CONSOLIDATED)

	2010 \$000	2009 \$000	2008 \$000	2007 \$000	2006 \$000
Operating income					
Commonwealth Government grants	236,804	209,668	187,270	170,227	166,137
HECS-HELP	110,566	102,473	99,185	80,601	76,101
State government grants	8,572	12,328	11,042	1,323	5,310
Other	320,770	286,903	259,713	208,639	200,864
Total operating income	676,712	611,372	557,210	460,790	448,412
Operating expenses	593,189	540,192	475,378	411,716	390,608
Operating result before income tax	83,523	71,180	81,832	49,074	57,804
BALANCE SHEET INFORMATION					
Current assets					
Cash assets	126,674	156,516	115,693	44,472	28,956
Receivables	49,253	53,408	44,098	31,624	31,408
Other financial assets	107,652	57,059	61,231	75,060	50,224
Deferred government contribution for superannuation	13,070	12,601	13,734	13,617	12,276
Non-current assets classified as held for sale	-	-	-	27,730	27,730
Other	464	353	416	1,479	815
	297,113	279,937	235,172	193,982	151,409
Non-current assets					
Other financial assets	85,140	72,376	50,860	2,299	1,683
Property, plant and equipment	926,523	837,009	750,265	709,563	642,082
Deferred government contribution for superannuation	180,715	151,529	130,724	133,832	147,931
Other	3,791	3,526	3,333	2,000	1,000
	1,196,169	1,064,440	935,182	847,694	792,696
Liabilities					
Payables	133,732	135,699	128,337	88,949	67,324
Borrowings	44	11,027	14,587	17,286	19,794
Provision for employee entitlements	56,093	51,124	44,841	40,435	38,465
Deferred employee benefits for superannuation	193,785	164,130	144,458	147,449	160,207
Other	0	0	70	56	21
	383,654	361,980	332,293	294,175	285,811
Net assets	1,109,628	982,397	838,061	747,501	658,294
Total equity	1,109,628	982,397	838,061	747,501	658,294

UNIVERSITY GOVERNANCE



The *Deakin University Act 1974* (Vic) (the Act), provides the legislative basis for the University and its operations.

DEAKIN UNIVERSITY COUNCIL

www.deakin.edu.au/council/

Under the Act, Council is the governing authority of the University and as such is responsible for the 'entire direction and superintendence of the University'. Council has determined the following as being its primary functions:

- strategic direction of the University
- appointment of the Vice-Chancellor and review of his or her performance
- overseeing key policies, legislation and compliance
- risk management
- control and accountability
- oversight of commercial activities and controlled entities
- academic standards
- University culture
- Council's own affairs.

COMPOSITION, MEMBERSHIP AND TERMS OF OFFICE

www.deakin.edu.au/council/members/main.php

The Act states that Deakin University Council shall consist of 21 members. As at 31 December 2010, the Council had 20 members and one vacancy.

The names, qualifications and experience of the people who held office as members of the Deakin University Council in 2010, the method of their appointment, term of office, years served on Council and attendance at meetings are set out as part of the Council Members' Report on pages 41-47.

In accordance with the Act, external members of Council are appointed for a three-year term, members of University staff who are elected members of Council are elected for a two-year term and students are elected for one-year. The Chancellor, the Vice-Chancellor and the Chair of the Academic Board are members, *ex officio*.

No elected or appointed member of Council may hold office for a period of more than 12 years (whether consecutive or not) unless Council specifically resolves 'that the person may continue to be a member beyond that period'. The Council also appoints Deputy Chancellors. Deputy Chancellors are appointed for a

period of one year and, in this capacity, they are members of the Chancellor's Advisory, Human Resources Advisory, Honorary Degrees, Nominations and Senior Salaries committees.

Appointments to membership of Council are made in accordance with processes established by Council. Elections to membership of Council are conducted in accordance with University legislation, policies and procedures as approved by Council.

A comprehensive induction program, encompassing an induction kit, information sessions and mentor support is provided to all new members of Council in accordance with a Council-approved process.

CHANCELLOR AND DEPUTY CHANCELLORS

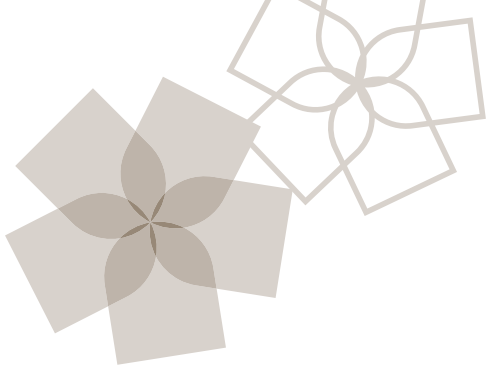
In accordance with section 16 of the Act, the Council elects or appoints the Chancellor of the University; section 17 provides for the election of Deputy Chancellors. Under Regulation 3.1(1) – The Chancellor and Deputy Chancellors, the Chancellor holds office for an initial term of not more than three years and shall be eligible for re-election for not more than two further successive three-year terms. Under the same Regulation, Deputy Chancellors hold office for a term of one year and are eligible for re-election for not more than three further successive terms, providing that any person holding office for four successive terms shall not be eligible for re-election for a period of two years after ceasing to hold the office.

The Chancellor, or in the absence of the Chancellor, a Deputy Chancellor, elected by the members present at the meeting, presides at meetings of Council.

The Chancellor and Deputy Chancellor are members, *ex officio*, of every University Faculty, board and committee that are established or constituted under the Act, or any Statute or Regulation or by resolution of Council, except that the Chancellor is not a member of a committee established to search for a Chancellor. The Chancellor may preside at any meeting of these bodies.

The Chancellor is responsible for conducting the annual review of the Vice-Chancellor's performance (taking into account advice from the relevant committee) and for reporting to Council that the review has been undertaken.

The Chancellor confers degrees of the University on Council's behalf and has authority to act on behalf of Council in relation to matters that the Chancellor's Advisory Committee (a standing committee of Council) determines cannot wait until the next meeting of Council.



THE ROLES AND RESPONSIBILITIES OF COUNCIL MEMBERS

The roles and responsibilities of Council members are established by Council in accordance with the Act. Roles and responsibilities are set out in guidelines, which include information about the legal responsibilities of Council members, their liability and indemnity, the duties of Council members as determined by Council and the responsibilities of the University in respect of Council members. These responsibilities include providing members with any legal and financial advice that may be necessary to enable them to discharge their fiduciary duties.

CONFLICTS OF INTEREST

In accordance with the Act, a member of Council must take reasonable steps to avoid all conflicts of interest. Any conflicts of interest are to be disclosed in accordance with the relevant section of the Act.

It is the responsibility of all members of Council to ensure that they comply with the Act. Guidelines are available to assist members of Council on the disclosure of potential conflicts of interest; these are approved and periodically reviewed by Council. A member of Council is obliged to declare a potential conflict of interest either before the commencement of a meeting at which a matter that the member considers may be in conflict with his or her own interests is due to be discussed or voted upon, or during the meeting, at the point at which the potential conflict of interest becomes known to the member. If the chairperson perceives a potential conflict of interest of which a member may be unaware, the chairperson raises the matter with that person.

Any declarations of conflicts of interest are recorded in the minutes of the meeting at which they arise.

Once a declaration has been made, unless Council otherwise directs, the member must not be present during any deliberation on that matter and must not vote on the matter.

All decisions made by Council regarding conflicts of interest and any actions taken as a result are fully minuted.

In addition, members are required annually to complete a written declaration of interests.

A similar system is in place for committees of Council.

COUNCIL PERFORMANCE REVIEW

Council undertakes a formal biennial review of its performance against its agreed functions and a range of other priorities and operational matters. Outcomes of the review are documented in an action plan for the forthcoming year, which is approved by Council.

Council periodically receives a report of progress until all actions have been implemented.

A review was undertaken in December 2009 and reported to Council in February 2010.

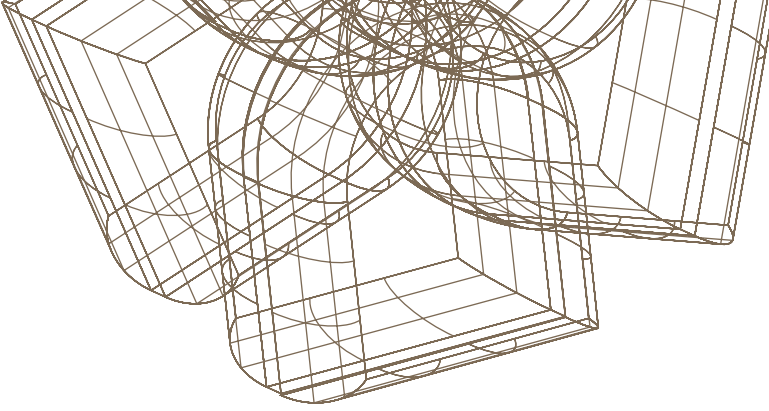
COMMITTEES OF COUNCIL

Council is assisted in the discharge of its duties by a number of standing committees and ad hoc committees. Council establishes the composition and terms of reference of each standing committee of Council, and each committee operates in accordance with a set of common operating provisions for standing committees of Council.

Each committee conducts a formal, biennial performance review against its terms of reference and other specified performance indicators, including a review of its composition and terms of reference to identify potential areas of change, with a report of the findings and recommendations submitted to Council via the Chancellor's Advisory Committee. As part of this biennial review process, the Vice-Chancellor is invited to assess the adequacy and effectiveness of the system of standing committees of Council and to report this to the Chancellor's Advisory Committee. Advice and any recommendations to Council arising from the Vice-Chancellor's assessment are then determined by that committee.

An additional annual review is undertaken by the chairperson of each standing committee to assess the extent to which the committee has worked effectively during that year. The outcome of that review is reported to Council via the Chancellor's Advisory Committee.

The obligations of each standing committee of Council (except the University Appeals Committee, which meets only as required) are set out in an annual schedule of business, in accordance with the powers and responsibilities detailed in its terms of reference. Schedules of business for standing committees of Council are established at the end of a year for the following year and reported to the last meeting of Council in each year by the Chancellor's Advisory Committee. At its last meeting in each year, each standing committee of Council (with the exception of the University Appeals Committee)



reviews the extent to which it has fulfilled the obligations set out in its schedule of business for that year. Each committee reports to Council, via the Chancellor's Advisory Committee, on the outcome of that review and on any action that arises from it as appropriate.

Items of business to be considered at any scheduled special meeting of any standing committee of Council must be listed on that committee's schedule of business for that meeting. However, additional items of business can be considered at any ordinary meeting of any standing committee of Council.

Audit and Risk Committee

The Audit and Risk Committee comprises: the Chancellor or nominee and a minimum of three and up to four members (not being staff or students of the University) appointed by Council, at least one of whom must be a person who is or has been in public accounting practice and who is a member of a professional accounting association, as well as one person who is a member of the Finance and Business Affairs Committee.

Responsibilities of the Audit and Risk Committee include providing advice to Council on the University's accounting, control and reporting practices, and the management of corporate assets and risks. The Committee also considers external and internal audit reports and reviews internal audit policy.

The Director, Internal Audit and the external co-sourcing partner both report to the Chair of the Audit and Risk Committee (for administrative purposes, they report to the Vice-Chancellor).

Members of the Audit and Risk Committee at 31 December 2010 were Mr P. Meehan (Chair), Mr P. Niblett (Deputy Chair), Ms J. Bonnington and Ms P. Kelly.

The Committee met four times during 2010.

Campus Planning Committee

The Campus Planning Committee has eight members: the Chancellor or nominee, three members of Council (two of whom are external members and one member of Council elected by the staff), the Vice-Chancellor or nominee, the Chief Operating Officer or nominee, the Chair of the Academic Board or nominee, and one elected student member of Council.

The Committee considers and makes recommendations to Council on:

- masterplans for the physical development of the University's Campuses
- whether proposed campus developments are in accordance with approved masterplans
- significant changes to the University's landholdings
- proposals for the naming of University buildings and facilities.

It also:

- advises the Vice-Chancellor on the campus planning aspects of proposals for the University's capital priorities and on proposals for the design of major new buildings
- establishes processes for the selection of architects for significant projects and, in certain cases, considers and approves recommendations for the appointment of architects or receives reports on the selection of architects.

Members of the Campus Planning Committee at 31 December 2010 were Ms M.L. Edmond (Chair), Ms H. Buckingham (Deputy Chair), Professor P.H. Clarke, Mr G. Dennehy, Professor H. Elkadi, Professor G.M. Stokes, Ms B. Townsend and Dr P.C. Turner.

The Committee met six times during 2010.

Chancellor's Advisory Committee

The Chancellor's Advisory Committee has seven members: the Chancellor, the three Deputy Chancellors, the Vice-Chancellor, the Chair of the Academic Board and the Council Secretary.

The responsibilities of the Chancellor's Advisory Committee include:

- considering matters that the Committee considers need to be dealt with before the next scheduled meeting of Council
- advising Council on proposed appointments to Council membership
- making recommendations to Council in respect of honorary awards of the University
- giving advice to Council on the maintenance and orderly review of Council operations
- advising Council on corporate governance matters
- advising Council on certain human resources matters.

The Chancellor's Advisory Committee may convene for a number of purposes and with the following membership:

Nominations Committee: The Chancellor, the three Deputy Chancellors, the Vice-Chancellor, the Chair of the Academic Board and the Council Secretary

Honorary Degrees Committee: The Chancellor, the three Deputy Chancellors, the Vice-Chancellor, the Chair of the Academic Board, the Council Secretary, the Deputy Chair of the Academic Board, another academic nominated by the Board and the professor elected to Council

Senior Salaries Committee: the Chancellor, the Deputy Chancellors and the Vice-Chancellor

Senior Salaries Subcommittee: the Chancellor and the Deputy Chancellors

Human Resources Advisory Committee: the Chancellor, the Vice-Chancellor, the Deputy Chancellors, the Chair of the Academic Board and the Director of the Human Resources Services Division.

Members of the Chancellor's Advisory Committee at 31 December 2010 were Mr D.M. Morgan (Chair), Mrs H.F. Bender, Professor J. den Hollander, Professor J. Graffam, Mr J. Green, Ms J.M. Lightowlers, and Mr J.G. Nicol.

The Committee met six times in 2010.

Finance and Business Affairs Committee

The Finance and Business Affairs Committee has 11 members: the Chancellor or nominee; five members appointed by Council (three being external members of Council and of whom one at least must have financial expertise, one a member of Council elected by staff; one a member of Council elected by students); two

members appointed by Council who are not required to be members of Council but one of whom at least must have substantial private sector financial management experience; the Vice-Chancellor or nominee; the Chief Financial Officer or nominee; and the Chair of the Academic Board or nominee. The Council Secretary and the Chief Operating Officer may attend meetings of the Finance and Business Affairs Committee with rights of audience and debate.

The responsibilities of the Finance and Business Affairs Committee include:

- advising and making recommendations to Council on matters concerning the University's consolidated finances, investments, borrowings and fixed assets, annual consideration of the University's audited financial statements, as well as its Business Plan, Capital Expenditure Plan and other associated plans
- reviewing, approving and reporting to Council on relevant policies
- reviewing the financial performance of University companies and major commercial activities
- advising Council on the University's proposed business ventures.

Members of the Committee at 31 December 2010 were Mr A.J. Kloeden (Chair), Ms H.F. Bender (Deputy Chair), Ms J. Bonnington, Professor J. den Hollander, Professor J.H. Graffam, Ms K. Grigg, Ms H.M. Keogh, Mr P. Niblett, Mr J.G. Nicol, Mr A. Walters and Ms K. Watson.

The Committee met eight times during 2010.

The Finance and Business Affairs Committee has the following subcommittees:

- the Investment Advisory Committee, which is responsible for providing advice to the Finance and Business Affairs Committee on investment policy and strategy
- the Student Loan Fund Committee, which was established pursuant to Regulation 10.1(1) and is responsible for developing policy and administering the Student Loan Fund, and reporting to the Finance and Business Affairs Committee on its administration, including the status of outstanding loans.

Legislation Committee

The Legislation Committee has eight members: the Chancellor or nominee, one external member of Council appointed by Council, the Vice-Chancellor or nominee, the Chief Operating Officer or nominee, the Chair of Academic Board or nominee, one elected student member of Council and two additional members appointed by Council.

The Committee is responsible for advising and making recommendations to Council on any matter pertaining to the Act and the University's Statutes and Regulations.

Members of the Committee at 31 December 2010 were Ms J.M. Lightowlers (Chair), Ms H. Bender, Professor J. den Hollander, Mr G. Dennehy, Associate Professor B. Marshall, Professor A. Rees and Ms K. Watson.

The Committee met four times during 2010.

University Appeals Committee

The University Appeals Committee comprises two external members of Council (one of whom is the Chair), one elected student member of Council and one other member of Council.

The Committee hears and determines appeals against findings of the University Discipline Committee in relation to matters of general misconduct by students, as well as against decisions of the Vice-Chancellor with regard to the exclusion of students for health reasons (such decisions having been made pursuant to Statute 5.6 Exclusion for Health Reasons). Each decision is reported in writing to the Academic Board. A summary report of the decisions is provided annually to Council at its final meeting in each calendar year.

Members of the Committee at 31 December 2010 were Ms J.M. Lightowlers (Chair), Ms B. Townsend, Ms H. Buckingham and one vacancy.

The Committee was not required to meet in 2010.

DEAKIN FOUNDATION

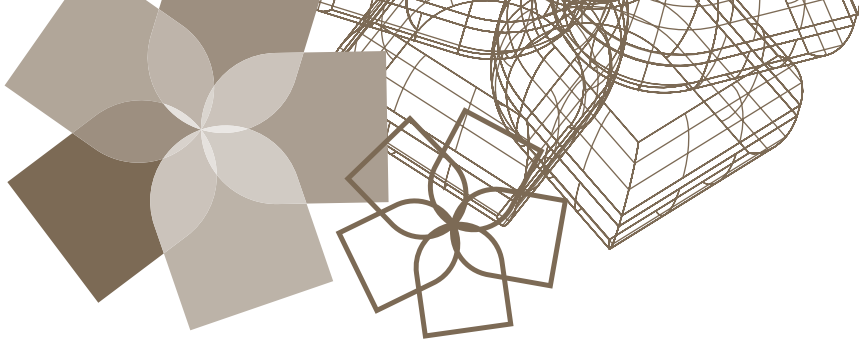
The Deakin Foundation was established in August 2008 to assist and support the achievement of the strategic goals of Deakin University through philanthropic fundraising. Deakin Foundation Limited, a company limited by guarantee, was incorporated on 21 July 2008. The primary purpose of the company is to act as trustee of the Deakin Foundation. Deakin University is the sole member of the company and the beneficiary under the Trust Deed.

The Board of the Deakin Foundation consists of a majority of independent Directors who are philanthropists with relevant skills and experience. The Board also includes members of senior staff of the University as Directors. The Chairperson is an independent Director.

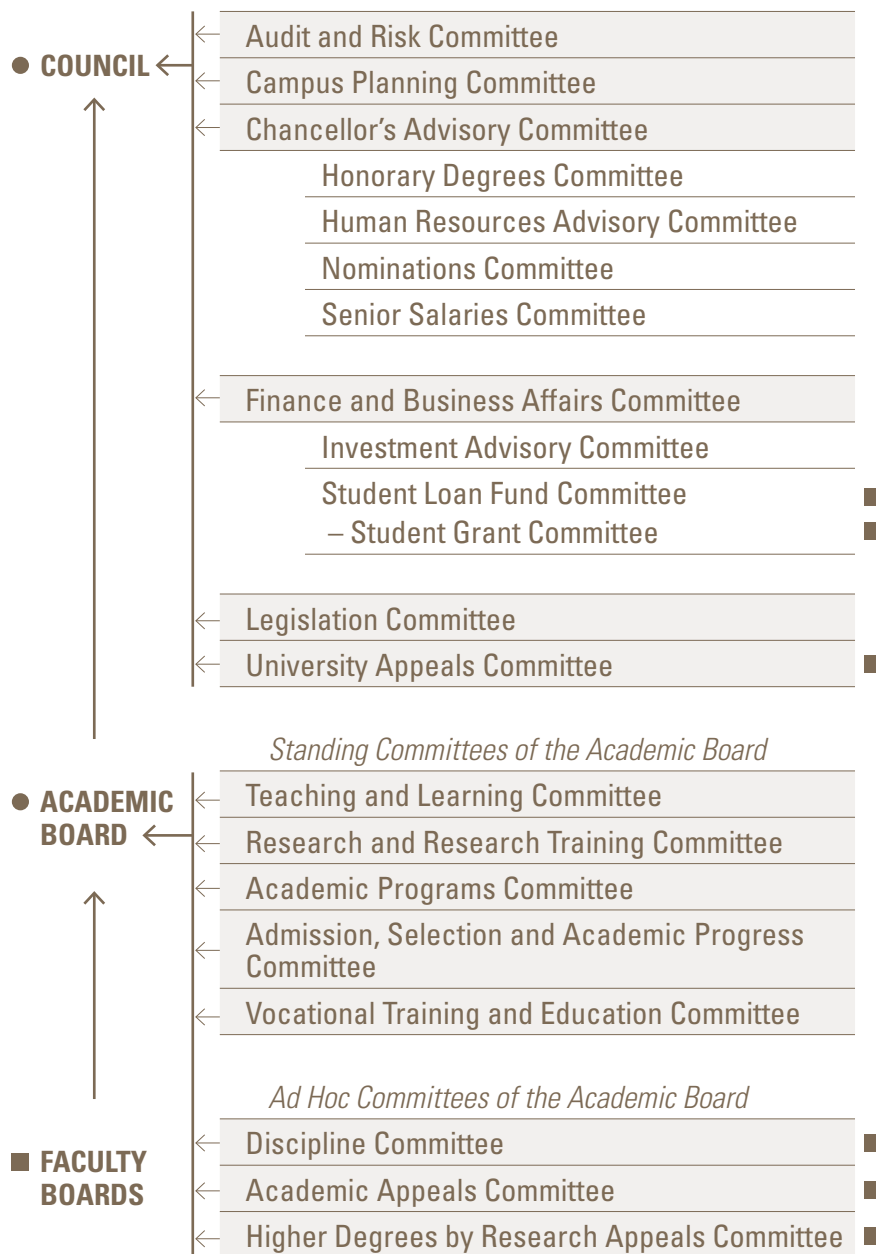
The Directors are appointed by the member or members of the company to represent the interests of the members.

Directors of the Deakin Foundation Board at 31 December 2010 were The Hon. S. Bracks (Chair), Mr A. Brookes, Ms R. Buckham, Dr F. Costa OAM, Professor J. den Hollander, Mr A. Fairley, Mr P. Handbury, Dr H. Mitchell AC, Mr D.M. Morgan, Ms K. Plant and Mr D. Somers OAM.

The Board met four times during 2010.

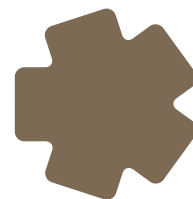


**UNIVERSITY COMMITTEE STRUCTURE
COMMITTEES REPORTING TO COUNCIL
AND THE ACADEMIC BOARD**



■ Established as required by internal legislation

● Established as required by external legislation



RISK MANAGEMENT

Deakin University is committed to managing risk effectively to minimise losses and maximise opportunities. Its risk management program reflects best practice and the Australian/New Zealand/ISO Standard on Risk Management (AS/NZS/ISO 31000).

The University's risk management framework is maintained in accordance with risk management policies and procedures and internal controls.

The risk management program is embedded in the operational activities of all areas including Faculties, Institutes and other areas, including controlled entities. Each area is required to maintain a risk register documenting risks that could have a bearing on the achievement of Deakin's strategic and operational objectives and controls and treatment plans associated with those risks. Risk registers are subject to an annual review by the Risk and Compliance Management Subcommittee of the Planning and Resources Committee to ensure that they identify and assess risks, controls are maintained and further treatments are implemented.

The risk registers are used to develop the annual insurable risk profile, which informs the placement of the University's insurance program. They contribute to the development of the Annual Internal Audit plan. Risk issues that are identified during internal or external audits and reviews are captured in the risk registers.

The key outcomes of the risk management program in 2010 included:

- inclusion of risk management accountabilities in all managerial position descriptions and Performance, Planning and Review processes
- enhancement of example risk statements and suggested controls to provide Faculties, Institutes and other areas with clear guidance regarding articulation of risks directly linked to achievement of strategic objectives
- introduction of enhanced graphical reporting methodology that demonstrates inherent, current, and optimal risk levels to enable effective monitoring of both risks and controls
- an update of the Deakin University Risk Criteria, including improved clarification and consistency in defining environmental impacts
- full alignment between Deakin's risk management framework and its insurable risk profile
- introduction of research project management templates to further embed risk management in research activities
- finalisation of the Deakin University Business Continuity Plan and collaboration and integration of disaster recovery and business continuity capabilities
- coordination of risk management benchmarking for Australasian universities
- approval of the 2010 iteration of the University Risk Register by the Audit and Risk Committee in July.

The Audit and Risk Committee monitors and reports on the assessment of the risk that arises from its controlled and associated entities. The 2010 risk assessment is detailed on pages 56 to 59.

**ATTESTATION ON COMPLIANCE WITH THE INTERNATIONAL
RISK MANAGEMENT STANDARD**

I, the Chief Financial Officer certify that Deakin University has risk management processes in place consistent with the International Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit and Risk Committee verifies this assurance and the risk profile of Deakin University has been critically reviewed within the last 12 months.



Mr A Walters
Chief Financial Officer
Deakin University
17 March, 2011

UNIVERSITY WHOLLY-OWNED CONTROLLED ENTITIES

As at December 2010 the Audit and Risk Committee made the following assessments of the level of risk associated with the University's wholly-owned controlled entities:

Entity name	Principal objects	Level of risk (very high, high, medium, low, very low)
Callista Software Services Pty Ltd	Development, maintenance and support of the Callista student administration and management system to Australian universities and TAFEs.	Low
Deakin Foundation Ltd and Deakin Foundation Trust	Provision of a focus for philanthropic giving to Deakin University.	Very low
Canopi Network Pty Ltd	Arrangement of the licensing and development of the Callista student administration and management system.	Not applicable ¹
Deakin Nominees Pty Ltd	Holding company for non-core assets (as trustee for Deakin University).	Low
Deakin Residential Services	Applications for funding for National Rental Assistance Scheme to provide residential student housing.	Very low
Unilink Limited	Provision of staffing services to Deakin University.	Very low

¹Canopi Network Pty Ltd ceased operations in 2009 and was deregistered in February 2010

UNIVERSITY 'ASSOCIATED ENTITIES' PART OWNERSHIPS OR JOINT VENTURES

As at December 2010 the Audit and Risk Committee made the following assessments of the level of risk associated with the University's associated entities:

Entity name	Principal objects	Level of risk (very high, high, medium, low, very low)
AARNet Pty Ltd (Australia's Research and Education Network)	Provision of high-capacity, cost-effective internet services (through fibre optics) to education and research communities and their partners. [Deakin University interest – shareholder]	Very low
Cooperative Research Centre for Advanced Automotive Technology (Auto CRC)	Provision of new design, engineering and manufacturing methodologies to improve manufacturing flexibility and efficiency, and development of new material systems and improved vehicle safety. [Deakin University interest – member]	Very low
Education Australia Ltd	Investment in IDP Education Ltd, which focuses on recruitment of overseas students for Australian universities [Deakin University interest – shareholder]	Very low
PowerDX Australia Pty Ltd	Commercial development of research that enables remote monitoring of electricity distribution insulators. [Deakin University interest – shareholder]	Very low
Victorian Aboriginal Education Association Incorporated (VAEAI)	To develop processes for the involvement of Victorian Koorie community members in decision making regarding education and training provision for Koorie students. [Deakin University interest – member]	Very low
Victorian Centre for Advanced Materials Manufacturing (V-CAMM) Limited	Administration of a Victorian Government STI grant jointly awarded to Deakin University, Monash University and CSIRO in 2002. Research focuses on forming and pressing technologies of light metal alloys, materials characterisation and advance materials, including environmentally friendly plastics and composites. [Deakin University interest – member]	High

Entity name	Principal objects	Level of risk (very high, high, medium, low, very low)
Victorian Education Research Network (VERNet) Pty Ltd	Design, deployment and management of an advanced optic fibre network to meet the bandwidth needs of the Victorian research and education sectors. [Deakin University interest – shareholder]	Very low
Victorian Partnership of Advanced Computing (VPAC)	Facilitation of access to high performance computing facilities provided by national and state funding through a consortium of all Victorian universities. [Deakin University interest—member]	Low
WaterEd Australia Pty Ltd	Establishment of an international centre of excellence in water resources management, training, education, research and consulting through a Commonwealth grant funded company, comprising Deakin University, University of Adelaide, Flinders University, University of South Australia, Newcastle University and Central Queensland University. [Deakin University interest – shareholder]	Low

LEGISLATIVE AND PROCEDURAL COMPLIANCE MATTERS

STATUTES

Statutes revoked, made or amended by Council during 2009 and approved by the Minister during 2010

Statute 10.1	Student Loan Fund	Made
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COMPLIANCE

Through the Vice-Chancellor, Council is responsible for ensuring that Deakin University complies with external and internal legislative requirements and with the University's own policies and procedures. The University has a compliance program which provides a compliance framework for all areas of the University and advice across the University. The Academic Board monitors compliance with academic policies and procedures.

Council is assisted in its compliance responsibilities by the Audit and Risk Committee, which reviews advice and recommendations on matters relating to the compliance program and relevant policy and procedure. An annual report on the compliance program is presented to the Committee.

From a management perspective, the Risk and Compliance Management Subcommittee of the Planning and Resources Committee reviews the effectiveness of the compliance program. The Subcommittee also makes recommendations to the Planning and Resources Committee on the continuous improvement of the program and its implementation in relation to the University's compliance procedure.

COMPLIANCE WITH THE EDUCATION SERVICES FOR OVERSEAS STUDENTS ACT 2000 (Cth) (THE ESOS ACT)

As far as Education Services for Overseas Students (ESOS) are concerned, the University has in place relevant policies, procedures and work practices to ensure that it complies with the *Education Services for Overseas Students Act 2000* (Cth) (ESOS Act) and with the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code).

The University's obligations under the ESOS Act and the National Code are included in the University's compliance program. An ESOS Consultative Group, comprising staff from all Faculties and key Divisions, meets quarterly and serves as the cross-University vehicle for continuous improvement in this area. An ESOS Reference Manual is also provided for staff. A project has been undertaken to redesign this Manual and make it available as a web resource and this is scheduled to 'go live' in February 2010. An ESOS compliance module is being developed for inclusion in the staff Online Induction Program.

These resources ensure that all Faculties, Divisions and Other Areas are aware of their responsibilities under the ESOS Act and the National Code.

Deakin University has relevant policies, procedures and work practices in place to ensure that it complies with the *Education Services for Overseas Students Act 2000* (Cth) (the ESOS Act) and with the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007 (the National Code).

COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT 1982 (VIC)

Requests for access to documents are made to the Manager, Freedom of Information, Mr. Graeme Dennehy. In 2010 the University received 12 requests for access to documents under the *Freedom of Information Act 1982*. Of these, eight were requests for personal documents and four were requests for non-personal documents. Details of the University's response to each application are as follows:

- 1 Access was denied to the documents requested pursuant to section 25A(1).
- 2 Access was denied as the documents requested do not exist or, if they existed, cannot be found.
- 3 Access was denied to the documents requested pursuant to section 25A(1).
- 4 Full access was provided to eight documents.
- 5 Partial access was provided to two documents with information about the personal affairs of individuals deleted pursuant to section 33.
- 6 Partial access was provided to 122 documents with information about the personal affairs of individuals deleted pursuant to section 33. Access to additional documents was denied pursuant to section 34 (documents relating to business, commercial or financial matters of a third party).
- 7 The application was discontinued as the applicant did not provide the required access fee.
- 8 Access was denied to the documents requested pursuant to section 30 (internal working documents), section 33 (personal privacy) and section 35 (documents

obtained in confidence). Access to additional documents was denied as the documents requested do not exist or, if they existed, cannot be found.

- 9 Partial access was provided to 12 documents with information about the personal affairs of individuals deleted pursuant to section 33. Access to additional documents was denied pursuant to section 32 (legal professional privilege).
- 10 The application was discontinued as the applicant did not provide such information as was necessary to identify the document(s) requested.
- 11 Access was denied as the documents requested do not exist or, if they existed, cannot be found.
- 12 Partial access was provided to four documents with information about the personal affairs of individuals deleted pursuant to section 33. Access to additional documents was denied pursuant to section 30 (internal working documents).

COMPLIANCE WITH NATIONAL COMPETITION POLICY AND COMPETITIVE NEUTRALITY

Deakin University has applied competitive neutrality principles in relation to relevant significant business activities, including the establishment of separate legal entities and a commercial arm, DeakinPrime. Competitive neutrality principles are applied to the pricing of tender bids, where applicable.

The University provides staff training sessions in trade practices (competition and consumer law) and competitive neutrality. An online training module is being acquired to ensure that all staff undertake training in these areas. Advice for staff is readily available from the University Solicitor's Office.

COMPLIANCE WITH THE WHISTLEBLOWERS PROTECTION ACT 2001 (VIC)

The University's procedure for reporting disclosures under the *Whistleblowers Protection Act 2001* (Vic) (the Act) is available in The Guide <http://theguide.deakin.edu.au/>.

During 2010 one protected disclosure was made to the University. The disclosure was a public interest disclosure under the Act and was investigated by the University at the request of the Ombudsman.

The disclosed matter was substantiated on investigation and disciplinary action was taken by the University

against a staff member and a student. As recommended by the Ombudsman, the University informed Victoria Police of the staff member's corrupt conduct. The recommendations contained in the investigation report, which address the integrity of academic processes, are currently being implemented.

No other disclosures under the Act were made to, or referred to, the University.

The Ombudsman's jurisdiction under the Act is distinct from the Ombudsman's general jurisdiction under the *Ombudsman Act 1973* (Vic) (see page 62, 'Complaints to the Ombudsman').

INTERNAL GRIEVANCE AND COMPLAINT PROCEDURES

The University aims to ensure that all student and staff complaints are handled in a fair, prompt and efficient manner and that the process for doing so is based on the principles of natural justice.

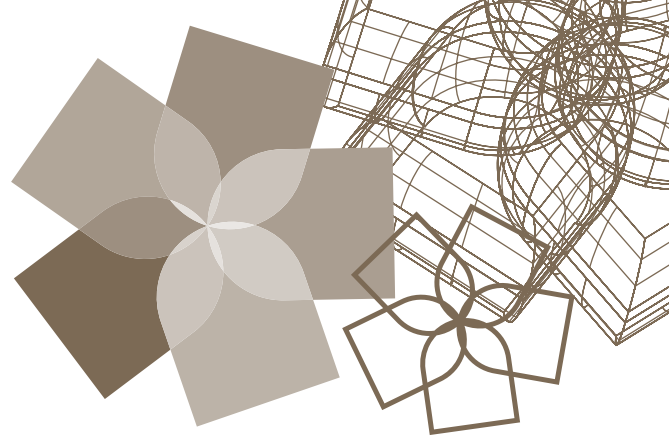
The University's Student Complaints Procedure was reviewed and amended in August 2010. This review focused on the need for a clear and concise dissemination of information along with amended lines of responsibility for complaint management.

The University also conducted a comprehensive review of the Equity and Equal Opportunity policy framework in 2010. This included the discrimination and sexual harassment complaint policies and procedures for students and staff. The new policies and procedures have now been implemented.

The Staff Complaints, Disputes and Grievances procedure, the Discrimination and Sexual Harassment Complaints by Staff Members procedure, the Discrimination and Sexual Harassment Complaints by Students procedure and the Bullying in the Workplace procedure provide avenues for grievances and complaints. There is also the protected disclosure mechanism under the *Whistleblowers Protection Act 2001* (Vic).

Further, staff can seek a review in relation to decisions on probation, job evaluation, academic staff redundancy and incremental progression. Academic staff can also request that an academic promotion outcome be reconsidered on the basis of procedural irregularity.

In 2010 there were eight complaints of discrimination and sexual harassment, five by staff and three by students. All were resolved via an informal resolution process. There were two formal bullying complaints, both by staff.



The Student Complaints operational policy sets out the key principles that underpin the University's student complaints handling processes:

- access, equity and fairness
- transparency and consistency
- timeliness and responsiveness
- no negative repercussions or disadvantage as a result of a student making a complaint in good faith
- adherence to privacy and confidentiality principles
- access to, and provision of information on review from an internal higher body, or an appropriate external agency when the student is not satisfied with the proposed outcome.

The Student Complaints procedure outlines the types of grounds for a complaint and details the complaint resolution process in terms of three stages: from early conciliation and informal resolution through to formal resolution and appeal. Timelines, record keeping requirements and avenues for appeal (including the Ombudsman) are also detailed. The Student Complaints policy and procedures are supported by student complaints registers and a student complaints website, which is maintained by the Office of the Director of the Division of Student Administration.

Complaints are categorised as Stage 1, Stage 2 and Stage 3, and as academic, administrative or equity-related.

Stage 1 and Stage 2 complaints are handled at the Faculty, School or Division level. Stage 3 complaints are those escalated to the Office of the Vice-Chancellor or the Office of the Director of the Division of Student Administration, following an unsuccessful attempt at resolution at the Faculty or Division level.

In 2010 there were 149 Stage 1 student complaints, 36 Stage 2 student complaints and 49 Stage 3 student complaints. A total of 89.75 per cent of academic and administrative complaints were resolved through communication and the provision of information. The remainder were escalated to Stages 2 and 3, and required further investigation to reach resolution.

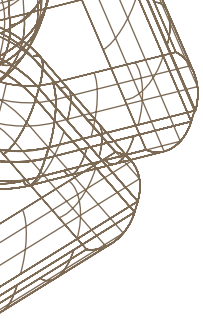
Complaints are analysed by service areas and by the Student Complaints Officer to identify any trends or areas of concern. While no trends were detected in 2010, the process for addressing complaints always provides an opportunity for service improvements and for the prevention of future problems. In 2010 there were a number of improvements that were implemented as a result of action on complaints. These included:

- improvement in communications with international students in regard to their enrolment
- improvement in communication with staff at Deakin International in regard to course and procedural updates
- the engagement of an external consultant to provide advice on Deakin's car parking administration and overall car parking strategy
- the decision to move examinations back to the Burwood Campus from the city precinct
- consideration being given to running weekend examinations to address concerns surrounding evening examinations and scheduling.

COMPLAINTS TO THE OMBUDSMAN

The *Ombudsman Act 1973* (Vic) provides that the Victorian Ombudsman may conduct an investigation as a consequence of a complaint made about the administrative action of a public statutory body, which includes a university.

In 2010 the Victorian Ombudsman's Office formally referred three student complaints to Deakin. The University was found to have acted in accordance with policy and procedure, and to have made reasonable decisions in all three cases. There were a further 15 telephone inquiries from the Ombudsman's Office in regard to student complaints that had been lodged with the office. All of these issues were resolved over the telephone, with the Ombudsman's Office satisfied that the University had adhered to policies and procedures, and that no further investigation was required.



COMPLIANCE WITH THE BUILDING ACT 1993 (VIC)

All major building works are designed to comply with the *Building Act 1993* (Vic). To ensure that new buildings and works relating to existing buildings comply with current building standards and codes, the projects are referred to an independent Building Surveyor for certification, where required.

Where required, Building Surveyors issue a Certificate of Occupancy or a Certificate of Final Inspection on completion of works.

To ensure that only registered building practitioners are engaged to carry out works for the University, Deakin checks the currency of their registration before engagement. Registration is maintained during the engagement and there have been no cases of building practitioners becoming deregistered while engaged by the University.

Works performed wholly by University staff are covered by the University's professional indemnity insurance, up to a limit of \$20m in respect of any one claim.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Consistent with the requirements of the *Financial Management Act 1994* (Vic), the following additional information is available on request, subject to the provisions of the *Freedom of Information Act 1982* (Vic):

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary or in a company with which Deakin University has significant commercial dealings
- details of publications produced by Deakin University about itself, including Annual Reports, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Deakin University
- details of any major external reviews carried out on Deakin University
- details of any major research and development activities undertaken by Deakin University
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit

- details of major promotional, public relations and marketing activities undertaken by Deakin University to develop community awareness of the University and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within Deakin University and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by Deakin University, the purposes of each committee and the extent to which the purposes have been achieved.

Enquiries regarding any of the above should be addressed to:

The Vice-Chancellor
Deakin University
Geelong Waterfront Campus
1 Gheringhap Street
Geelong Vic 3217

DETAILS AVAILABLE TO THE PUBLIC ON THE UNIVERSITY'S WEBSITE

The website can be accessed at: www.deakin.edu.au

Details available to the public regarding Deakin's activities can be accessed at: www.deakin.edu.au

Deakin University's Annual Reports can be accessed at: www.deakin.edu.au/annual-report/

**AUDITED FINANCIAL
STATEMENTS**
AS AT 31 DECEMBER 2010



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Income from continuing operations	2	676,712	611,372	665,093	603,400
Expenses from continuing operations					
Employee related expenses	2	(337,515)	(314,824)	(326,430)	(304,293)
Depreciation and amortisation expense	2	(40,123)	(36,525)	(39,844)	(36,290)
Other expenses from continuing operations	2	(215,389)	(185,401)	(215,696)	(184,669)
Finance costs	2	(162)	(3,442)	(162)	(3,442)
Operating result from continuing operations before income tax		83,523	71,180	82,961	74,706
Income tax benefit		13	346	-	-
Net operating result after income tax for the year		83,536	71,526	82,961	74,706
Gain on revaluation of land and buildings	14	41,848	58,878	41,848	58,878
Gain on revaluation of library holdings	14	-	710	-	710
Gain on revaluation of art collection	14	-	917	-	917
Increase on revaluation of investments	14	1,847	12,305	1,847	12,305
Total comprehensive income		127,231	144,336	126,656	147,516

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CURRENT ASSETS					
Cash and cash equivalents	3	126,674	156,516	126,672	156,514
Receivables	4	62,323	66,009	61,987	65,295
Inventories	5	464	353	464	353
Other financial assets	6	107,652	57,059	104,202	54,559
TOTAL CURRENT ASSETS		297,113	279,937	293,325	276,721
NON-CURRENT ASSETS					
Receivables	4	180,715	151,529	180,715	151,529
Other financial assets	6	85,140	72,376	88,140	75,376
Property, plant and equipment	7	926,523	837,009	925,836	836,075
Deferred tax assets	8	359	346	-	-
Intangible assets	9	3,432	3,180	3,432	3,180
TOTAL NON-CURRENT ASSETS		1,196,169	1,064,440	1,198,123	1,066,160
TOTAL ASSETS		1,493,282	1,344,377	1,491,448	1,342,881
CURRENT LIABILITIES					
Trade and other payables	10	132,932	134,499	135,346	136,449
Borrowings	11	10	10,984	9	10,977
Provisions - employee benefits	12	60,982	55,755	58,630	53,582
TOTAL CURRENT LIABILITIES		193,924	201,238	193,985	201,008
NON-CURRENT LIABILITIES					
Trade and other payables	10	800	1,200	800	1,200
Borrowings	11	34	43	34	43
Provisions - employee benefits	12	188,896	159,499	188,439	159,096
TOTAL NON-CURRENT LIABILITIES		189,730	160,742	189,273	160,339
TOTAL LIABILITIES		383,654	361,980	383,258	361,347
NET ASSETS		1,109,628	982,397	1,108,190	981,534
EQUITY					
Reserves	14	253,315	210,031	253,315	210,031
Retained earnings	15	856,313	772,366	854,875	771,503
TOTAL EQUITY		1,109,628	982,397	1,108,190	981,534

The above statements of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

Inflows/(outflows)	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian government grants	2.1	383,730	350,357	383,730	350,357
State government grants		8,066	12,468	8,066	12,468
HECS-HELP - student payments		11,656	12,641	11,656	12,641
Other research grants and contracts		15,407	14,427	14,082	13,057
Fees and charges		199,521	182,624	197,901	183,401
Dividends received		627	2,076	930	6,023
Interest received		17,055	9,305	16,959	9,102
Other income		37,490	35,043	25,896	23,575
Payments to employees		(333,913)	(304,374)	(323,106)	(293,668)
Payments to suppliers (inclusive of Goods and Services Tax)		(218,010)	(188,626)	(215,615)	(191,625)
Interest paid		(415)	(3,498)	(415)	(3,498)
Income tax paid		-	(70)	-	-
Goods and Services Tax recovered		13,726	9,845	13,863	10,057
Net cash provided by operating activities	16	134,940	132,218	133,947	131,890
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		1,305	1,366	1,305	1,366
Payments for property, plant and equipment		(88,680)	(63,649)	(88,643)	(63,316)
Payments for intangible assets		(1,824)	(940)	(1,824)	(940)
Payments for financial assets		(64,600)	(24,612)	(63,650)	(24,612)
Net cash outflow from investing activities		(153,799)	(87,835)	(152,812)	(87,502)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(10,977)	(3,566)	(10,977)	(3,566)
Net cash outflow from financing activities		(10,977)	(3,566)	(10,977)	(3,566)
Net increase (decrease) in cash and cash equivalents		(29,836)	40,817	(29,842)	40,822
Cash and cash equivalents at the beginning of the financial year		156,509	115,692	156,514	115,692
Cash and cash equivalents at the end of the financial year	16	126,673	156,509	126,672	156,514

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTE	2010			2009		
		Reserves \$000's	Retained Surplus \$000's	Total \$000's	Reserves \$000's	Retained Surplus \$000's	Total \$000's
CONSOLIDATED							
Total equity at the beginning of the financial year		210,031	772,366	982,397	137,017	701,044	838,061
Net operating result after income tax for the year	15	-	83,536	83,536	-	71,526	71,526
Transfers	15	(411)	411	-	204	(204)	-
Increase in Reserves	14	43,695	-	43,695	72,810	-	72,810
Total equity at the end of the financial year		253,315	856,313	1,109,628	210,031	772,366	982,397
UNIVERSITY							
Total equity at the beginning of the financial year		210,031	771,503	981,534	137,017	697,001	834,018
Net operating result after income tax for the year	15	-	82,961	82,961	-	74,706	74,706
Transfers	15	(411)	411	-	204	(204)	-
Increase in Reserves	14	43,695	-	43,695	72,810	-	72,810
Total equity at the end of the financial year		253,315	854,875	1,108,190	210,031	771,503	981,534

The above statements of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for Deakin University as the parent entity and the consolidated entity consisting of Deakin University and its subsidiaries.

Basis of Preparation

The annual financial statements represent the audited general purpose financial statements which have been prepared on an accrual basis in accordance with the *Victorian Financial Management Act 1994*, Australian Accounting Standards, AASB Interpretations and the requirements of the Department of Education, Employment and Workplace Relations (DEEWR).

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements and notes of Deakin University comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standard (IFRS) requirements.

Historical cost convention

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

New Accounting Standards and Interpretations

As at balance date, the following standards and interpretations had been issued but were not mandatory for the financial year. The University has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests that impact is insignificant. However, the entity is still assessing the detailed impact.

All amounts in the financial statements are in Australian currency and have been rounded to the nearest thousand dollars. Unless otherwise stated, the accounting policies are consistent with those of the prior year.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Deakin University as at 31 December 2010 and the results of all subsidiaries for the year then ended. A list of the subsidiaries is included in note 22. Deakin University and its subsidiaries are referred to in this financial report as the Group or the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounts of the subsidiaries are prepared for the same reporting period as the University, using consistent accounting policies.

(b) REVENUE RECOGNITION

The University recognises research income on the basis of its contractual obligations, viz; if the contract has outstanding performance obligations or the unspent funding is to be repaid at the conclusion of the contract, then the income is recognised in accordance with *AASB118 Revenue* with reference to the percentage of completion method. The stage of completion is measured by reference to total expenditure incurred to date compared with the funding provided. The University regards the receipt of such income as a reciprocal transfer as the University is required to provide the necessary services in return for research funding. A liability is recognised in the statement of financial position in respect of research income which is unearned at the balance date. *AASB118 Revenue* requires revenue to be recognised in the reporting periods in which the services are rendered.

Non-reciprocal research income, that is where approximate equal value is not directly returned to the provider of the income, is recognised when the University gains control of the income, or right to receive the income, in accordance with *AASB1004 Contributions*.

Revenue from fees and charges is recognised when earned. Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to customers (stage of completion method) or in accordance with governing contracts. Interest revenue is recognised on an accrual basis. Dividend revenue is recognised when received. Donations and bequests are recognised when received by the University.

(c) FINANCE COSTS

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include interest on bank overdraft and short-term and long-term borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.

(d) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(e) INCOME TAX

Deakin University is exempt from income tax pursuant to Division 50 of the *Income Tax Assessment Act 1997*. Deakin University subsidiaries are not exempt from income tax. Income tax expense or benefit for the period is calculated as the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Deakin University and its wholly-owned Australian subsidiaries have not implemented the tax consolidation legislation.

(f) FOREIGN CURRENCY TRANSACTIONS

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

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

(g) CASH AND CASH EQUIVALENTS

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables and other debtors are due for settlement no more than 30 days from end of month.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movements of the provision are recognised in the statement of comprehensive income.

(i) INVENTORIES

Inventories include goods and other property held for sale. Inventories are measured at the lower of cost and net realisable value.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short-term and the asset is subject to frequent changes in fair value.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

(ii) Available-for-sale financial assets

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

Unlisted equity securities are carried at cost. If the market is not active for unlisted securities, the Group establishes fair value by providing for the temporary diminution in the value of the investment based on the underlying net asset base of the security from the latest available accounts. All changes in provisions for diminution in value are taken through the statement of comprehensive income.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains or losses from investment securities. The fair values of quoted investments are based on current bid prices. If the market for a financial asset or unlisted security is not active, the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

(k) PROPERTY, PLANT AND EQUIPMENT

Land, buildings, artworks and library special collections are shown at fair value; based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserve directly in equity to the extent of the remaining reserve attributable to the class of asset; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Major depreciation periods are:

Freehold buildings	2 to 65 years
Leasehold improvements	3 to 5 years

Plant and Equipment

Computer equipment	3 to 4 years
Plant and equipment - other	3 to 10 years
Motor vehicles	6.5 to 10 years
Library holdings	10 years

The depreciation rates applied are consistent with the prior year.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

The residual value and useful life of assets are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(l) INTANGIBLE ASSETS

Intangible assets include Medical School licence fees and electronic subscription of library holdings.

Medical School licence fees are capitalised as an intangible asset and are amortised using the straight line method over six years from 2008.

Electronic publications are split into perpetual access and annual subscription based access to database licences. Perpetual access based publications are capitalised and amortised on a straight line basis over a period of 10 years. Annual subscription based publications are expensed as incurred.

(m) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) BORROWINGS

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

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(o) PROVISION - EMPLOYEE BENEFITS

Provision is made for benefits accruing to employees in respect of annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits are measured based on their expected settlement. Provisions which are expected to be settled within twelve months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions which are not expected to be settled within twelve months are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Regardless of the expected timing of settlement, 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. Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 10 years of continuous service.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

(p) DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION

AASB119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2010. As there is no net impact on the statement of financial position or statement of comprehensive income from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2010) outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial statements based on estimates prepared 6 months in arrears.

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Employment and Workplace Relations (DEEWR), the effects of the unfunded superannuation liabilities of Deakin University were recorded in the statement of comprehensive income and the statement of financial position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements. The unfunded liabilities recorded in the statement of financial position under provisions have been determined by Dr David Knox, FIAA and relate to the estimates of net liabilities at 30 June 2010. The methodology for measurement of the net liabilities uses the discount rate of 5.7% based on the government bond rate and assumed salary increases of 4%, pension indexation of 2.5%, and an assumed investment return on Fund assets of 8.0% (net of fees). An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for Deakin University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the statement of financial position under provisions, with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of Deakin University.

(q) EQUITY

Equity represents the residual interest in the net assets of the University. The State Government holds the equity interest in the University on behalf of the community. Equity consists of the Asset Revaluation Surplus, Endowment Fund Reserve and Retained Surplus.

(r) GOODS AND SERVICES TAX (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority, is included with other receivables or payables in the statement of financial position.

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

(s) ROUNDING OF AMOUNTS

Amounts in the financial report have been rounded to the nearest thousand dollars.

(t) COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2 OPERATING RESULT

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Income from continuing operations					
Australian Government financial assistance					
– Australian Government grants	2.1	236,804	209,668	236,804	209,668
– HECS-HELP - Australian Government payments	2.1	96,469	89,032	96,469	89,032
State Government financial assistance	2.2	8,572	12,328	8,572	12,328
HECS-HELP - Student payments		14,097	13,441	14,097	13,441
Fees and charges	2.3	218,309	203,522	218,309	203,522
Investment revenue	2.4	19,886	13,088	20,007	16,900
Other investment income	2.4	241	-	241	-
Royalties		14,166	11,292	14,166	11,292
Consultancy and contract research	2.5	14,764	13,719	13,535	12,450
Other revenue	2.6	23,749	25,610	13,238	15,095
Subtotal		647,057	591,700	635,438	583,728
Deferred government superannuation contributions		29,655	19,672	29,655	19,672
Total income		676,712	611,372	665,093	603,400
Expenses from continuing operations					
Employee related expenses	2.7	337,515	314,824	326,430	304,293
Depreciation and amortisation	2.8	40,123	36,525	39,844	36,290
Finance costs		162	3,442	162	3,442
Repairs and maintenance	2.9	34,352	26,031	34,264	25,955
Impairment of assets	2.10	4,227	651	4,227	651
Investment losses	2.4	32	3,045	32	3,045
Other expenses	2.11	147,123	136,002	147,518	135,346
Subtotal		563,534	520,520	552,477	509,022
Deferred employee benefits for superannuation		29,655	19,672	29,655	19,672
Total expenses		593,189	540,192	582,132	528,694
Operating result before income tax		83,523	71,180	82,961	74,706
Income tax benefit		13	346	-	-
Operating result from continuing operations		83,536	71,526	82,961	74,706

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP

NOTE	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Commonwealth Grants Scheme and Other Grants				
	154,492	139,372	154,492	139,372
	1,249	1,341	1,249	1,341
	1,768	317	1,768	317
	36	26	36	26
	150	230	150	230
	-	1,713	-	1,713
	1,044	844	1,044	844
	-	2,592	-	2,592
	2,472	2,246	2,472	2,246
	598	1,100	598	1,100
	-	841	-	841
	1,805	1,866	1,805	1,866
	12,879	12,327	12,879	12,327
24.1	176,493	164,815	176,493	164,815
Higher Education Loan Programs				
	96,469	89,032	96,469	89,032
	29,791	38,877	29,791	38,877
24.2	126,260	127,909	126,260	127,909
Scholarships				
	2,677	1,935	2,677	1,935
	14	1,757	14	1,757
	1,855	205	1,855	205
	-	1,408	-	1,408
	-	146	-	146
	106	125	106	125
	36	-	36	-
	286	280	286	280
24.3	4,974	5,856	4,974	5,856

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP [CONT]

NOTE	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
DIISR - Research				
	2,083	2,248	2,083	2,248
	9,803	9,574	9,803	9,574
	95	85	95	85
	-	233	-	233
	66	126	66	126
	4,240	4,145	4,240	4,145
	1,009	-	1,009	-
24.4	17,296	16,411	17,296	16,411
Other Capital Funding				
	6,525	6,689	6,525	6,689
	9,405	512	9,405	512
	904	-	904	-
24.7	16,834	7,201	16,834	7,201
Total DEEWR				
	341,857	322,192	341,857	322,192
Australian Research Council Discovery				
	2,112	1,950	2,112	1,950
	443	385	443	385
24.5	2,555	2,335	2,555	2,335
Linkages				
	-	30	-	30
	1,000	-	1,000	-
	2,526	1,727	2,526	1,727
24.6	3,526	1,757	3,526	1,757
Other Australian Government financial assistance				
	15,126	11,293	15,126	11,293
Other Australian Government financial assistance				
	15,126	11,293	15,126	11,293
Total Australian Government financial assistance				
	363,064	337,577	363,064	337,577

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP [CONT]

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Reconciliation					
Australian Government grants	2	236,804	209,668	236,804	209,668
HECS-HELP - Australian Government payments	2	96,469	89,032	96,469	89,032
Total Income		333,273	298,700	333,273	298,700
Other Australian Government loan programs (FEE - HELP)	4	29,791	38,877	29,791	38,877
Total Australian Government financial assistance		363,064	337,577	363,064	337,577
Australian Government grants received - cash basis					
Commonwealth Grants Scheme and other DEEWR grants	24.1	185,728	165,969	185,728	165,969
Higher Education Loan Programs	24.2	133,092	131,960	133,092	131,960
Scholarships	24.3	4,974	5,856	4,974	5,856
DIISR research	24.4	17,296	16,411	17,296	16,411
Other Capital Funding	24.7	17,437	-	17,437	-
ARC grants - Discovery	24.5	2,555	2,335	2,555	2,335
ARC grants - Linkages	24.6	3,526	1,757	3,526	1,757
Other Australian Government grants		19,071	26,149	19,071	26,149
Total Australian Government grants received - cash basis		383,679	350,437	383,679	350,437
OS-HELP (net)		51	(80)	51	(80)
Total Australian Government funding received - cash basis		383,730	350,357	383,730	350,357

2.2 STATE GOVERNMENT FINANCIAL ASSISTANCE

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
State Government grants were received from the following agencies during the reporting period:					
Catchment Management Authority		134	139	134	139
Department of Education and Early Childhood Development		1,765	1,078	1,765	1,078
Department of Innovation, Industry and Regional Development		2,389	6,749	2,389	6,749
Department of Justice		13	35	13	35
Department of Primary Industries		164	228	164	228
Department of Human Services		781	1,004	781	1,004
Department of Police and Emergency - Tasmania		95	95	95	95
Department of Sustainability and Environment		541	210	541	210
Department of Health - Western Australia		10	117	10	117
Beyond Blue		129	355	129	355
Country Fire Authority		89	174	89	174
Barwon Health		-	267	-	267
Department of Ageing, Disability and Home Care, NSW		106	-	106	-
Melbourne Water		98	-	98	-
Parks Victoria		86	99	86	99
South East Water		40	169	40	169
South Health		-	69	-	69
Vic Health		1,108	1,349	1,108	1,349
Victoria Police		66	133	66	133
Western District Health Service		177	-	177	-
Other		276	198	276	198
Income in advance		505	(140)	505	(140)
Total State Government financial assistance	2	8,572	12,328	8,572	12,328

2.3 FEES AND CHARGES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Course fees and charges					
Fee-paying overseas students		131,030	110,597	131,030	110,597
Fee-paying domestic undergraduate students		6,834	12,167	6,834	12,167
Fee-paying domestic postgraduate students		38,064	33,988	38,064	33,988
Fee-paying domestic non-award students		10,853	9,957	10,853	9,957
		186,781	166,709	186,781	166,709
Other non-course fees and charges					
Student accommodation fees		7,431	6,906	7,431	6,906
Rental income		1,961	1,768	1,961	1,768
Educational materials fees		4,225	6,393	4,225	6,393
Examination fees		6,937	8,082	6,937	8,082
Course delivery fees		3,076	5,641	3,076	5,641
Parking fees		2,966	2,737	2,966	2,737
Other fees		4,932	5,286	4,932	5,286
		31,528	36,813	31,528	36,813
Total fees and charges	2	218,309	203,522	218,309	203,522

2.4 INVESTMENT REVENUE AND INCOME

Interest and distributions from managed funds		18,830	10,407	18,648	10,272
Dividends		627	2,076	930	6,023
Change in fair value of financial assets designated at fair value through profit or loss	6	429	605	429	605
Investment revenue	2	19,886	13,088	20,007	16,900
Profit on sale of financial assets available for sale		241	-	241	-
Other investment income	2	241	-	241	-
Provision for diminution in value of financial assets available for sale - unlisted equity securities	6	32	114	32	114
Loss on sale of financial assets at fair value through profit and loss		-	2,931	-	2,931
Other investment losses	2	32	3,045	32	3,045
Net investment income		20,095	10,043	20,216	13,855

2.5 CONSULTANCY AND CONTRACT RESEARCH

Consultancy		2,161	2,369	932	1,100
Research		12,603	11,350	12,603	11,350
Total consultancy and contract research	2	14,764	13,719	13,535	12,450

2.6 OTHER REVENUE

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Sales and commercial income		17,410	18,175	6,923	7,684
Donations and bequests		207	860	207	860
Scholarship and prizes		319	391	319	391
Subscriptions		18	38	18	38
Training and conference income		524	759	517	752
Other		5,271	5,387	5,254	5,370
Total other revenue	2	23,749	25,610	13,238	15,095

2.7 EMPLOYEE RELATED EXPENSES

Academic					
Salaries		122,230	117,145	122,230	117,145
Contributions to superannuation and pension schemes:					
- Emerging cost		6,476	6,332	6,476	6,332
- Funded		18,330	16,841	18,330	16,841
- Non-funded		15	11	15	11
Payroll tax		6,407	6,168	6,407	6,168
Workers compensation		790	768	790	768
Long service leave		2,709	3,784	2,709	3,784
Annual leave		1,285	935	1,285	935
Other		3,137	1,943	3,137	1,943
		161,379	153,927	161,379	153,927
Non-academic					
Salaries		129,606	118,717	120,092	109,727
Contributions to superannuation and pension schemes:					
- Emerging cost		6,363	5,932	6,363	5,932
- Funded		18,724	17,170	17,885	16,391
- Non-funded		15	10	15	10
Payroll tax		7,004	6,533	6,518	6,084
Workers compensation		668	629	638	602
Long service leave		3,010	3,645	2,805	3,506
Annual leave		1,251	943	1,299	876
Other		9,495	7,318	9,436	7,238
		176,136	160,897	165,051	150,366
Total academic and non-academic employee related expenses	2	337,515	314,824	326,430	304,293
Deferred Government employee benefits for superannuation		29,655	19,672	29,655	19,672
Total employee related expenses		367,170	334,496	356,085	323,965

2.8 DEPRECIATION AND AMORTISATION

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Depreciation					
Buildings		14,377	13,815	14,377	13,815
Leasehold improvements		79	79	-	-
Equipment and furniture		18,330	13,575	18,130	13,419
Motor vehicles		1,511	1,354	1,511	1,354
Library holdings		5,054	7,008	5,054	7,008
		39,351	35,831	39,072	35,596
Amortisation					
Amortisation - intangible assets		772	694	772	694
		772	694	772	694
Total depreciation and amortisation	2	40,123	36,525	39,844	36,290

2.9 REPAIRS AND MAINTENANCE

Buildings and grounds - maintenance and repairs		9,069	8,095	9,069	8,095
Buildings and grounds - refurbishment and alterations		22,131	15,139	22,060	15,070
Equipment - maintenance and repairs		2,870	2,556	2,856	2,550
Motor vehicles - maintenance and repairs		282	241	279	240
Total repairs and maintenance	2	34,352	26,031	34,264	25,955

2.10 IMPAIRMENT OF ASSETS

Movement in provision for impaired receivables		499	651	499	651
Impairment of financial asset available for sale		3,728	-	3,728	-
Total impairment of assets	2	4,227	651	4,227	651

2.11 OTHER EXPENSES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Advertising, marketing and promotional expenses		15,179	15,615	15,152	15,546
Communication costs		4,350	4,822	4,077	4,631
Consultants and contractors		4,800	5,494	4,402	5,183
Contributions to learning institutions		4,136	2,596	4,136	2,596
Copying, printing, stationery and consumables		8,567	7,554	8,548	7,522
Course materials		402	470	402	470
Direct project costs		6,042	7,352	6,042	7,352
Equipment costs		6,935	6,904	6,761	6,599
Library expenses		7,170	6,728	7,167	6,725
Loss on disposed property, plant and equipment		367	233	363	232
Non-capitalised equipment		4,790	4,404	4,782	4,389
Operating lease rentals		7,570	7,425	7,147	6,997
Rates and energy costs		5,359	4,602	5,325	4,571
Scholarships, grants and prizes		19,656	16,519	19,656	16,519
Staffing and related costs		18,640	17,571	17,865	16,939
Student expenses		20,750	17,154	20,750	17,154
Other		12,410	10,559	14,943	11,921
Total other expenses	2	147,123	136,002	147,518	135,346

3 CASH AND CASH EQUIVALENTS

Cash at bank		8,069	7,421	8,068	7,420
Cash on hand		52	51	51	50
Bank deposits - on call		2,553	44	2,553	44
Bank term deposits		116,000	149,000	116,000	149,000
	23	126,674	156,516	126,672	156,514

4 RECEIVABLES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CURRENT					
Student fees		12,853	9,827	12,853	9,827
Provision for impaired receivables		(635)	(635)	(635)	(635)
		12,218	9,192	12,218	9,192
Trade debtors - other		12,279	9,997	11,957	9,150
Provision for impaired receivables		(182)	(188)	(182)	(188)
		12,097	9,809	11,775	8,962
		24,315	19,001	23,993	18,154
Government grants receivable	2.1	8,044	19,718	8,044	19,718
Deferred government contribution for superannuation	17	13,070	12,601	13,070	12,601
Accrued income		4,831	2,866	4,680	2,801
Prepayments		8,137	8,151	8,306	8,325
GST recoverable		3,926	3,672	3,894	3,696
		62,323	66,009	61,987	65,295
NON-CURRENT					
Deferred government contribution for superannuation	17	180,715	151,529	180,715	151,529
		180,715	151,529	180,715	151,529
		243,038	217,538	242,702	216,824

IMPAIRED RECEIVABLES,

As at 31 December 2010, current receivables of the Group with a nominal value of \$817k (2009: \$823k) were impaired. The amount of the provision was \$817k (2009: \$823k). The individually impaired receivables relate to students and trade debtors who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	CONSOLIDATED	
	2010 \$000's	2009 \$000's
2 to 6 months	119	64
Over 6 months	698	759
	817	823

As at 31 December 2010, trade receivables of \$4,156k (2009: \$986k) were past due but not impaired. These relate to a number of trade debtors for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	CONSOLIDATED	
	2010 \$000's	2009 \$000's
1 to 3 months	1,596	844
3 to 6 months	2,560	142
	4,156	986

4 RECEIVABLES [CONT]

MOVEMENTS IN THE PROVISION FOR IMPAIRED RECEIVABLES

	CONSOLIDATED	
	2010 \$000's	2009 \$000's
At 1 January	823	796
Provision for impairment recognised during the year	499	652
Receivables written off during the year as uncollectible	(505)	(625)
At 31 December	817	823

The creation and release of the provision for impaired receivables has been included in 'Impairment of Assets' in the statement of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

FAIR VALUES AND CREDIT RISK

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value. The fair values and carrying values of non-current receivables of Deakin University and its subsidiaries are as follows:

	CARRYING AMOUNT		FAIR VALUE	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Deferred government contribution for superannuation	180,715	151,529	180,715	151,529
	180,715	151,529	180,715	151,529

Deferred government contribution for superannuation is offset by a liability to the Victorian Government of equal value. Refer Note 17.

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to Note 23 for more information on the Financial risk management approach of the University.

5 INVENTORIES

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Stock on hand at cost	230	178	230	178
Land held for resale	161	161	161	161
Work in progress - projects	73	14	73	14
	464	353	464	353

6 OTHER FINANCIAL ASSETS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CURRENT					
<i>Financial assets at fair value through profit or loss</i>					
Managed funds - fixed interest, Australian listed and global equities		11,430	42,739	11,430	42,739
Australian listed equities		772	820	772	820
<i>Financial assets held-to-maturity</i>					
Term deposit		95,450	13,500	92,000	11,000
	23	107,652	57,059	104,202	54,559
Changes in fair value of current other financial assets at market value are taken through the statement of comprehensive income and are recorded in unrealised gain or loss on other financial assets in the statement of comprehensive income (refer Note 2.4).					
NON-CURRENT					
<i>Financial assets available for sale</i>					
Managed funds - fixed interest, Australian listed and global equities		82,842	70,078	82,842	70,078
Shares in subsidiaries - at cost	22	-	-	11,000	11,000
Provision for diminution in value of investments in subsidiaries		-	-	(8,000)	(8,000)
Unlisted equity securities - at cost		3,034	3,002	3,034	3,002
Provision for diminution in value of unlisted equity securities		(736)	(704)	(736)	(704)
		85,140	72,376	88,140	75,376
		192,792	129,435	192,342	129,935

Shares in subsidiaries are valued at their current net worth by providing for the temporary diminution in the value of the investment. Unlisted equity securities are carried at cost. Where there has been a temporary diminution in the value of the investment, a provision for diminution is made based on the underlying net asset base of the security from the latest available accounts. All changes in provisions for diminution in value are taken through the statement of comprehensive income (refer Note 2.4).

7 PROPERTY, PLANT AND EQUIPMENT

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
LAND					
At independent valuation 2010	7(a)	128,855	-	128,855	-
At independent valuation 2009		-	120,175	-	120,175
At cost		223	15	223	15
		129,078	120,190	129,078	120,190
BUILDINGS					
At independent valuation 2010	7(a)/(d)	608,428	-	608,428	-
At independent valuation 2009		-	567,158	-	567,158
At cost		2,394	4,505	2,394	4,505
Accumulated depreciation		(1)	(1,632)	(1)	(1,632)
		610,821	570,031	610,821	570,031
CONSTRUCTION IN PROGRESS					
Construction in progress		48,332	34,414	48,332	34,414
LEASEHOLD IMPROVEMENTS					
At cost		9,069	3,340	8,680	2,951
Accumulated amortisation		(3,129)	(3,051)	(2,951)	(2,951)
		5,940	289	5,729	-
PLANT AND EQUIPMENT					
At cost		184,196	146,237	183,259	145,319
Accumulated depreciation		(87,310)	(73,128)	(86,849)	(72,855)
		96,886	73,109	96,410	72,464
MOTOR VEHICLES					
At cost		9,199	9,117	9,199	9,117
Accumulated depreciation		(3,017)	(2,690)	(3,017)	(2,690)
		6,182	6,427	6,182	6,427
LIBRARY HOLDINGS					
At cost		70,033	69,851	70,033	69,851
At independent valuation 2009	7(b)	5,715	5,715	5,715	5,715
Accumulated depreciation		(54,307)	(50,613)	(54,307)	(50,613)
		21,441	24,953	21,441	24,953
ART COLLECTION					
At independent valuation 2009	7(c)	7,483	7,483	7,483	7,483
At cost		360	113	360	113
		7,843	7,596	7,843	7,596
		926,523	837,009	925,836	836,075

7 PROPERTY, PLANT AND EQUIPMENT [CONT]

(a) The land and buildings were valued by Cunningham Property Consultants (Property Consultants and Valuers) at 31 December 2010. In completing the valuation of property and assets of Deakin University, the following valuation model has been adopted:-

(i) Core Assets - specialised assets comprising purpose-built educational buildings have an estimated fair value derived from the depreciated replaced cost approach.

(ii) Non-Core Assets - comprising non-purpose built buildings have an estimated fair value derived from market based evidence.

(b) The special collections of the Library holdings were valued by John Sainsbury and Michael Stone, members of the antiquarian book trade and accredited valuers, and were assessed as at 20 November 2009 based on the guidelines set out in the Department of Treasury and Finance document *Victorian Government Policy: Revaluation of Non-Current Physical Assets (March 2009)*.

The Library's special collections are classified as a cultural asset and have been assessed on the fair value basis, as reflected by market evidence. This can be determined using the current market buying price.

These valuations are in accordance with the University's policy of obtaining an independent valuation of non-current assets every three years or if there is a material movement in their values.

(c) The art collection was valued by McWilliam & Associates Pty Ltd as at 30 June 2009. The valuation was carried out on the basis of replacement value.

(d) A building (under Certificate of Title Volume 9145 Folio 537) with a carrying amount of \$105,000, is pledged to secure mortgage monies advanced by the Australian Government for the childcare centre at the Warrnambool Campus.

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year \$000's	Additions \$000's	Disposals \$000's	Depreciation expense \$000's	Revaluation/transfers \$000's	Carrying amount at end of year \$000's
2010						
Consolidated						
Land	120,190	451	-	-	8,437	129,078
Buildings	570,031	1,602	-	14,377	53,565	610,821
Construction in progress	34,414	61,542	-	-	(47,624)	48,332
Leasehold improvements	289	5,730	-	79	-	5,940
Plant and Equipment	73,109	14,684	47	18,330	27,470	96,886
Motor vehicles	6,427	2,489	1,223	1,511	-	6,182
Library holdings	24,953	1,945	403	5,054	-	21,441
Artworks	7,596	247	-	-	-	7,843
	837,009	88,690	1,673	39,351	41,848	926,523
University						
Land	120,190	451	-	-	8,437	129,078
Buildings	570,031	1,602	-	14,377	53,565	610,821
Construction in progress	34,414	61,542	-	-	(47,624)	48,332
Leasehold improvements	-	5,729	-	-	-	5,729
Plant and Equipment	72,464	14,648	42	18,130	27,470	96,410
Motor vehicles	6,427	2,489	1,223	1,511	-	6,182
Library holdings	24,953	1,945	403	5,054	-	21,441
Artworks	7,596	247	-	-	-	7,843
	836,075	88,653	1,668	39,072	41,848	925,836

7 PROPERTY, PLANT AND EQUIPMENT [CONT]

MOVEMENTS IN CARRYING AMOUNTS [CONT]

	Balance at beginning of year \$000's	Additions \$000's	Disposals \$000's	Depreciation expense \$000's	Revaluation/transfers \$000's	Carrying amount at end of year \$000's
2009						
Consolidated						
Land	104,852	15	-	-	15,323	120,190
Buildings	543,158	15	46	13,815	40,719	570,031
Construction in progress	8,572	43,729	-	-	(17,887)	34,414
Leasehold improvements	359	9	-	79	-	289
Plant and Equipment	51,625	14,940	258	13,575	20,377	73,109
Motor vehicles	6,377	2,664	1,260	1,354	-	6,427
Library holdings	28,763	2,523	35	7,008	710	24,953
Artworks	6,559	121	1	-	917	7,596
	750,265	64,016	1,600	35,831	60,159	837,009
University						
Land	104,852	15	-	-	15,323	120,190
Buildings	543,158	15	46	13,815	40,719	570,031
Construction in progress	8,572	43,729	-	-	(17,887)	34,414
Plant and Equipment	51,147	14,616	257	13,419	20,377	72,464
Motor vehicles	6,377	2,664	1,260	1,354	-	6,427
Library holdings	28,763	2,523	35	7,008	710	24,953
Artworks	6,559	121	1	-	917	7,596
	749,428	63,683	1,599	35,596	60,159	836,075

8 DEFERRED TAX ASSETS

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Deferred tax asset	359	346	-	-

Deferred tax asset was recognised for the first time in 2009.

9 INTANGIBLE ASSETS

	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Licence fees	4,000	4,000	4,000	4,000
Accumulated amortisation	(2,000)	(1,333)	(2,000)	(1,333)
	2,000	2,667	2,000	2,667
Electronic publications	1,564	540	1,564	540
Accumulated amortisation	(132)	(27)	(132)	(27)
	1,432	513	1,432	513
	3,432	3,180	3,432	3,180

9 INTANGIBLE ASSETS [CONT]

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year \$000's	Additions \$000's	Amortisation expense \$000's	Carrying amount at end of year \$000's
2010				
Consolidated				
Licence fees	2,667	-	667	2,000
Electronic publications	513	1,024	105	1,432
	3,180	1,024	772	3,432
University				
Licence fees	2,667	-	667	2,000
Electronic publications	513	1,024	105	1,432
	3,180	1,024	772	3,432
2009				
Consolidated				
Licence fees	3,333	-	666	2,667
Electronic publications	-	540	27	513
	3,333	540	693	3,180
University				
Licence fees	3,333	-	666	2,667
Electronic publications	-	540	27	513
	3,333	540	693	3,180

10 TRADE AND OTHER PAYABLES

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CURRENT					
Creditors and accrued expenses		43,655	57,471	43,222	57,012
Australian Government unspent financial assistance	2.1	34,749	29,730	34,749	29,730
OS-HELP liability to Australian Government		73	22	73	22
Income received in advance		54,455	47,276	50,805	44,606
Owing to subsidiaries		-	-	6,497	5,079
		132,932	134,499	135,346	136,449
NON-CURRENT					
Creditors and accrued expenses		800	1,200	800	1,200
	23	133,732	135,699	136,146	137,649

11 BORROWINGS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CURRENT					
Unsecured borrowings					
- Bank overdraft	23	1	7	-	-
- Bank loans	23	-	10,968	-	10,968
Secured by mortgage					
- Other	23	9	9	9	9
		10	10,984	9	10,977
NON-CURRENT					
Secured by mortgage					
- Other	23	34	43	34	43
		44	11,027	43	11,020
Maturity analysis					
6 months or less		6	10,980	5	10,973
6 - 12 months		4	4	4	4
2 - 5 years		34	34	34	34
over 5 years		-	9	-	9
		44	11,027	43	11,020
Financing arrangements					
Bank loan facilities					
Total facilities		-	10,968	-	10,968
Used at balance date		-	10,968	-	10,968
Unused at balance date		-	-	-	-

Assets pledged as security

A building (under Certificate of Title Volume 9145 Folio 537) is pledged to secure mortgage monies of \$43,000 (2009: \$52,000) advanced by the Australian Government for the childcare centre at the Warrnambool campus.

12 PROVISIONS - EMPLOYEE BENEFITS

	NOTE	CONSOLIDATED		UNIVERSITY	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
CURRENT					
Current provisions expected to be settled within 12 months					
- Annual leave		21,033	18,497	19,924	17,340
- Long service leave		10,643	10,151	9,783	9,485
- Deferred employee benefits for superannuation	17	13,070	12,601	13,070	12,601
		44,746	41,249	42,777	39,426
Current provisions expected to be settled after more than 12 months					
Long service leave		16,236	14,506	15,853	14,156
		16,236	14,506	15,853	14,156
		60,982	55,755	58,630	53,582
NON-CURRENT					
- Long service leave		7,908	7,713	7,451	7,310
- Deferred employee benefits for superannuation	17	180,715	151,529	180,715	151,529
- Unfunded superannuation liability - State Employees Retirement Benefit (SERB)		273	257	273	257
		188,896	159,499	188,439	159,096
		249,878	215,254	247,069	212,678

Movements in provisions - consolidated	ANNUAL LEAVE		LONG SERVICE LEAVE	
	Current \$000's	Non - Current \$000's	Current \$000's	Non - Current \$000's
Carrying amount at start of year	18,497	-	24,657	7,713
Additional provisions recognised	2,536	-	2,222	195
Carrying amount at end of year	21,033	-	26,879	7,908

	DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION		UNFUNDED SUPER - SERB
	Current \$000's	Non - Current \$000's	Non - Current \$000's
Carrying amount at start of year	12,601	151,529	257
Additional provisions recognised	469	29,186	16
Carrying amount at end of year	13,070	180,715	273

12 PROVISIONS - EMPLOYEE BENEFITS [CONT]

Annual Leave and Long Service Leave

All annual leave and unconditional vested long service leave (representing 7+ years of continuous service) is:

- (i) disclosed in accordance with *AASB101* as a current liability even where it is not expected to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;
- (ii) measured at:
 - nominal value under *AASB119* where a component of this current liability is expected to fall due within 12 months after the end of the period; and
 - present value under *AASB119* where Deakin University and its subsidiaries do not expect to settle a component of this current liability within 12 months.

Long service leave representing less than 7 years of continuous service is:

- (i) disclosed in accordance with *AASB101* as a non-current liability; and
- (ii) measured at present value under *AASB119* as the entity does not expect to settle this non-current liability within 12 months.

The following rates per note 1(o) have been used to discount long service leave entitlements:

	Service Year	2010 %	2009 %
Wage inflation rate		4.48	4.45
Discount rates	17+	-	-
	16	4.94	4.22
	15	5.10	4.41
	14	5.23	4.67
	13	5.32	5.00
	12	5.40	5.17
	11	5.42	5.29
	10	5.48	5.52
	9	5.50	5.52
	8	5.51	5.65
	7	5.55	5.65
	6	5.59	5.73
	0-5	5.59	5.78

13 CURRENT TAX LIABILITIES

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Provision for income tax	-	-	-	-

14 RESERVES

Balance at beginning of year	210,031	137,017	210,031	137,017
Asset revaluation surplus				
Increase/(decrease) in asset valuation of non-current assets are:				
- Land	4,334	15,323	4,334	15,323
- Buildings	37,514	43,555	37,514	43,555
- Library holdings	-	710	-	710
- Art collection	-	917	-	917
Investments - available for sale financial assets	1,847	12,305	1,847	12,305
Endowment fund reserve	(411)	204	(411)	204
	253,315	210,031	253,315	210,031

The endowment fund reserve is funded by donations from external organisations. The purpose of the reserve is to provide awards, research and course scholarships, bursaries and prizes to students.

14 RESERVES [CONT]

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year \$000's	Transfer to retained earnings \$000's	Transfer to Comprehensive Income \$000's	Increase/ (decrease) on revaluation \$000's	Carrying amount at end of year \$000's
Consolidated					
Asset Revaluation Surplus					
- Land	73,201	-	-	4,334	77,535
- Buildings	127,175	-	-	37,514	164,689
- Library holdings	710	-	-	-	710
- Artworks	1,411	-	-	-	1,411
Investments - available for sale financial assets	1,102	-	3,487	(1,640)	2,949
Endowment Fund Reserve	6,432	(411)	-	-	6,021
	210,031	(411)	3,487	40,208	253,315
University					
Asset Revaluation Surplus					
- Land	73,201	-	-	4,334	77,535
- Buildings	127,175	-	-	37,514	164,689
- Library holdings	710	-	-	-	710
- Artworks	1,411	-	-	-	1,411
Investments - available for sale financial assets	1,102	-	3,487	(1,640)	2,949
Endowment Fund Reserve	6,432	(411)	-	-	6,021
	210,031	(411)	3,487	40,208	253,315

15 RETAINED SURPLUS

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Retained earnings at beginning of year	772,366	701,044	771,503	697,001
Net operating result after income tax for the year	83,536	71,526	82,961	74,706
Transfer from (to) Reserves	411	(204)	411	(204)
Retained earnings at end of year	856,313	772,366	854,875	771,503

16 CASH FLOW STATEMENT

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
RECONCILIATION OF CASH				
Cash at bank and on hand	8,121	7,472	8,119	7,470
Bank deposits - on call	2,553	44	2,553	44
Bank term deposits	116,000	149,000	116,000	149,000
Total Cash and Cash Equivalents	126,674	156,516	126,672	156,514
Bank overdraft	(1)	(7)	-	-
Balance as per Statement of Cash Flows	126,673	156,509	126,672	156,514
RECONCILIATION OF OPERATING RESULT TO NET CASH				
INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES				
Net operating result after income tax for the year	83,536	71,526	82,961	74,706
Add non-cash items				
Depreciation and amortisation	40,123	36,525	39,844	36,290
Donations for art works	(6)	(21)	(6)	(21)
Fair value loss/(gains) on other financial assets	3,299	(605)	3,299	(605)
<i>Less items classified as investing activities</i>				
Loss/(profit) on disposal of property, plant and equipment	367	233	363	232
Provision for diminution of other financial assets	32	114	32	114
Loss/(profit) on sale of other financial assets	(241)	2,931	(241)	2,931
Decrease/(increase) in:				
Current assets				
Trade debtors	(5,314)	(3,922)	(5,839)	(4,249)
Government grants receivable	11,674	11,904	11,674	11,904
Accrued income	(1,965)	(1,608)	(1,879)	(1,676)
Prepayments	14	1,745	19	1,619
GST recoverable	(254)	(296)	(198)	(248)
Inventories	(111)	63	(111)	63
Non-current assets				
Deferred tax assets	(13)	(346)	-	-
Deferred government contribution for superannuation	(29,655)	(19,672)	(29,655)	(19,672)
Increase/(decrease) in:				
Current liabilities				
Creditors and accrued expenses	(7,949)	(2,022)	(7,924)	(1,738)
Income received in advance	7,179	10,184	6,199	11,404
Owing to subsidiaries	-	-	1,418	(4,565)
Current tax payable	-	(70)	-	-
Employee benefits	5,227	7,052	5,048	6,856
Non-current liabilities				
Creditors and accrued expenses	(400)	(400)	(400)	(400)
Employee benefits	(274)	(776)	(328)	(734)
Deferred employee benefits for superannuation	29,655	19,672	29,655	19,672
Unfunded superannuation liability - SERB	16	7	16	7
Net cash provided by operating activities	134,940	132,218	133,947	131,890
NON-CASH INVESTING ACTIVITIES				
During the year the University received donations amounting to:				
- Art works	6	21	6	21
- Property, plant and equipment	4	-	4	-
	10	21	10	21

17 SUPERANNUATION

UniSuper Defined Benefit Plan

Deakin University has a number of present staff members who are members of The UniSuper Defined Benefit Plan (DBP) and in respect of whom defined benefits are payable on termination of employment. The UniSuper Trust Deed was amended in December 2006 to classify the plan as a defined contribution plan under *Australian Accounting Standard AASB119 Employee Benefits*. The plan receives fixed contributions from the University, whereby the University's legal or constructive obligation is limited to these contributions.

As at 30 June 2010 the assets of the DBP in aggregate were estimated to be \$1,217 million in deficiency of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBP.

As at 30 June 2010 the assets of the DBP in aggregate were estimated to be \$312 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date. The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 12 June 2009, on the actuarial investigation of the DBP as at 31 December 2008. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return	7.25% p.a.	8.50% p.a.
Net of tax investment return	6.75% p.a.	8.00% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long-term	3.75% p.a.	3.75% p.a.

Assets have been included at their net market value, i.e. allowing for realisation costs.

The Defined Benefit Division as at 30 June 2010 is therefore in an "unsatisfactory financial position" as defined by SIS Regulation 9.04. An "unsatisfactory financial position" for a defined benefit fund is defined as when 'the value of the assets of the Fund is inadequate to cover the value of the liabilities of the Fund in respect of benefits vested in the members of the Fund'. The Actuary and the Trustee have followed the procedure required by Section 130 of the SIS Act when funds are found to be in an unsatisfactory financial position. The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 30 June 2010, together with current contribution rates, are expected to be sufficient to provide for the current benefit levels for both existing members and anticipated new members if experience follows the "best estimate" assumptions.

Victorian State Superannuation Fund (Refer Note 1(p))

Deakin University has a number of present and former staff who are members of the Victorian State Superannuation Fund and in respect of whom defined benefits are payable on termination of employment. As at 30 June 2010, the Victorian State Superannuation Fund was carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the fund. The notional share of this public sector employee superannuation fund's unfunded liabilities attributable to Deakin University, as assessed by the fund as at 30 June 2010, amounted to \$193,785,000 (2009: \$164,130,000). Unfunded liabilities are met by the Australian Government.

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Amounts receivable from Australian Government				
Receivable within 12 months	13,070	12,601	13,070	12,601
Receivable later than 12 months	180,715	151,529	180,715	151,529
Total	193,785	164,130	193,785	164,130
Unfunded superannuation liability				
Payable within 12 months	13,070	12,601	13,070	12,601
Payable later than 12 months	180,715	151,529	180,715	151,529
Total	193,785	164,130	193,785	164,130

18 COMMITMENTS

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Capital commitments				
At the reporting date the following contracts for capital expenditure had been entered into:				
Within one year	51,065	7,339	51,065	7,339
Later than one year and not later than five years	7,135	134	7,135	134
	58,200	7,473	58,200	7,473
Operating leases				
At the reporting date the following obligations under operating leases, which are not shown as liabilities, were in effect:				
Within one year	7,148	6,379	6,889	6,085
Later than one year and not later than five years	11,819	9,086	11,399	8,506
Later than five years	2,155	106	2,155	106
	21,122	15,571	20,443	14,697

19 CONTINGENCIES

There are no contingent liabilities and contingent assets at balance date (2009: nil).

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

NAME OF RESPONSIBLE PERSONS

University

For the purposes of the *Financial Management Act 1994 (Vic)*, the Victorian Minister for Higher Education and Skills, The Hon. Peter Hall MLC and members of the University Council are the responsible persons of the University. The responsible Minister was the Hon Jacinta Allan MP, Minister for Skills and Workforce Participation from 1 January to 19 January 2010. From 20 January 2010 to 1 December 2010 the responsible Minister was the Hon. Bronwyn Pike MP, Minister for Skills and Workforce Participation. Following the State election in November 2010 the Hon. Peter Hall MLC was sworn in as Minister for Higher Education and Skills taking effect from 2 December 2010.

The remuneration of the Minister is included in the financial statements of the Victorian Department of Premier and Cabinet. Members of the University Council received no remuneration for services rendered.

Council members during 2010 were Mr DM Morgan (Chancellor), Professor JE den Hollander (Vice-Chancellor and President - appointment commenced 19 July 2010), Professor SA Walker (Vice-Chancellor and President - resigned effective 14 July 2010), Mr AJ Kloeden, Professor J Graffam, Ms ML Edmond, Ms JM Lightowlers, Mr JG Nicol, Ms HF Bender, Mr G Hywood - resigned effective from 7 October 2010, Ms H Buckingham, Ms H Keogh, Professor GM Stokes, Mr NT Millen, Dr PC Turner, Mr PJ Meehan, Ms K Grigg, Mr P Niblett Ms J Bonnington, Ms P Kelly, Ms B Townsend, Ms K Watson and Mr J Theveraj - resigned effective from 10 June 2010.

Subsidiaries

Mr NA Osborne, Mr DN Edwards AM, Mr LD Mackay, Dr MD Stokie, Mr JH Cauberg, Hon SP Bracks, Mr AD Brookes, Dr FA Costa, Mr AEJ Fairley, Mr PG Handbury, Dr HC Mitchell, Ms KM Plant, Mr DP Somers and Mr N Carr.

NAMES OF EXECUTIVE OFFICERS

University

Professor JC Catford, Professor PH Clarke, Professor L Astheimer, Professor G McDonald, Professor CN Gray, Mr GA Dennehy, Professor J Radborne, Professor S Kilpatrick, Mr KJ Selway, Ms RE Buckham and Mr A Walters.

Subsidiaries

Ms TM Price, Ms JE Scott, Mr M Estcourt, Mr FD Shrimpton and Mr P Langkamp.

20 KEY MANAGEMENT PERSONNEL DISCLOSURES [CONT]

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
RESPONSIBLE PERSONS REMUNERATION				
Remuneration received or due and receivable from the University and its subsidiaries by the responsible persons				
Base remuneration	1,422	1,464	1,167	1,246
Bonuses	139	136	116	108
Termination payments	235	-	235	-
Total remuneration	1,796	1,600	1,518	1,354

Number of responsible persons whose remuneration from the University and its subsidiaries was within the following bands:	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
Nil to \$9,999	28	27	17	16
\$10,000 to \$19,999	2	2	-	-
\$20,000 to \$29,999	1	-	1	-
\$80,000 to \$89,999	-	1	-	1
\$90,000 to \$99,999	1	-	1	-
\$110,000 to \$119,999	-	1	-	1
\$120,000 to \$129,999	1	-	1	-
\$170,000 to \$179,999	-	1	-	1
\$190,000 to \$199,999	1	-	1	-
\$200,000 to \$209,999	-	1	-	1
\$210,000 to \$219,999	-	1	-	-
\$240,000 to \$249,999	2	-	1	-
\$770,000 to \$779,999	-	1	-	1
\$830,000 to \$839,999	1	-	1	-

20 KEY MANAGEMENT PERSONNEL DISCLOSURES [CONT]

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
Number of executive officers whose remuneration from the University and its subsidiaries was within the following bands:				
\$110,000 to \$119,999	-	1	-	1
\$130,000 to \$139,999	-	1	-	1
\$160,000 to \$169,999	-	1	-	-
\$170,000 to \$179,999	1	-	-	-
\$190,000 to \$199,999	-	2	-	1
\$200,000 to \$209,999	-	1	-	-
\$210,000 to \$219,999	3	1	1	-
\$230,000 to \$239,999	1	-	-	-
\$250,000 to \$259,999	1	1	1	1
\$260,000 to \$269,999	1	-	1	-
\$270,000 to \$279,999	-	1	-	1
\$280,000 to \$289,999	-	2	-	2
\$300,000 to \$309,999	1	1	1	1
\$320,000 to \$329,999	-	1	-	1
\$330,000 to \$339,999	1	1	1	1
\$340,000 to \$349,999	1	1	1	1
\$350,000 to \$359,999	1	2	1	2
\$370,000 to \$379,999	1	-	1	-
\$380,000 to \$389,999	1	-	1	-
\$440,000 to \$449,999	1	1	1	-
\$460,000 to \$469,999	1	-	-	-
\$640,000 to \$649,999	1	-	1	-

Includes all non-cash benefits and payments to staff who have terminated employment with the University.

	CONSOLIDATED		UNIVERSITY	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Remuneration received or due and receivable from the University and its controlled entities by executive officers whose remuneration exceeded \$100,000				
Base remuneration	4,598	4,241	3,409	3,149
Bonuses	419	380	300	254
Termination payments	209	164	209	164
Total remuneration	5,226	4,785	3,918	3,567

20 KEY MANAGEMENT PERSONNEL DISCLOSURES [CONT]

Other transactions with key management personnel

A member of Council, Ms H.F. Bender OAM, is the Chair of the Barwon Health Foundation Board. Deakin University provided funding for infrastructure developments to Barwon Health.

Ms H.F. Bender OAM was also a Council member of the Geelong Grammar School. Deakin University students participated in the School Experience Program for Teacher Supervision. The fees and charges were based on normal commercial terms and conditions.

A member of Council, Ms J. Bonnington is a Director of St John of God Healthcare Group. Deakin University students were provided clinical supervision by St John of God Healthcare group on normal commercial terms and conditions.

The former Vice-Chancellor's spouse is the CEO of Austin Health. Deakin University students were provided clinical supervision by Austin Health on normal commercial terms and conditions.

The Vice-Chancellor, Professor J. den Hollander is a Board Member of the Committee for Geelong. Deakin University sponsored the Leaders for Geelong Program 2009/10.

The Vice-President (Enterprise and Engagement), Mr K Selway, was until 16 February 2010 a company director of Synergy Hospitality Pty Ltd. Mr K Selway's spouse is a company director of Synergy Hospitality Pty Ltd. Synergy Hospitality Pty Ltd had a management contract for the operation of the Deakin Management Centre which concluded 31 December 2010. The contract was on normal terms and conditions. A settlement fee of \$200,000 was made to Synergy Hospitality Management Pty Ltd in January 2011.

21 REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2010 \$000's	2009 \$000's
Amounts received, or due and receivable, by the Auditor-General of Victoria for auditing the financial statements and consolidated financial statements of Deakin University and the financial statements of each of its subsidiaries:		
- Deakin University	155	150
- Subsidiaries	38	37

22 SUBSIDIARIES

The *Deakin University Act 1974*, Section 34 permits the University to form limited liability companies. At the reporting date the University controlled the following entities:

Entity	Country of incorporation	Principal activity	Ownership interest	
			2010	2009
The Australian Professional Associations Service Company Pty Ltd	Australia	Deregistered	0%	100%
Callista Software Services Pty Ltd	Australia	Computer software services	100%	100%
Canopi Network Pty Ltd	Australia	Deregistered	0%	0%
Unilink Limited	Australia	Provision of human resource services to Deakin University	100%	100%
Deakin Nominees Pty Ltd	Australia	Holding company	100%	100%
Deakin Foundation Ltd	Australia	Trustee company	100%	100%
Deakin Foundation	Australia	Philanthropic trust	100%	100%
Deakin Residential Services Pty Ltd	Australia	Provision of rental property to students	100%	0%

The financial statements of the subsidiaries have been audited by the Auditor-General of Victoria.

22 SUBSIDIARIES [CONT]

Statement of Comprehensive Income

Entity	Total Revenue		Total Expenditure		Net Profit/(Loss) after Tax Expense	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
The Australian Professional Associations Service Company Pty Ltd	-	-	-	-	-	-
Callista Software Services Pty Ltd	14,627	13,571	13,762	13,170	879	746
Canopi Network Pty Ltd	-	-	-	-	-	-
Unilink Limited	8,466	9,155	8,466	9,155	-	-
Deakin Nominees Pty Ltd	-	-	-	-	-	-
Deakin Foundation Ltd	-	-	-	-	-	-
Deakin Foundation	-	-	-	-	-	-
	23,093	22,726	22,228	22,325	879	746

Statement of Financial Position

(A) ASSETS

Entity	Note	Current Assets		Non-Current Assets		Total Assets	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
The Australian Professional Associations Service Company Pty Ltd	(a)	-	-	-	-	-	-
Callista Software Services Pty Ltd	(b)	9,596	7,832	1,046	1,280	10,642	9,112
Canopi Network Pty Ltd		-	-	-	-	-	-
Unilink Limited	(c)	983	874	-	-	983	874
Deakin Nominees Pty Ltd		-	-	-	-	-	-
Deakin Foundation Ltd		-	-	-	-	-	-
Deakin Foundation		1	1	-	-	1	1
		10,580	8,707	1,046	1,280	11,626	9,987

(B) LIABILITIES

Entity	Current Liabilities		Non-Current Liabilities		Total Liabilities	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
The Australian Professional Associations Service Company Pty Ltd	-	-	-	-	-	-
Callista Software Services Pty Ltd	5,800	4,845	423	424	6,223	5,269
Canopi Network Pty Ltd	-	-	-	-	-	-
Unilink Limited	896	841	87	33	983	874
Deakin Nominees Pty Ltd	-	-	-	-	-	-
Deakin Foundation Ltd	-	-	-	-	-	-
Deakin Foundation	-	-	-	-	-	-
	6,696	5,686	510	457	7,206	6,143

22 SUBSIDIARIES [CONT]

(C) EQUITY AND BORROWINGS

Entity	Equity		Internal Borrowings		External Borrowings	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
The Australian Professional Associations Service Company Pty Ltd	-	-	-	-	-	-
Callista Software Services Pty Ltd	4,419	3,843	-	-	-	-
Canopi Network Pty Ltd	-	-	-	-	-	-
Unilink Limited	-	-	-	-	-	-
Deakin Nominees Pty Ltd	-	-	-	-	-	-
Deakin Foundation Ltd	-	-	-	-	-	-
Deakin Foundation	1	1	-	-	-	-
	4,420	3,844	-	-	-	-

(a) Current assets includes an amount owing by Deakin University - nil (2009: \$1).

(b) Current assets includes an amount owing by Deakin University of \$5,514,064 (2009: \$4,204,565).

(c) Current assets includes an amount owing by Deakin University of \$983,203 (2009: \$874,389).

The Australian Professional Associations Service Company Pty Ltd and Canopi Network Pty Ltd were deregistered on 4 February 2010.

23 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Financial risk management is overseen by the Audit and Risk Committee under policies approved by the Council. The Audit and Risk Committee provides advice to Council on the Group's accounting, control and reporting practices and the management of corporate assets and risks. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Foreign exchange risk

The Group's foreign exchange is limited. Sources of potential foreign exchange risk may include occasional transactions such as contracts for the supply of goods and services expressed in foreign currency e.g. library books and journals. The Group ensures that significant foreign currency commitments are hedged using appropriate hedging instruments.

Interest rate risk

Investment of surplus funds is monitored by the Investment Advisory Committee. The Committee regularly reviews investment performance against established objectives, advises on proposed policy changes and monitors the asset allocation mix of the investment portfolio. The investment portfolio is constructed to diversify interest rate risk through the use of highly rated 'fund of funds' short-term investment products. Borrowings are at fixed interest rates, which eliminate the potential loss resulting from adverse movements in floating market rates.

Price risk

Financial assets at fair value through profit or loss, in particular Australian and offshore equities, are subject to price risk, with frequent changes in share market valuations. Changes in fair value are recorded through the statement of comprehensive income as they occur. These investments are also monitored by the Investment Advisory Committee. The Committee regularly reviews investment performance against established objectives, advises on proposed policy changes and monitors the asset allocation mix of the investment portfolio. The investment portfolio is constructed to diversify price risk across the various asset classes.

23 FINANCIAL RISK MANAGEMENT [CONT]

Credit risk

The Group's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The Group minimises concentrations of credit risk in relation to trade accounts receivable, by undertaking transactions with a large number of customers within different industries. However, the majority of customers are concentrated in Australia.

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

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

Liquidity risk

The Group's investments are managed to ensure the solvency of the Group, with cash available to meet required outgoings. The Group maintains a minimum cash level to ensure it meets its obligations as they fall due.

Fair value estimation

The aggregate fair value of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

Consolidated	Total carrying amount as per the statement of financial position		Aggregate fair value	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
FINANCIAL ASSETS				
Cash at bank and on hand	8,121	7,472	8,121	7,472
Bank deposits - at call	2,553	44	2,553	44
Bank term deposits	116,000	149,000	116,000	149,000
Receivables - Trade Debtors	24,315	19,001	24,315	19,001
Receivables - Other Current	29,871	38,857	29,871	38,857
Receivables - Other Non-Current	180,715	151,529	180,715	151,529
Other financial assets - current	107,652	57,059	107,652	57,059
Other financial assets - non-current	85,140	72,376	85,140	72,376
Total financial assets	554,367	495,338	554,367	495,338
FINANCIAL LIABILITIES				
Payables	133,732	135,699	133,675	135,599
Bank overdraft	1	7	1	7
Bank loans	-	10,968	-	10,968
Other	43	52	39	46
Total financial liabilities	133,776	146,726	133,715	146,620

23 FINANCIAL RISK MANAGEMENT [CONT]

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes. The following methods and assumptions are used to determine the fair value of financial assets and liabilities.

CASH AND CASH EQUIVALENTS	The carrying amount approximates fair value because of their short term to maturity.
TRADE RECEIVABLES AND PAYABLES	The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair value due to their short-term nature.
NON-CURRENT RECEIVABLES	The fair value of non-current receivables, except Deferred Government Contribution for Superannuation, is estimated by discounting future receivables to net present value, using discount rates as advised by the Department of Treasury and Finance. Deferred Government Contribution for Superannuation, which is measured at nominal value, is offset by a liability to the Victorian Government of equal value (refer to 1(p)).
OTHER FINANCIAL ASSETS - CURRENT AT FAIR VALUE	For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.
OTHER FINANCIAL ASSETS - NON-CURRENT	For unlisted securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same, or is calculated based on the expected cash flows, or the underlying net asset base of the investment/security.
SHORT-TERM BORROWINGS	The carrying amount approximates fair value because of their short term to maturity.
LONG-TERM BORROWINGS	The fair value of long-term borrowings is estimated by discounting future payments to net present value, using the discount rates as advised by the Department of Treasury and Finance.

23 FINANCIAL RISK MANAGEMENT [CONT]

Fair value estimation (continued)

Fair value measurements recognised in the statement of financial position are categorised into the following levels:

Consolidated	31/12/10 \$000's	Level 1 \$000's	Level 3 \$000's
FINANCIAL ASSETS			
Cash at bank and on hand	8,121	8,121	
Bank deposits - at call	2,553	2,553	
Bank term deposits	116,000	116,000	
Receivables - Trade Debtors	24,315	24,315	
Receivables - Other Current	29,871	29,871	
Receivables - Other Non-Current	180,715	180,715	
Other financial assets - current	107,652	107,652	
Other financial assets - non-current	85,140	82,842	2,298
Total financial assets	554,367	552,069	2,298
FINANCIAL LIABILITIES			
Payables	133,675	133,675	
Bank overdraft	1	1	
Other	39	39	
Total financial liabilities	133,715	133,715	-

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the balance date (Level 1). The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Reconciliation of Financial Assets categorised as Level 3

	CONSOLIDATED	
	2010 \$000's	2009 \$000's
Level 3 Financial Assets		
Unlisted equity securities		
Opening balance	2,298	2,298
Purchases	32	113
Provision for impairment	(32)	(114)
Closing balance	2,298	2,298

23 FINANCIAL RISK MANAGEMENT [CONT]

Summarised sensitivity analysis

The sensitivity analysis below has been determined based on management's assessment of possible changes in price movements, in particular Australian and offshore equity markets, and interest rates.

Management considers an interest rate rise of 1% and fall or rise in equities markets of 5% as reasonably possible, as at the reporting date.

Consolidated	CARRYING AMOUNT	INTEREST RATE RISK						PRICE RISK					
		1%		-5%		5%		-5%		5%			
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity		
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	
(I) FINANCIAL ASSETS													
Cash on hand	52	51											
Cash at bank	8,069	7,421	81	74	81	74							
Bank deposits	118,553	149,044	1,186	1,490	1,186	1,490							
Receivables - Trade Debtors	24,315	19,001											
Receivables - Other Current	29,871	38,857											
Receivables - Other Non-Current	180,715	151,529											
Financial assets at fair value through profit or loss	12,202	43,559	-	322	-	322	(610)	(568)	(610)	(568)	610	568	568
Financial assets held-to-maturity	95,450	13,500	955	135	955	135							
Other financial assets - non-current	85,140	72,376											
Total financial assets	554,367	495,338	2,222	2,021	2,222	2,021	(610)	(568)	(610)	(568)	610	568	4,072
(II) FINANCIAL LIABILITIES													
Payables	133,732	135,699											
Bank overdraft	1	7	-	-	-	-							
Bank loans	-	10,968											
Other	43	52											
Total financial liabilities	133,776	146,726	-	-	-	-	-	-	-	-	-	-	-
Total Increase (Decrease)			2,222	2,021	2,222	2,021	(610)	(568)	(610)	(568)	610	568	4,072

23 FINANCIAL RISK MANAGEMENT [CONT]

Liquidity risk

The following table summarises the maturity of the Group's financial assets and financial liabilities.

Consolidated Financial instruments	Floating interest rate		Fixed interest rate maturing in:				Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate or earnings rate	
	2010 \$000's	2009 \$000's	1 year or less	over 1 to 5 years	over 5 years	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 %	2009 %	
(I) FINANCIAL ASSETS												
Cash at bank and on hand	8,069	7,421				52	51	8,121	7,472	4.63%	3.62%	
Bank deposits - at call	2,553	44						2,553	44	4.75%	3.75%	
Bank term deposits			116,000	149,000				116,000	149,000	6.08%	4.70%	
Receivables - Trade Debtors						24,315	19,001	24,315	19,001	-	-	
Receivables - Other Current						29,871	38,857	29,871	38,857	-	-	
Receivables - Other Non-Current						180,715	151,529	180,715	151,529	-	-	
Financial assets at fair value through profit or loss	11,430	42,739				772	820	12,202	43,559	8.40%	3.81%	
Financial assets held-to-maturity			95,450	13,500				95,450	13,500	6.13%	5.08%	
Other financial assets - non-current	82,842	70,078				2,298	2,298	85,140	72,376	4.41%	24.75%	
Total financial assets	104,894	120,282	211,450	162,500	-	238,023	212,556	554,367	495,338			
(II) FINANCIAL LIABILITIES												
Payables						133,732	135,699	133,732	135,699	-	-	
Bank overdraft	1	7						1	7	-	-	
Bank loans			-	10,968	-			-	10,968	-	7.53%	
Other						43	52	43	52	-	-	
Total financial liabilities	1	7	-	10,968	-	133,775	135,751	133,776	146,726			

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

24.1 DEEWR - CGS and Other DEEWR Grants	UNIVERSITY ONLY									
	Commonwealth Grants Scheme #		Indigenous Support Program		Partnership and Participation Program (Equity Support Program)		Disability Support Program		Workplace Reform Program	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	164,097	138,955	1,249	1,341	1,768	317	186	256	-	1,713
Net accrual adjustments	(9,605)	417	-	-	-	-	-	-	-	-
Revenue for the period	154,492	139,372	1,249	1,341	1,768	317	186	256	-	1,713
Surplus / (deficit) from the previous year	-	-	621	191	-	-	-	188	-	-
Total revenue including accrual revenue	154,492	139,372	1,870	1,532	1,768	317	186	444	-	1,713
Less expenses including accrual expenses	(154,492)	(139,372)	(1,870)	(911)	(1,768)	(317)	(186)	(444)	-	(1,713)
Surplus / (deficit) for reporting period	-	-	-	621	-	-	-	-	-	-

Includes the basic CGS grant amount, CGS - Regional Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

24.1 DEEWR - CGS and Other DEEWR Grants [CONT]	UNIVERSITY ONLY							
	Workplace Productivity Program		Learning and Teaching Performance Fund		Capital Development Pool		Transitional Cost Program	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	1,044	844	-	2,592	2,472	2,246	580	1,048
Net accrual adjustments	-	-	-	-	-	-	18	52
Revenue for the period	1,044	844	-	2,592	2,472	2,246	598	1,100
Surplus / (deficit) from the previous year	385	-	-	9	-	-	-	-
Total revenue including accrual revenue	1,429	844	-	2,601	2,472	2,246	598	1,100
Less expenses including accrual expenses	(1,055)	(459)	-	(2,601)	(1,959)	(2,246)	(598)	(1,100)
Surplus / (deficit) for reporting period	374	385	-	-	513	-	-	-

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

24.1 DEEWR - CGS and Other DEEWR Grants [CONT]	UNIVERSITY ONLY							
	Improving the Practical Component of Teacher Education Program		Diversity and Structural Adjustment Fund		Superannuation Programme		Total	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	-	841	1,805	1,866	12,527	13,950	185,728	165,969
Net accrual adjustments	-	-	-	-	352	(1,623)	(9,235)	(1,154)
Revenue for the period	-	841	1,805	1,866	12,879	12,327	176,493	164,815
Surplus / (deficit) from the previous year	-	-	2,490	2,583	-	-	3,496	2,971
Total revenue including accrual revenue	-	841	4,295	4,449	12,879	12,327	179,989	167,786
Less expenses including accrual expenses	-	(841)	(3,816)	(1,959)	(12,879)	(12,327)	(178,623)	(164,290)
Surplus / (deficit) for reporting period	-	-	479	2,490	-	-	1,366	3,496

24.2 Higher Education Loan Programs	UNIVERSITY ONLY							
	HECS - HELP (Australian Government payments only)		FEE - HELP		Total		OS-HELP	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	103,301	93,083	29,791	38,877	133,092	131,960	939	639
Net accrual adjustments	(6,832)	(4,051)	-	-	(6,832)	(4,051)	-	-
Revenue for the period	96,469	89,032	29,791	38,877	126,260	127,909	939	639
Surplus / (deficit) from the previous year	-	-	(4,762)	(13,075)	(4,762)	(13,075)	22	102
Total revenue including accrual revenue	96,469	89,032	25,029	25,802	121,498	114,834	961	741
Less expenses including accrual expenses	(96,469)	(89,032)	(27,302)	(30,564)	(123,771)	(119,596)	(888)	(719)
Surplus / (deficit) for reporting period	-	-	(2,273)	(4,762)	(2,273)	(4,762)	73	22

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

UNIVERSITY ONLY

24.3 Scholarships	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #		Commonwealth Accommodation Scholarships #		Indigenous Access Scholarships		Indigenous Staff Scholarships		Total	
	2010 \$'000's	2009 \$'000's	2010 \$'000's	2009 \$'000's	2010 \$'000's	2009 \$'000's	2010 \$'000's	2009 \$'000's	2010 \$'000's	2009 \$'000's	2010 \$'000's	2009 \$'000's		
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	2,677	1,935	286	280	1,869	1,962	-	1,554	106	125	36	-	4,974	5,856
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2,677	1,935	286	280	1,869	1,962	-	1,554	106	125	36	-	4,974	5,856
Surplus / (deficit) from the previous year	653	540	(107)	(19)	406	93	174	67	-	-	-	-	1,126	681
Total revenue including accrual revenue	3,330	2,475	179	261	2,275	2,055	174	1,621	106	125	36	-	6,100	6,537
Less expenses including accrual expenses	(2,457)	(1,822)	(179)	(368)	(2,163)	(1,649)	(108)	(1,447)	(106)	(125)	(12)	-	(5,025)	(5,411)
Surplus / (deficit) for reporting period	873	653	-	(107)	112	406	66	174	-	-	24	-	1,075	1,126

includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

UNIVERSITY ONLY

24.4 DIISR Research	Joint Research Engagement (Institutional Grants Scheme)		Research Infrastructure Block Grants		Research Training Scheme		Implementation Assistance Programme	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	4,240	4,145	2,083	2,248	9,803	9,574	66	126
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	4,240	4,145	2,083	2,248	9,803	9,574	66	126
Surplus / (deficit) from the previous year	-	-	244	-	-	-	146	122
Total revenue including accrual revenue	4,240	4,145	2,327	2,248	9,803	9,574	212	248
Less expenses including accrual expenses	(4,240)	(4,145)	(2,327)	(2,004)	(9,803)	(9,574)	(118)	(102)
Surplus / (deficit) for reporting period	-	-	-	244	-	-	94	146

UNIVERSITY ONLY

24.4 DIISR Research [CONT]	Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	-	233	95	85	1,009	-	17,296	16,411
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	-	233	95	85	1,009	-	17,296	16,411
Surplus / (deficit) from the previous year	-	-	85	-	-	-	475	122
Total revenue including accrual revenue	-	233	180	85	1,009	-	17,771	16,533
Less expenses including accrual expenses	-	(233)	(42)	-	(80)	-	(16,610)	(16,058)
Surplus / (deficit) for reporting period	-	-	138	85	929	-	1,161	475

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

24.5 Australian Research Council Grants	UNIVERSITY ONLY					
	Projects		Fellowships		Total	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
(A) DISCOVERY Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	2,112	1,950	443	385	2,555	2,335
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2,112	1,950	443	385	2,555	2,335
Surplus / (deficit) from the previous year	407	30	217	(70)	624	(40)
Total revenue including accrual revenue	2,519	1,980	660	315	3,179	2,295
Less expenses including accrual expenses	(2,126)	(1,573)	(290)	(98)	(2,416)	(1,671)
Surplus / (deficit) for reporting period	393	407	370	217	763	624

24.6 Australian Research Council Grants	UNIVERSITY ONLY							
	Infrastructure		International Researcher Exchange		Projects		Total	
	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
(B) LINKAGES Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	1,000	-	-	30	2,526	1,727	3,526	1,757
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	1,000	-	-	30	2,526	1,727	3,526	1,757
Surplus / (deficit) from the previous year	220	894	13	16	883	542	1,116	1,452
Total revenue including accrual revenue	1,220	894	13	46	3,409	2,269	4,642	3,209
Less expenses including accrual expenses	(876)	(674)	(13)	(33)	(2,261)	(1,386)	(3,150)	(2,093)
Surplus / (deficit) for reporting period	344	220	-	13	1,148	883	1,492	1,116

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

		UNIVERSITY ONLY							
24.7 Other Capital Funding		Better Universities Renewal Fund		Teaching and Learning Capital Fund		Education Investment Fund		Total	
	NOTE	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	2.1	-	-	17,437	-	-	-	17,437	-
Net accrual adjustments		115	861	-	-	-	-	115	861
Liability for the period #		115	861	17,437	-	-	-	17,552	861
Balance b/f from the previous year		7,954	13,782	(512)	-	-	-	7,442	13,782
Total liabilities		8,069	14,643	16,925	-	-	-	24,994	14,643
Less expenses including accrual expenses (the same amounts are recognised as revenue)	2.1	(6,525)	(6,689)	(9,405)	(512)	(904)	-	(16,834)	(7,201)
Unspent balance at the end of reporting period		1,544	7,954	7,520	(512)	(904)	-	8,160	7,442

The Capital funding received during the year is recognised as income in advance (liability). Income will be recognised in accordance with the progress of the capital projects.

		UNIVERSITY ONLY			
24.8 Voluntary Student Unionism		VSU Transition Fund		Total	
		2010 \$000's	2009 \$000's	2010 \$000's	2009 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		-	226	-	226
Net accrual adjustments		-	-	-	-
Revenue for the period		-	226	-	226
Surplus / (deficit) from the previous year		-	402	-	402
Total revenue including accrual revenue		-	628	-	628
Less expenses including accrual expenses		-	(628)	-	(628)
Surplus / (deficit) for reporting period		-	-	-	-



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

CERTIFICATION

We, a Member of Council, and the Vice-Chancellor and President, on behalf of the Council of Deakin University and the Chief Financial Officer, state that in our opinion:

- (a) The attached financial statements and notes thereto present fairly the financial position of the University and the consolidated group as at 31 December 2010, and the financial performance for the year ended 31 December 2010;
- (b) The attached financial statements and notes thereto comply with the *Financial Management Act 1994* and with Australian Accounting Standards, AASB Interpretations, and the requirements of the Department of Education, Employment and Workplace Relations;
- (c) At the date of this certification there are reasonable grounds to believe that the University and the consolidated group will be able to pay its debts as and when they fall due; and
- (d) The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and Deakin University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

A handwritten signature in dark ink, appearing to read "D Morgan".

MR DAVID M. MORGAN
Chancellor

Date: 17 March 2011

Melbourne

A handwritten signature in dark ink, appearing to read "Jane den Hollander".

PROFESSOR JANE DEN HOLLANDER
Vice-Chancellor and President

Date: 17 March 2011

Melbourne

A handwritten signature in dark ink, appearing to read "Andrew Walters".

MR ANDREW WALTERS
Chief Financial Officer

Date: 17 March 2011

Melbourne



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Council Members, Deakin University

The Financial Report

The accompanying financial report for the year ended 31 December 2010 of the Deakin University which comprises the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, and the certification has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising Deakin University and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 22 to the financial statements.

The Council Members' Responsibility for the Financial Report

The Council Members of the Deakin University are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Council Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Deakin University and the consolidated entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial report.

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

Electronic Publication of the Audited Financial Report

It is our understanding that the University intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the University's website is that of the Council Members of the University. The security and controls over information on the website should be addressed by the University to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited financial report on the University's website is beyond the scope of the audit of the financial report.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Basis for Qualified Opinion

The University and the economic entity reported government research and capital grants of \$34.749 million as trade and other payables as at 31 December 2010. Of the \$34.749 million recognised as trade and other payables, \$1.543 million should have been recognised as grant income in prior years. Further \$33.206 million should have been recognised as grant income for the year ended 31 December 2010, in accordance with the requirements of AASB 1004 *Contributions*, as the University and the economic entity effectively controlled these grants. The University and economic entity brought to account grant income of \$28.187 million for the year ended 31 December 2010 which should have been recognised in prior years.

Accordingly, for the year ended 31 December 2010, grant income, the net operating result and total comprehensive income are understated by \$5.019 million, trade and other payables is overstated by \$34.749 million and retained earnings is understated by \$29.73 million, for the University and economic entity.

In addition, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requires the prior period error to be corrected by restating the 2009 comparative figures for the University and the economic entity. The University and economic entity have failed to make these adjustments. The impact of this error is that the 31 December 2009 comparative figures for grant income, the net operating result and total comprehensive income are understated by \$30 000, trade and other payables is overstated by \$29.73 million and retained earnings is understated by \$29.70 million for the University and economic entity.

Qualified Opinion

In my opinion, except for the effect on the financial report of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of Deakin University and the economic entity as at 31 December 2010, and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Financial Management Act 1994*.

MELBOURNE
21 March 2011


D D R Pearson
Auditor-General

COMPLIANCE INDEX

The Annual Report of **Deakin University** is prepared in accordance with:

FMA	<i>Financial Management Act 1994 (Vic)</i>
FRD	A-IFRS Financial Reporting Directions
SD	Standing Directors of the Minister for Finance issued under the <i>Financial Management Act 1994 (Vic)</i> (as part of the financial Management Package) June 2003 (updated August 2007)
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ETRA 2006	<i>Education and Training Reform Act 2006</i>
PAEC	Decision of Public Accounts and Estimates Committee of Parliament
RUG	Victorian Government response to the Review of University Governance
ESOS	<i>Education Services for Overseas Students Act 2000 (Cth)</i>
DEEWR	Commonwealth Government Department of Education, Employment and Workplace Relations (<i>Higher Education Support Act 2003, Higher Education Funding Act 1988, Australian Research Council Act 2001 and all associated guidelines</i>)

This index was prepared to facilitate identification of compliance with statutory disclosure requirements.

No.	Clause	Disclosure	Page(s)
		Transmittal letter	Inside front cover

STANDING DIRECTIONS FOR THE MINISTER FOR FINANCE (SD)

1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act, 1994	1-118
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions	1-63
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved	Transmittal letter, 46-47
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> – Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements – Financial Reporting Directions – Business Rules 	69-75 116-118
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> – Income Statement – Balance Sheet – Statement of Recognised Income and Expense – Cash Flows Statement – Notes to the financial statements 	64-115
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> – Present fairly the financial transactions during reporting period and the financial position at end of the period – Were prepared in accordance with Standing Direction 4.2 (c) and applicable Financial Reporting Directions – Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements (including Urgent Issues Group consensus Views) 	116

No.	Clause	Disclosure	Page(s)
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: – \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000 – \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000	69
8	SD 4.2(e)	The financial statements were reviewed and recommended by the University's Audit and Risk Committee, Finance and Business Affairs Committee and Council prior to finalisation and submission	116
9	SD 45.5 (New)	Attestation on compliance with the Australian/New Zealand Risk Management Standard	56

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10	FRD 10	Disclosure Index	119-121
11	FRD 11	Disclosure of Ex-Gratia Payments	99-102
12	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	n/a
13	FRD 17A	Long Service Leave Wage Inflation and Discount Rates	94
14	FRD 19	Private Provision of Public Infrastructure	n/a
15	FRD 21A	Responsible Person and Executive Officer Disclosure in the Financial Report	99
16	FRD 22B	Standard Disclosures in the Report of Operations	3-63
17	FRD 25	Victorian Industry Participation Policy in the Report of Operations	n/a
18	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	n/a
19	FRD 102	Inventories	71
20	FRD 104	Foreign currency	71
21	FRD 106	Impairment of assets	74
22	FRD 107	Investment properties	n/a
23	FRD 109	Intangible assets	74
24	FRD 110	Cash Flow Statements	67
25	FRD 112A	Defined benefit superannuation obligations	98
26	FRD 113	Investments in Subsidiaries, Jointly Controlled Associates and Entities	102-104
27	FRD 114	Financial Investments	72

DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (DEEWR)

28	FRD 22B DEEWR	Within the context of the strategic directions as outlined in the Strategic Plan, the report outlines: – operational and budget objectives of the financial year – performance / objectives including significant activities and achievements during the year with comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, graduate outcomes, access and equity, enrolment flexibility, student demand, staff profile, research performance and performance position	3-35
29	DEEWR	Information with respect to the governance and administrative structure of the university, specifically Council members and occupants of senior offices	36-63
30	DEEWR	Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman	61-62

No.	Clause	Disclosure	Page(s)
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DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS [CONT]

31	DEEWR	Details of information available on institution's website, including locations of current and previous Annual Reports	63
32	DEEWR	Compliance of financial statements with the <i>Financial Statement Guidelines for Australian Higher Education Providers for 2010 Reporting Period</i> issued by DEEWR	69-116

FINANCIAL MANAGEMENT ACT 1994 (FMA)

	FMA 1994	Financial Statements:	
33	49(a)	– Contain such information as required by the Minister	64-118
34	49 (b)	– Are prepared in a manner and form approved by the Minister	64-118
35	49 (c)	– Present fairly the financial transactions of the department or public body during the relevant financial year to which they relate	64-118
36	49 (d)	– Present fairly the financial position of the department or public body as at the end of that year	64-118
37	49 (e)	– Are certified by the accountable officer in the manner approved by the Minister	116

GOVERNMENT RESPONSE TO THE REVIEW OF UNIVERSITY GOVERNANCE (RUG)

38	RUG	Statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General.	33
39	RUG	University Council's risk management strategy	55-59
40	RUG	Summary of financial performance of associates and commercial ventures	102-104

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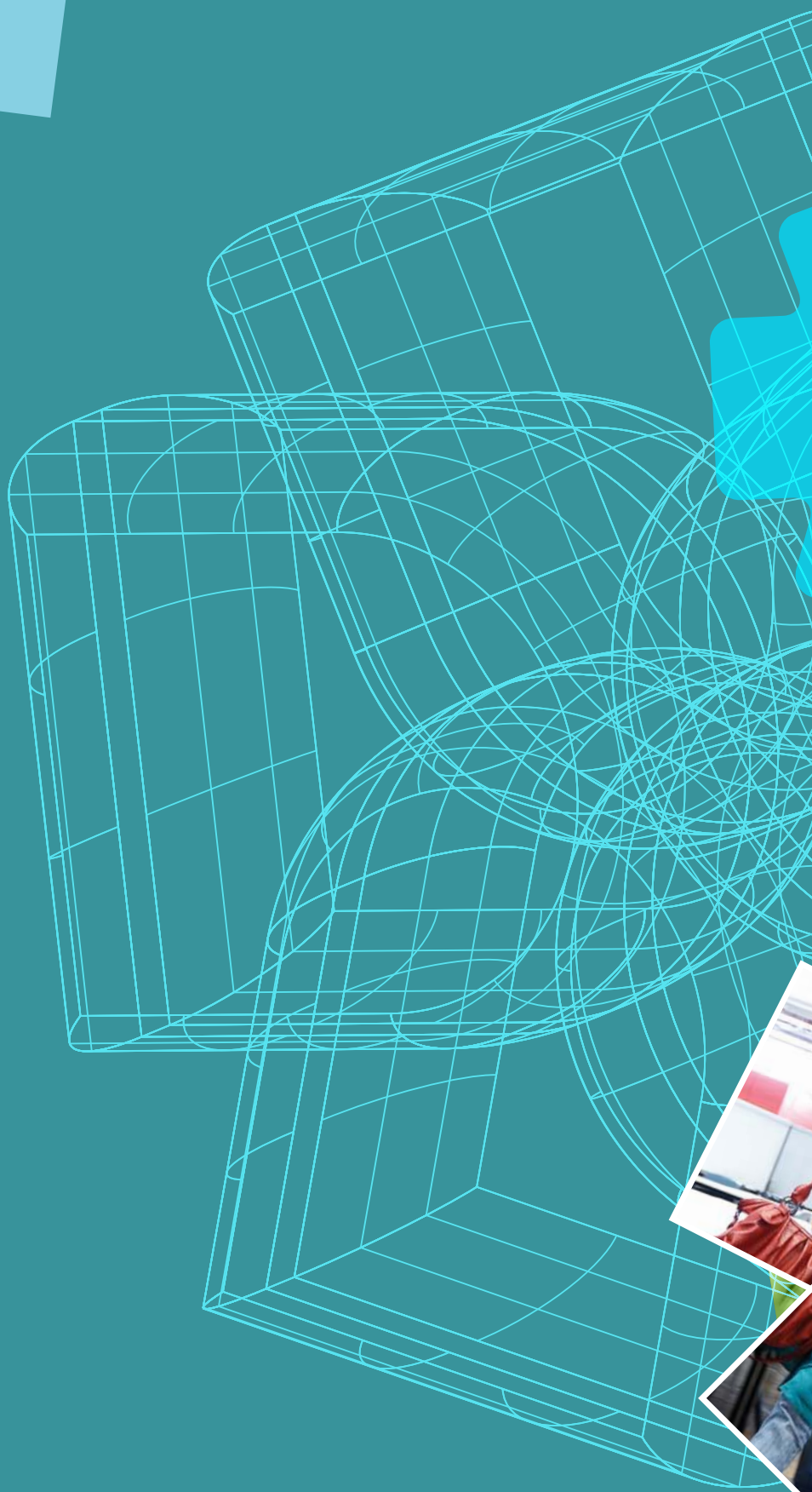
41	ESOS (National Code 2007 – Sections C & D)	Statement indicating compliance with ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007)	60
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42	ETRA 2006 S. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year	n/a
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DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT

43	PAEC (December 1997)	Financial and other information relating to institution's international operations	23-24, 81
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