



DEAKIN UNIVERSITY

2019
ANNUAL REPORT



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LETTER TO THE MINISTER

The Hon. Gayle Tierney MP
Minister for Training and Skills and Minister for Higher Education

Level 1, 2 Treasury Place
East Melbourne
Victoria 3002

Dear Minister

On behalf of the Council of Deakin University, we are pleased to submit for your information and presentation to Parliament the Deakin University Annual Report for the year ending 31 December 2019. The Report has been completed in accordance with the *Financial Management Act 1994*, the relevant Reporting and Standing Directions and applicable Australian Accounting Standards.

The Annual Report was approved by the Deakin University Council at its meeting on 19 March 2020.

Yours sincerely



Mr John Stanhope AM
Chancellor

19 March 2020
Geelong



Professor Iain Martin
Vice-Chancellor

19 March 2020
Geelong

TO OUR READERS



This report aims to inform you about Deakin University's work in 2019 and how we engage with our stakeholders and our environment to achieve our aims. Using integrated reporting principles we show how we create value for our stakeholders. We also share our sense of the major challenges we are addressing for the future.

The report includes comments on our work in 2019 with stakeholders, including students, staff and business and community partners. We also invite readers' comments. Does the report give you a clear picture of Deakin's work? Is there other information you would like to see? Do you get an understanding of how Deakin is responding to the major challenges facing our community?

Let us know what you think by emailing annualreport@deakin.edu.au. We look forward to your feedback.

HOW WE REPORT



The Deakin Business School was the first in Australia to develop a speciality in, and to teach integrated reporting, which aims to improve transparency and trust in reporting. This report is an example of how we practise what we teach.

Deakin is one of eight accredited integrated reporting training providers appointed by the International Integrated Reporting Council and a member of the Oversight Body of the Council's <IR> Academic Network.

In 2019 we launched Australia's first Integrated Reporting Centre in collaboration with KPMG and professional accounting bodies. The Centre will provide leadership in integrated reporting across three pillars: thought leadership and business practice, research, and professional education and training.

We will continue to develop the principles of integrated thinking and reporting as advanced by the International Integrated Reporting Council. Alongside a continuing focus on stakeholder engagement, we will provide a transparent picture of what we are working towards and how we measure our progress in meeting our social responsibilities and in building the trust of the communities we serve.

OUR ENABLERS



Integrated reporting recognises that to create value organisations rely on more than financial capital to create value. They interact with a range of resources or 'capitals'. We use the term 'enablers' because it is more appropriate to the work of universities. In many ways universities are themselves enablers because they equip students, stakeholders and communities with knowledge to shape the future.

We have identified the following six enablers through which we create value. Icons appear in this report to show how the enablers are used in our value creation process.



PEOPLE

Our staff and students and our contribution through teaching and learning



KNOWLEDGE

Our research, innovation, intellectual property and expertise



PARTNERSHIPS

Our relationships with academic, community and industry partners and with government



INFRASTRUCTURE

Our physical spaces and digital platforms



ENVIRONMENT

Our commitment to environmental sustainability



FINANCIAL RESOURCES

Our funding, grants, fees and donations and sound financial management



OUR VALUES

Our values are enduring, informing who we are, what we believe in, how we behave and what we stand for as individuals and as a university contributing to the public good.

Excellent

We will strive for excellence in all aspects of our work, taking pride in being the best we can be.

Ethical

We will always conduct our business with the highest standard of professional behaviour and integrity.

Inclusive

We will value our diversity, embrace difference and nurture a connected, safe and respectful community.

Sustainable

We will care about our shared future, integrating the economic, environmental and social dimensions of sustainability in all we do.



FROM THE CHANCELLOR

2019 was a momentous year for Deakin University, in the context of an Australian higher education sector undergoing significant transformation.

“

We believe the University is well prepared for future challenges, thanks to our ongoing commitment to meaningful partnerships, impactful research, and sound fiscal management.

We farewelled our Vice-Chancellor Professor Jane den Hollander AO, who served the University and its communities for the past nine years and dedicated herself to increasing the capability and impact of the University's many education and research endeavours. In July, we welcomed Deakin's seventh Vice-Chancellor, Professor Iain Martin, who is already outlining a clear vision for the next chapter of the Deakin story.

This is Deakin's second annual report using integrated reporting principles, and these principles are now further embedded in our 2019 Report. This innovative approach enables us to more clearly demonstrate how the University creates value for its stakeholders across its diverse range of activities.

Industry engagement and research commercialisation are significant growth areas for the University, and 2019 was a dynamic year in new ventures. Through these partnerships, we share our expertise with existing and start-up enterprises, building a culture of innovation in the community that works to find solutions to emerging challenges, and has the potential to create new markets locally and internationally.

Deakin's revenue from, and investment in, research continues to increase in an intensely competitive environment. This supports our pioneering work in fields such as health and wellbeing, advancing societies and culture, future industries, and building capability for a sustainable world. We are also pursuing research into the future of work – including into artificial intelligence and machine learning, and the ethics that surround these emerging and highly interesting fields.

Deakin is in a strong financial position, recording a \$108 million surplus in 2019. We reinvest our surplus in teaching and research activities to advance our objectives.

We believe the University is well prepared for future challenges, thanks to our ongoing commitment to meaningful partnerships, impactful research, and sound fiscal management.

Mr John Stanhope AM

Chancellor

FROM THE VICE-CHANCELLOR



In the 45 years since Deakin was founded in 1974 we have formed an essential bond with communities in Victoria and through our education, research and innovation have made significant contributions to the nation's social, cultural and economic capital.

Deakin is working to strengthen these local partnerships and expand our international reach in response to the changing demands and public expectations of the higher education sector and the new possibilities that have arisen globally.

As Deakin University's seventh Vice-Chancellor, I am most grateful to my predecessor, Professor Jane den Hollander AO, who led the University with such vision and assurance over the past decade. This is an exciting time to be part of the Deakin journey, with so many opportunities to help transform lives and communities. Our strategic plan *LIVE the future: Agenda 2020* has served us well, and we are now crafting our next strategy that will look to build on our success. Our future will depend on how we maintain an identity that is a distinctive combination of our purpose, people and place.

People have always been at the centre of our story. Providing a vibrant, world-class experience for our students is our central commitment. This has resulted in Deakin achieving the highest level of overall student experience satisfaction among universities in Victoria for ten years in a row. In 2019 Deakin had the highest student satisfaction for overall experience of all public universities in Australia. Our welcoming culture is largely dependent on the quality and engagement of our staff, and the biennial 2019 iSay Deakin Staff

Survey results revealed some very positive insights. Ninety-three per cent of staff completed the survey – an extremely high response rate. Eighty-one per cent of staff told us that overall, they experienced job satisfaction and were committed to the University. The proportion of staff who said they were satisfied with the organisation's performance and optimistic about its future placed Deakin 23 percentage points higher than the university sector average.

Ensuring Deakin is an inclusive, accessible workplace remains a core priority. In September the University confirmed the appointment of its inaugural Pro Vice-Chancellor Indigenous Strategy and Innovation to provide leadership in Indigenous education, research and community engagement. We were also awarded an Athena SWAN Bronze Institution Award in recognition of our commitment to advancing the careers of women, trans and gender diverse individuals in STEMM disciplines. By the end of the year, all STEMM schools at the University included gender targets for representation in senior academic positions. In 2019 we received the *Employer of Choice for Gender Equality* citation (Workplace Gender Equality Agency) for the thirteenth consecutive year.

We take our civic role very seriously, and we are conscious that our successes and their benefits to society need to be

effectively communicated to as wide an audience as possible – we must continue to be a transparent and approachable organisation.

Thank you to the Executive team, the Chancellor, Council members, and the Deakin community for your warm welcome and support in my first six months as your Vice-Chancellor. I am very fortunate to arrive at Deakin at a stage where it is poised for a future as bright as its past.

Professor Iain Martin

Vice-Chancellor

“

I am very fortunate to arrive at Deakin at a stage where it is poised for a future as bright as its past.

ABOUT DEAKIN





*Deakin aims to be
Australia's premier
university in driving
the digital frontier
– to enable globally
connected education
for the jobs of the future,
and research that makes
a difference to the
communities we serve.*

DEAKIN AT A GLANCE



Students from **133** countries study at Deakin



Our students



Enrolments

64,036

Course enrolments

47,420

Domestic students

16,616

International students

43,064

Undergraduate students

17,935

Postgraduate students

2,123

Higher Degree by Research students

914

Non-award course enrolments



International students

Top countries of origin:

India	37%	Sri Lanka	6%	Pakistan	4%
China	24%	Vietnam	4%		

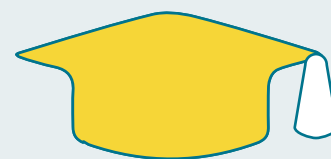


Student satisfaction

Number 1 public university in Australia for overall educational experience¹

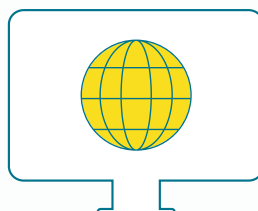
Our alumni

250,000th
student graduated in 2019



60,000+ individuals involved in alumni activities in 2019

Our social network



Facebook **595,656**
Twitter **53,659**
Instagram **51,541**
LinkedIn **194,165**



Our staff



5,396

Staff FTE (including casual staff)

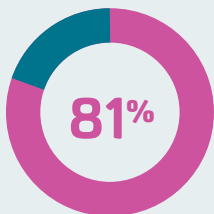
2,409

Academic staff

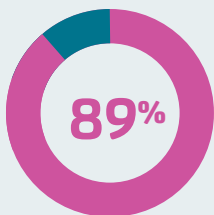
2,987

Professional staff

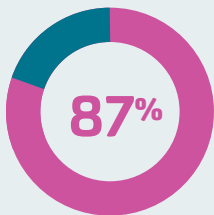
Staff engagement



overall job satisfaction and commitment to Deakin ⁷



of staff say Deakin has a strong focus on achieving positive results ⁷



of staff say that Deakin is socially responsible ⁷

¹ 2019 Student Experience Survey, Universities Australia benchmark group

² Excellence in Research for Australia Assessment released 2019

³ Shanghai Ranking's Academic Ranking of World Universities 2019

⁴ QS Top 50 Under 50 2019

⁵ 2018 Shanghai Ranking's Global Ranking of Sport Science Schools and Departments

⁶ QS World University Rankings by Subject 2019

⁷ 2019 Deakin iSay Staff Survey (Voice Project)



Our research

\$81 million

research income

261

HDR completions

95% of ERA assessed broad research fields, and **100%** of specific research sub-fields rated at, above, or well above world standard ²



Our growing reputation

- Among the top 1% of universities in the world ³
- 29th in the Top 50 young universities in the world ⁴
- 3rd in the world for Sport Science ⁵
- 27th in the world for Education ⁶
- 28th in the world for Nursing ⁶



Our finances

\$1.35 billion

operating income

\$108 million

surplus



Our environment

Net emissions

decline from 80,818 tonnes CO₂e in 2017 to 71,491 in 2019

450+ staff and students involved in Green Impact program initiatives



Our 2019 anniversaries

- 50 years as part of the Warrnambool and South West Victorian communities
- 25 years engagement in India and South Asia



Our Campuses



GEELONG WATERFRONT CAMPUS

The Geelong Waterfront Campus is Deakin's headquarters. Set in the heart of Geelong, the campus' 19th century buildings have been transformed to create cutting edge learning spaces, such as:

- purpose-built architecture and creative art studios
- moot law courts
- occupational therapy labs.



GEELONG WAURN PONDS CAMPUS

Set on expansive, landscaped grounds, our Geelong Waurn Ponds Campus is home to:

- the Deakin Medical School and Regional Community Health Hub (REACH)
- the Jane den Hollander Building (formerly the Centre for Advanced Design in Engineering Training (CADET))
- the Institute for Frontier Materials, Carbon Nexus and other research centres of the Geelong Future Economy Precinct
- excellent sports facilities.



CLOUD CAMPUS

All Deakin students have an online learning experience, regardless of their campus enrolment. One quarter of our students study wholly online, at our Cloud Campus. Contemporary digital tools enable them to take part in classes and seminars, chat with other students and academic staff online, and use the Library. All commencing Cloud Campus students are provided with the tailored support they need to succeed.



MELBOURNE BURWOOD CAMPUS

Distinguished by its striking modern architecture, the Melbourne Burwood Campus is Deakin's largest campus, attracting more than 30,000 students. The campus features innovative and technology-rich learning spaces, including:

- Motion.Lab professional motion capture facility
- professional television studio
- industry-standard food nutrition labs
- robotics laboratory.

WARRNAMBOOL CAMPUS

Set along the beautiful coast of regional Victoria, the Warrnambool Campus offers a friendly, close-knit community, with a personal and informal relationship between students and staff.

The campus features state-of-the-art facilities, including a Clinical Simulation Centre that simulates a real hospital ward and contains all the equipment to be found on a nursing clinical placement.



HOW WE CREATE AND DELIVER VALUE

At Deakin we have developed a distinctive way to deliver value to our stakeholders. We emphasise the value created by graduates who are prepared for the jobs and skills of the future, are highly regarded by employers, and who have an entrepreneurial and community-minded outlook.

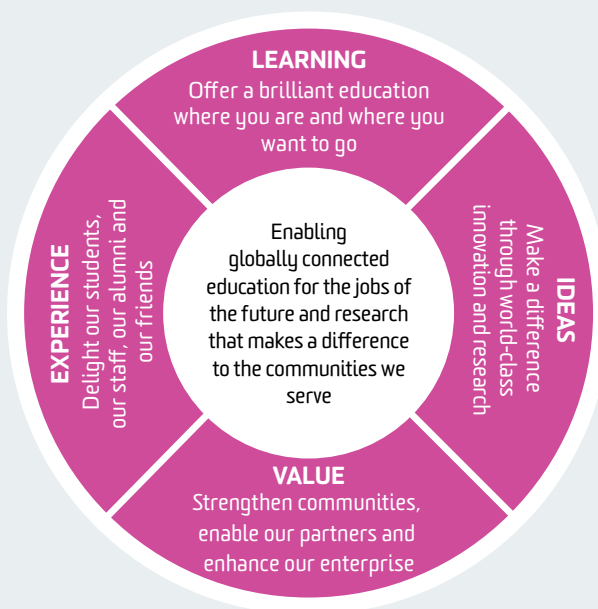
We also place importance on the value that is generated from our research being translated into economic and social outcomes. Across our operations we are dedicated to making a positive difference to the communities we serve and to addressing the enormous social, economic and environmental challenges facing the world.



OUR STRATEGY

Our strategic plan *LIVE the future* is built on partnerships involving our people, community and industry.

The diagram shows the components of our strategic plan. Later parts of this report elaborate on our achievements and challenges under Learning, Ideas, Value and Experience.



EXCELLENCE IN STUDENT LEARNING AND EXPERIENCE

In 2019 we were proud to be Australia's leading public university for overall student experience and to retain our position as Victoria's leading university for student experience (Universities Australia benchmark for Victorian universities) for the tenth successive year. We also rated first in Victoria for overall satisfaction, good teaching, generic skills and graduate qualities for undergraduate students in the Graduate Outcomes Survey.

	Overall Satisfaction	Good Teaching	Generic Skills	Graduate Qualities
Deakin	84.5%	66.7%	84.1%	85.5%
UA universities	80.0%	63.0%	82.4%	84.0%
Victorian universities	80.2%	63.7%	81.9%	83.4%

UA = Universities Australia

Sources: Graduate Outcomes Survey 2019 and Student Experience Survey 2019

WORLD-CLASS RESEARCH

At the same time we have improved our research performance, lifting the percentage of our Fields of Research (FoRs) rated at or above world standard from 48 per cent in 2010 to 100 per cent in 2018, the latest year for which data is available.

	2010	2012	2015	2018
Number of FoRs rated	59	52	53	52
Number of FoRs at or above world standard (rated = >3)	28 (48%)	36 (69%)	47 (89%)	52 (100%)
Number of FoRs rated 5	4 (7%)	5 (10%)	10 (19%)	24 (46%)

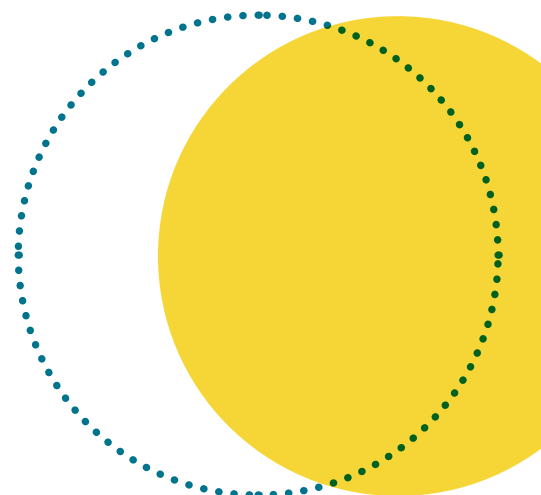
Source: Australian Research Council, ERA Outcomes 2010, 2012, 2015, 2018

SUSTAINABLE AND SOCIALLY RESPONSIBLE VALUE CREATION

We are committed to creating long-term value and pride ourselves on making a sustainable and socially responsible contribution to the communities we serve. We are very mindful of the tripartite social contract between the community, universities and government, whereby government provides significant funding and autonomy to universities to educate, research and innovate for the good of society.






Sustainability is central to Deakin's values. We are a signatory to the university sector's commitment to the United Nations Sustainable Development Goals. Our contribution is focussed on ensuring our campuses are environmentally sound and socially inclusive, on providing opportunities for our students to acquire the knowledge and skills to promote sustainable development and on undertaking research that provides solutions to the challenges facing our world.

We have set a series of sustainability targets for 2030 including carbon neutrality. We have targets along the way for 2020 and 2025. We are on track to achieve our carbon neutrality goal and our eight other major sustainability targets.

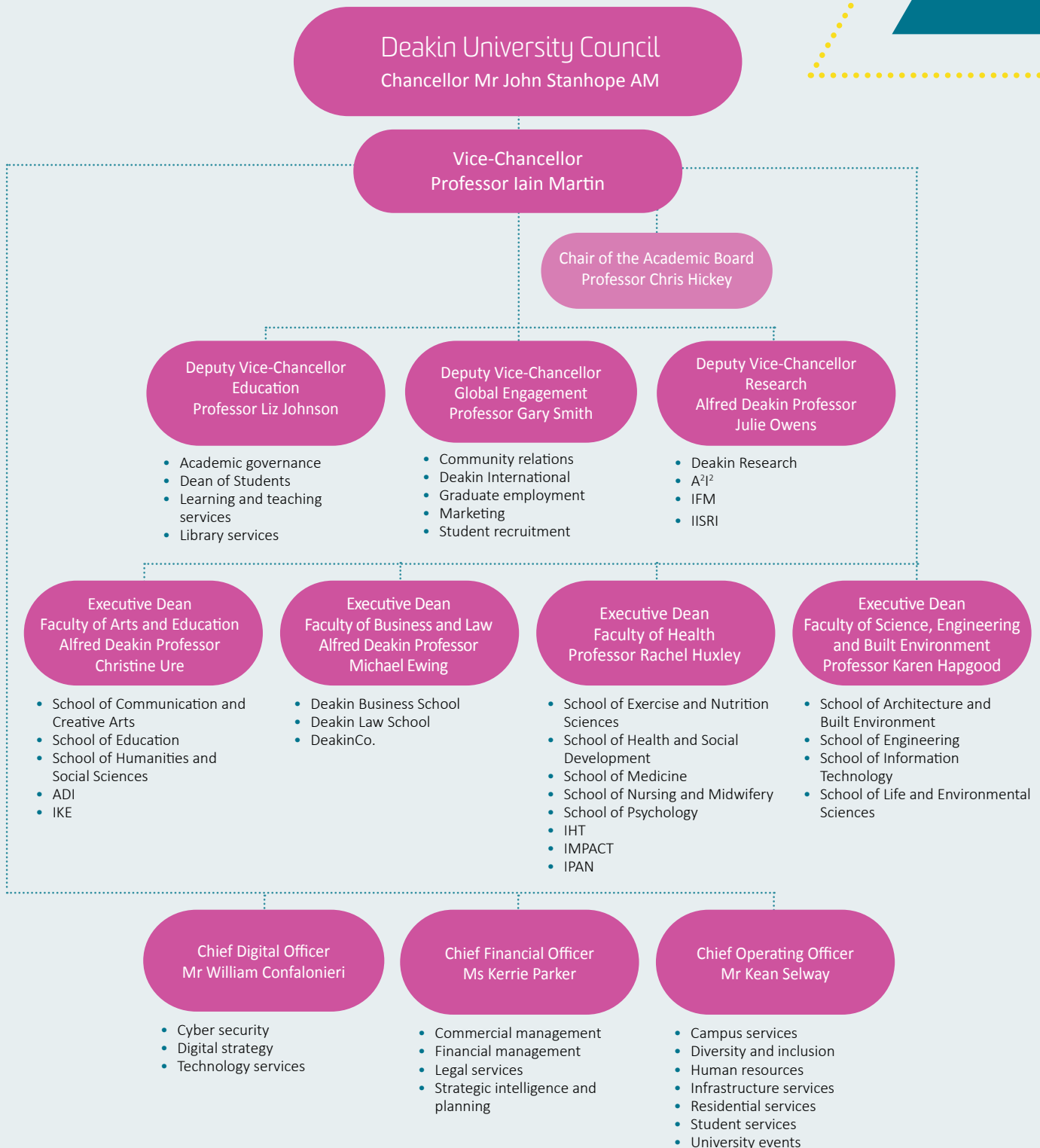


OUR VALUE MODEL

Our Value Model shows how, through our enablers, we achieve our *LIVE the future* goals, and deliver value for our stakeholders.

Our Enablers	How We Create Value	Our Outputs	Value Shared (Outcomes)	Effect Of Outcomes On Our Enablers
 <p>PEOPLE</p> <p>Our staff and students and our contribution through teaching and learning.</p>	<ul style="list-style-type: none"> • Deliver premium teaching in the Cloud and on campus with high-value learning resources and authentic work-integrated assessment. • Strong staff professional development. • An ongoing commitment to equity and inclusion. 	<ul style="list-style-type: none"> • Leading Victorian university for student satisfaction. • Students empowered with knowledge and skills for the future. • Employment outcomes for graduates. • Highly engaged and committed staff. 	<ul style="list-style-type: none"> • Career-ready graduates. • Capable and productive staff. • An inclusive culture which values diversity. • A highly educated and equitable society. 	<ul style="list-style-type: none"> • Teaching and learning programs informed by community needs. • Learning programs practices which counteract discrimination and inequality. • Staff and students respected for their social contribution.
 <p>KNOWLEDGE</p> <p>Our research, innovation, intellectual property and expertise.</p>	<ul style="list-style-type: none"> • Deliver and translate high quality research and research training outcomes that are relevant and meaningful and improve the future of our communities. • Work with others to maximise the value of our intellectual property. 	<ul style="list-style-type: none"> • Research advances. • Skilled researchers and entrepreneurs. • International reputation for innovation and excellence. 	<ul style="list-style-type: none"> • Job creation and future industries. • Social progress through new products, services and infrastructure. • Evidence based social policies and guidelines. 	<ul style="list-style-type: none"> • Strengthened culture of innovation and entrepreneurship. • Staff and students esteemed for their expertise and capacity to create intellectual property.
 <p>PARTNERSHIPS</p> <p>Our relationships with academic, community and industry partners and with government.</p>	<ul style="list-style-type: none"> • Foster and maintain partnerships with government, industry and community. • Develop targeted national and international academic and research partnerships. 	<ul style="list-style-type: none"> • Industry contracts, consultancies and partnerships. • Our investment in community partnerships. 	<ul style="list-style-type: none"> • Enhanced health and wellbeing of society. • Expertise to address local and global problems. • Partners empowered by latest research. 	<ul style="list-style-type: none"> • Institutional reputation for being approachable and collaborative, enhancing partnership formation. • Strong relationships of trust with partners and communities.
 <p>INFRASTRUCTURE</p> <p>Our physical spaces and digital platforms.</p>	<ul style="list-style-type: none"> • Create innovative teaching, learning and research environments in the Cloud and on campus. • Develop industry connected future economy precincts. • Safe and secure cyber system. 	<ul style="list-style-type: none"> • High quality facilities for students, staff and stakeholders. • Innovation hubs. • Sporting and cultural spaces. • Development of digital infrastructure. 	<ul style="list-style-type: none"> • Stronger links with community and support of industry. • Stylish and useful facilities for university and community use. • Digitally connected university and stakeholders. 	<ul style="list-style-type: none"> • Vibrant, well used infrastructure contributing to community connections. • Enhanced reputation from highly regarded digital platforms. • Opportunities to build vibrant community online through digital infrastructure.
 <p>ENVIRONMENT</p> <p>Our commitment to environmental sustainability.</p>	<ul style="list-style-type: none"> • Student learning about sustainability. • Reduce waste and increase energy efficiency. • Sustainability embedded in our policies and values. • Sustainable transport to and between our campuses. 	<ul style="list-style-type: none"> • Energy research. • Efficient energy and water use. • Reduced waste. • Education on environmental and sustainability issues. 	<ul style="list-style-type: none"> • Graduates well equipped to address environmental issues. • More efficient and sustainable energy use by society. • Contribution to public discussion and policy on environmental sustainability. 	<ul style="list-style-type: none"> • Reputation for contributing to solutions to major global challenges. • International research partnerships to support local environmental initiatives. • Decreased congestion and environmental strain on and around campuses.
 <p>FINANCE</p> <p>Our funding, grants, fees and donations and sound financial management.</p>	<ul style="list-style-type: none"> • Effective financial management with expenditure fully aligned to strategy. • Strong stewardship of funding with monitoring and planning. • Entrepreneurship to broaden funding sources. 	<ul style="list-style-type: none"> • Delivery of financial resources to fund our strategy. • Reinvestment of financial surpluses into teaching and research. 	<ul style="list-style-type: none"> • Strong growth supporting quality education. • Continual development of teaching, research and partnerships. • Mutually beneficial relationships with supporters to achieve positive social outcomes. 	<ul style="list-style-type: none"> • Students attracted and retained through high quality learning resources. • Partners and donors attracted by reputation for sound and ethical financial management.

ORGANISATIONAL CHART



ADI Alfred Deakin Institute for Citizenship and Globalisation
 A²I² Deakin Applied Artificial Intelligence Institute
 IFM Institute for Frontier Materials
 IHT Institute for Health Transformation

IISRI Institute for Intelligent Systems Research and Innovation
 IKE Institute of Koorie Education
 IMPACT Institute for Mental and Physical Health and Clinical Translation
 IPAN Institute for Physical Activity and Nutrition



OUR PERFORMANCE IN 2019



2019 saw significant achievements and positive impact across all areas of Deakin.

We are proud to be Australia's number one public university for overall educational experience.



Deakin aims to be Australia's premier university in driving the digital frontier and empowering students for the jobs of the future. This is at the heart of the value we create. Our graduates are ready to make a positive difference in the workplace and the community.



LEARNING

EXCELLENCE IN LEARNING AND EMPLOYMENT OUTCOMES

In 2019 Deakin maintained its strong performance and reputation for meeting students' needs in learning and career preparation. We achieved national and state leading results for student satisfaction. We also rated first in Victoria and among the highest in Australia for our learning resources, with over 90 per cent satisfaction among both undergraduate and postgraduate coursework students. Our DeakinTALENT careers and employment service was voted the best in Australia for the third year running by the Australian Association of Graduate Employers.

We make continual improvements to meet students' needs. For example, students emphasise the importance of the feedback they receive on assessment tasks. The more helpful the feedback, the more students can learn and improve their work.

Enhanced feedback on assessment is a principal goal of our Student Learning and Experience Plan, and central to our Teaching Capability Framework and the work of our Centre for Research in Assessment and Digital Learning (CRADLE). Concerted work has been undertaken and our most recent student evaluations are showing important coursework improvement: the feedback indicator in our eVALUate survey of all students lifted by five per cent in Trimesters 1 and 2, 2019, compared to the same trimesters in 2018.

Meeting students' library needs

Another issue important to students is extended library opening hours. In late 2018 we introduced 24 hour opening in parts of our libraries. In 2019 we significantly expanded this offering so that our larger libraries are open 24 hours including on weekends. This has proved hugely popular with students. In 2019 there were over 470,000 visits to our libraries between 7 in the evening and 7 the next morning, a 41 per cent increase on 2018.

Number of visits to libraries which offer 24/7 access

All Visits

	2019	2018	Change	%
TOTAL	2,758,106	2,529,190	228,916	+9.05%

Visits 7pm to 7am

	2019	2018	Change	%
TOTAL	471,293	332,960	138,333	+41.52%

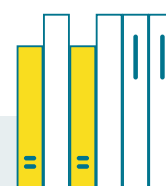
STUDENT ACCESS AND EQUITY

We are conscious of the lifetime benefits of a university education and of the importance of opening this opportunity to as many people as possible. We have a range of programs to improve access for and the success of students from groups traditionally under-represented in higher education. An innovative new program in 2019 was the FutureME program designed in conjunction with the Foundation for Young Australians.

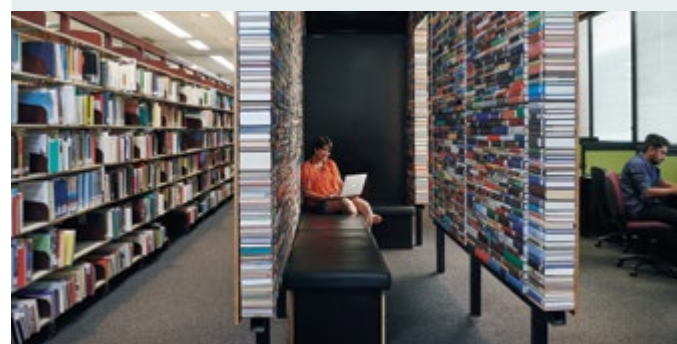
FutureME is a three-day immersion program for Year 9 students from low socioeconomic status backgrounds who are about to make critical decisions regarding their future.

The program connects the students with Deakin student mentors, many of whom are alumni of their schools. Participants attend our campuses in small groups to make university a familiar space and to undertake hands-on activities so that students can visualise themselves in the future world of work.

In 2019 the FutureME program engaged with 30 schools across Victoria and involved more than 85 Deakin students as mentors. The FutureME students told us that their perspective of their futures, including study options and potential careers, markedly changed after engaging in the program. Teachers reported that their students matured and became more engaged in their studies following their participation in FutureME. For the mentors the program provided valuable training and experience in leadership and satisfaction from assisting others to plan for their future.



OVER 90%
student satisfaction with learning resources (2019 Student Experience Survey)



TEACHING AND LEARNING INNOVATION – OUR CLOUDFIRST CODESIGN PROJECT



Deakin has, starting from its origins in distance education, a continuing and very strong reputation for online learning innovation. Today we are building on this to enhance the learning experience for *all* students.

CloudFirst CoDesign is our contemporary curriculum design and teaching project. It delivers high-quality learning experiences for all students through its carefully guided approach and high-quality, premium resources.

In 2019 the CloudFirst CoDesign project redesigned the Bachelor of Laws, Master of Business Administration (MBA) and Master of Education (Teaching English to Speakers of Other Languages, or TESOL). An offshoot of the project is the redesign of financial planning courses to meet Financial Adviser Standards and Ethics Authority standards.

CloudFirst teaching

CloudFirst teaching draws on multidisciplinary expertise to create engaging learning experiences. Teaching has always been a complex activity and it is becoming increasingly so with the rapid uptake of digital technologies in education. To meet this challenge we have established multidisciplinary teaching teams. Academic staff work with learning designers, digital resource experts, project managers, industry experts, alumni and current students to develop interactive and engaging curriculum. This is a new way of working for some and can at times be uncomfortable as role boundaries are negotiated in this so-called 'third-space'. Ultimately this approach yields collaboration, innovation and the achievement of shared goals.



The CloudFirst project provided us with opportunities to improve our skills as legal educators; for example, by developing our capacity to teach activity-based exercises in the scheduled learning sessions in a more collaborative and interactive manner.

Dr Sharon Erbacher, Bachelor of Laws Course Director

Students are generally delighted with CloudFirst. Feedback is positive in targeted units and high-performing units continue to trend well. The project is being formally evaluated by CRADLE and data collection includes interviews with students and unit teaching teams.



I did my undergrad at Deakin in 2010, and things have changed a lot. The quality of the recordings is very good, I didn't feel disadvantaged to be a Cloud Campus student. Content was not death by PowerPoint, it was very engaging.

MBA student

The Deakin MBA

The new Deakin online MBA is designed for the modern business leader with a contemporary approach to teaching and learning. New units focus on MBA students' needs (for example, a consolidated financial decision-making unit replaces separate accounting and finance units) and a tailored program provides personal, professional and career development and involvement in a live consulting project. Pre-commencement modules ensure all students start with the necessary background. A new blended model of teaching and learning involves fortnightly classes onsite and online, including dedicated online classes using active learning principles.



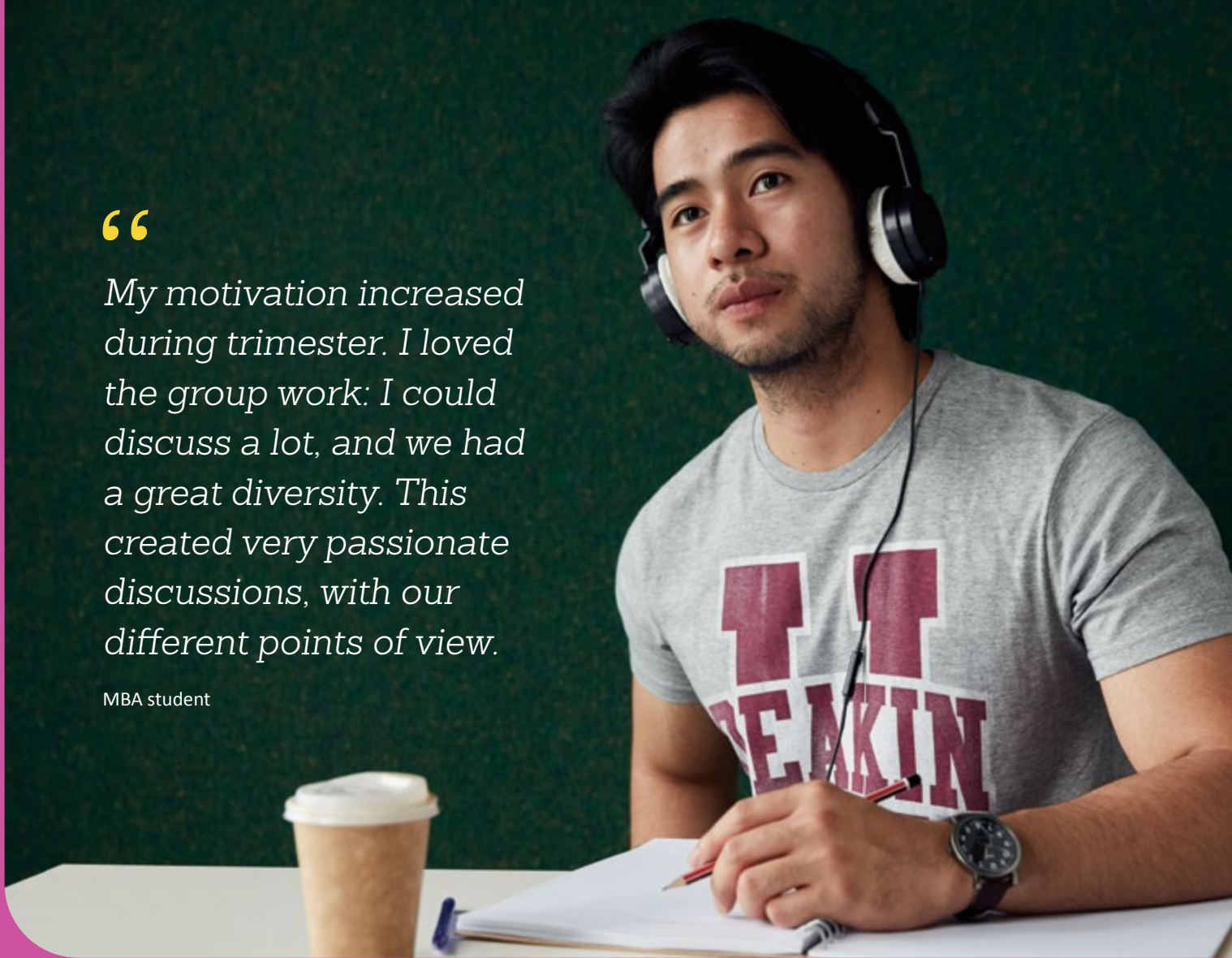
The collaboration between subject matter experts and learning design specialists extended and challenged both groups. The realities of a particular cohort and its needs stretched the learning designers and also caused academic staff to stop and consider the best way to convey some points for those with different learning styles. The benefit of this collaboration meant more new ideas and approaches than each would have delivered independently.

Associate Professor Colin Higgins, Master of Business Administration Course Director

“

My motivation increased during trimester. I loved the group work: I could discuss a lot, and we had a great diversity. This created very passionate discussions, with our different points of view.

MBA student



.....

Active learning

Active learning involves interactive activities and their integration with online learning resources. Numerous studies show that active learning improves student outcomes. In the MBA each onsite and online class is conducted to emphasise discussion, collaboration and problem solving. Students work collaboratively with peers, academic staff and industry adjuncts on issues for which no obvious solution exists. Examples from 2019 include the economic implications of Brexit, encouraging corporate engagement with climate change and formulating a sustainable workplace policy.

Online accessibility

We are enhancing the accessibility of our online course materials through improved processes for captioning, transcription and audio description. We are the first Australian university to pilot Aira, a service connecting blind or vision-impaired students to a trained professional agent who can deliver visual assistance. This will break down one of the barriers to a university experience and will also benefit staff and visitors with visual impairments.



CloudFirst CoDesign

is our contemporary curriculum design and teaching project.



DeakinTALENT is Deakin's Careers and Employment Service.

BRINGING STUDENTS AND EMPLOYERS TOGETHER – DEAKINTALENT

We empower students to explore a broad range of career opportunities, build skills and experience, and apply their career plan to shape a career that aligns with their interests, values and skills.

We enable employers to recruit Deakin graduates by building their employer brand, promoting job vacancies and offering a free recruitment agency service.

Students can access our digital services on demand or register to attend a guided

program through the DeakinTALENT website. DeakinTALENT is available to Deakin graduates for life.

Experience and Employment Expo

The DeakinTALENT Experience and Employment Expo brings hundreds of employers to Deakin's campuses to promote internships, vacation work, volunteering opportunities, international experiences and graduate programs.

In 2019 over 7,000 students attended the Expos to explore the range of experience and employment opportunities available and to build their employer networks. As most employers at the Expo are interested in students across a range of disciplines, the event enables students to learn that their study area does not define or limit their career outcomes.



7,000+
students attended
an employment
expo in 2019



LEARNING ACCENT

MIA'S STUDY AND WORK EXPERIENCE



Mia McMahon, Bachelor of Communication (Public Relations) graduate

Mia graduated from Deakin with a Bachelor of Communication (Public Relations) in 2019. Her study experience highlights Deakin's commitment to providing practical, hands-on learning that prepares students for their future careers and working lives.

Mia's first university experience was disappointing but when she arrived at Deakin in 2016, she was pleased with the focus on her future career.

“
I had great teachers and my units were very career focussed with real world experiences and life skills. I felt well-prepared to go into the workforce after university.

Career development is what stood out, and teachers invested time into this part of students' learning.

Mia completed three internships throughout her studies with very different organisations,

which not only built her resume but helped her develop a clear sense of her career preferences.

These internships connected into a third-year career development unit, which prepares students for job application processes and features guest speakers with careers in different parts of the public relations industry.

Mia attended the DeakinTALENT Experience and Employment Expo early in her final year of study and decided to apply for a graduate position with the Victorian Department of Transport. Her experiences and the practical skills she learnt at Deakin prepared her well for that process and her application was successful.

Mia is enjoying working in communications and stakeholder engagement for transport projects in Melbourne and says that what she is doing now definitely builds on a solid foundation of practical, career-ready skills and knowledge that she learnt during her studies at Deakin.



IDEAS

Deakin aims to deliver and translate high quality research and research training outcomes to improve the future of its communities. With world-class experts, facilities and international networks, we develop innovations and evidence-based insights that make a positive impact on the lives of individuals, businesses and communities.

EXCELLENCE IN RESEARCH

We have continued to improve the quality of our research in global terms. The latest Excellence in Research for Australia (ERA) assessment (published in March 2019 with data up to 2018) found that 95 per cent of our broad research fields and 100 per cent of specific sub-fields were at, above or well above world standard. The 100 per cent result was a significant uplift on the previous outcome of 89 per cent in 2015 and continues our upward trajectory from ERA assessments in 2010 and 2012.

OUR WORLD-CLASS RESEARCH DELIVERS IMPACT TO OUR COMMUNITIES

The Australian Research Council's *Engagement and Impact Assessment 2018-19 National Report* confirmed that we have translated our world-class research into positive and significant impact for the benefit of our communities.

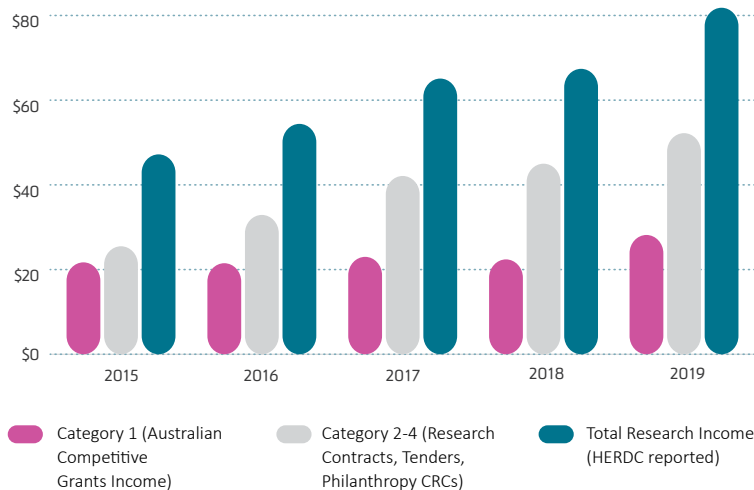
The inaugural nationwide assessment of university research engagement and impact examined case studies for up to 25 two-digit Fields of Research (FoRs), for research published over 15 years up to 2016 and its impact over the six years from 2011 to 2016. Engagement of researchers with end-users, and how effectively universities translate their research into economic, social, environmental and other impacts was evaluated. We were well rated across 20 FoRs with:

- 85 per cent rated as having high or medium impact (national average 88 per cent)
- 90 per cent rated as high or medium for Approaches to Impact (national average 76 per cent)
- 100 per cent rated as high or medium for Engagement (national average 85 per cent).

Our overall performance:

- placed us third generally and first for the percentage of high and medium ratings for Approach to Impact and for Engagement in Victoria
- emphasised our strong and increasing engagement mechanisms and pathways to impact across the University, placing us amongst leaders nationally
- was particularly impressive, given that we are a young university and the extended retrospective focus of the Engagement and Impact exercise.

Research income 2015-2019 (millions)



RESEARCH, INNOVATION AND PARTNERSHIPS

Our research focuses on innovation and robust partnerships with industry and business. We have invested strongly in research and attracted increasing levels of external funding over the past five years, with successful outcomes reflected in the rising quality of our research outputs, research reputation and strengthened research culture. Our total research income in 2019 was \$81 million, a 67 per cent increase from 2015. The greatest income growth has been in Category 2-4 income which comprises mainly industry-related research contracts, partnerships and tenders.

ELEVATING INDUSTRY ENGAGEMENT AND IMPACT

Our Future Economy Precinct at the Geelong Waurn Ponds Campus has generated over 2,000 local jobs in the Geelong region in a decade through industry partnerships and co-location opportunities.

A globally significant hub of collaboration and innovation, our Precinct brings together industry, research and education to shape tomorrow's economy and prepare the workforce of the future. It includes the advanced manufacturing incubator ManuFutures (fully operational in 2019), a purpose-built, commercially-operated facility that supports emergent innovators, operators and researchers in advanced manufacturing, with bespoke services and access to expertise and technological capital.

Deakin's spin-out company, FLAIM Systems, is just one example of the success of the Precinct. In 2019 FLAIM was named as Victoria's Small Business Exporter of the Year at the Governor of Victoria Export Awards and also received the 2019 Start-up of the Year award at the prestigious Australian

Information Industry Association's (AIIA) iAwards. FLAIM originated in the University's Institute for Intelligent Systems Research and Innovation. Its revolutionary fire-fighter training tool uses virtual reality and haptic technology to allow firefighters and first responders to train without being exposed to the dangers of real fire. FLAIM is already exporting to 14 countries and is set for further growth as it expands into new international markets.

ENABLING ECONOMIC DEVELOPMENT

Deakin's research and innovation capabilities, in partnership with other organisations, are stimulating economic growth. For example, our researchers from the Centre for Regional and Rural Futures are highlighting the economic potential of Victoria's Great South West Coast. They have identified seven pillars of the economy considered most promising for driving significant new wealth creation and high-productivity jobs for the community. This includes our Warrnambool Campus working to build closer, more targeted partnerships between higher education, applied research and development across multiple parts of the region's economy.

Perhaps most exciting for the region is the opportunity to be an enabler of future sustainable value creation for Australia. The region's temperate climate and focus on renewable energy provide the Great South

West Coast with a unique selling point compared to other regional locations across Victoria and Australia. This opportunity may help the region overcome some of the major strategic barriers to economic development, such as climate change and the shift in Victoria's energy production patterns.

A further example of our enabling capacities is CyRise, a cyber security accelerator which is moving the Australian cyber security industry into the global context. CyRise offers a cyber security start-up program that introduces participants to international best practice, industry mentors, and potential investors and customers across the world.

CyRise grew out of Deakin's Centre for Cyber Security Research and Innovation and is a partnership between Deakin and global IT company Dimension Data. It has nurtured ten start-ups since it was established in 2018, many of which are achieving outstanding international success. Two start-ups, Cydarm and Securestack, earned recognition in 2019 as among the most promising cyber security start-ups in the world.

By supporting start-ups CyRise is delivering significant benefits for the community. As the Director of Deakin's Centre for Cyber Security Research and Innovation, Damien Manuel, says "Australians lost over \$10 million to scammers in 2019 and one in three Australians were impacted. CyRise is building capacity by investing in companies and providing them with the experience, advice and support they need for success."

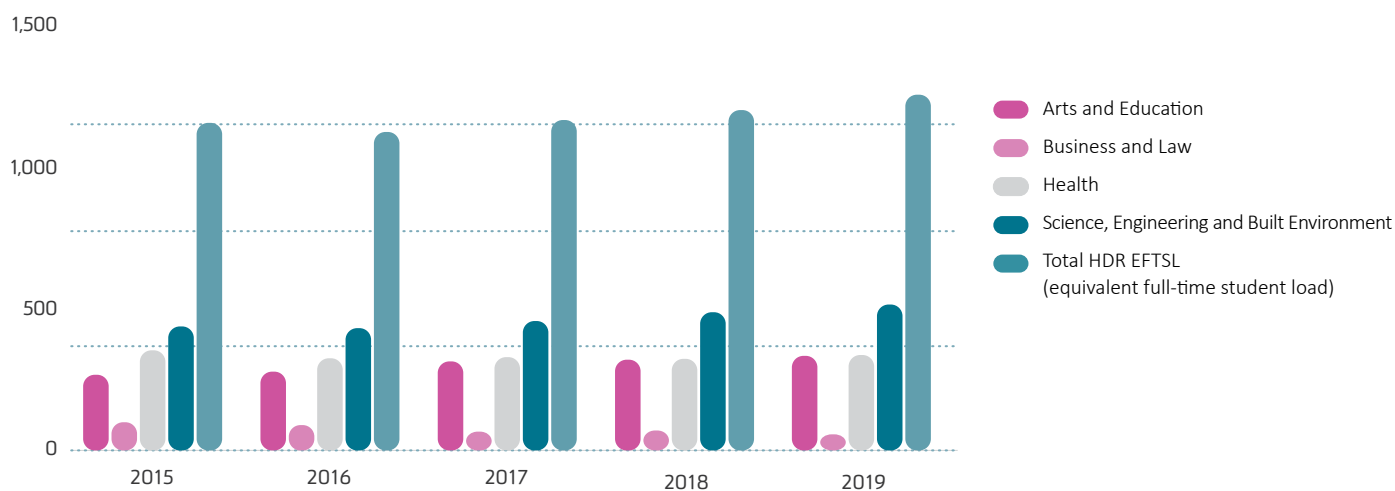


RESEARCH TRAINING FOR LIFELONG CAREER SUCCESS

Our PhD students represent the next generation of research leaders. Through our PhD Xtra initiative we emphasise the development of PhD students as discipline experts who can apply research thinking to major world problems. PhD Xtra offers students the opportunity to undertake career pathway placements and assists them in preparing for their future career by developing a portfolio of assets documenting their skills.

Many PhD students complete part of their study overseas, conducting field work or a period working at another university. To further expand our international research collaborations, we have initiated a suite of partnership programs whereby students complete a Deakin PhD fully in-country. More than 100 of our students are now undertaking their PhD abroad with overseas partners, many in India under the auspices of the Deakin India Research Initiative (DIRI).

Higher degree by research students 2015-2019



OUR GROWING INTERNATIONAL RESEARCH PROFILE

We continue to develop international research partnerships in areas aligned with key research strengths, with an emphasis on multidisciplinary teams.

In 2019 we focused on consolidating and strengthening collaborations with highly credentialed research partners and strategically developing new partnerships in Asia, Europe and South America. We have over 200 current and past research students involved in these partnerships.

We also have strong relationships with international student focused funding agencies to attract highly-credentialed candidates to study with us at Deakin and complement internal scholarship opportunities. These agencies include the China Scholarship Council, Ristekdikti (Indonesia), ANII (Uruguay) and BECAL (Paraguay).

CONTINUED SUCCESS IN INTERNATIONAL RANKINGS

Our growing international profile is reflected in a sustained rise into the 200 to 400 band in major global rankings of world universities. Deakin now ranks an estimated 261 in the Academic Ranking of World Universities, 271 globally in the Quacquarelli Symonds (QS) rankings and 29 in the QS ranking of the world's top 50 young universities (those under 50 years).

Deakin currently has seven highly cited researchers, those ranked in the top one per cent of the world's researchers whose research is identified as having the most impact globally (as determined by Clarivate Analytics).

Our Highly-Cited researchers in 2019 were:

- Alfred Deakin Professor Michael Berk
- Associate Professor Olivia Dean
- Professor Michael Maes
- Alfred Deakin Professor Paresh Narayan
- Alfred Deakin Professor Jo Salmon
- Dr Susan Sunila Sharma
- Alfred Deakin Professor Anna Timperio.

Alfred Deakin Professor Michael Berk was also awarded Victoria's highest scientific honour, the 2019 Victoria Prize for Science and Innovation (Life Sciences). This recognises his significant achievements over many years that include the discovery of risk factors, novel therapies and preventative treatments for mental health problems.



“

With one in five children experiencing a developmental challenge or disability, it is so important that we break down the barriers to inclusion and learn how to be more welcoming of kids of all abilities.



IDEAS ACCENT

RESEARCH MAKING A DIFFERENCE TO CHILDREN WITH DISABILITIES

AllPlay is a world-first program that is creating opportunities for children and young people with developmental challenges and disabilities to increase their community participation. It was developed by researchers at our Child Study Centre and is giving children of all abilities access to sport, dance and the highest quality education opportunities available. As the Centre's Director Professor Nicole Rinehart states "With one in five children experiencing a developmental challenge or disability, it is so important that we break down the barriers to inclusion and learn how to be more welcoming of kids of all abilities."

The AllPlay concept is centred on accessible, online, evidence-based tools and resources. It offers effective interventions throughout an individual's lifespan, promoting improved motor, social, mental health and quality of life outcomes. AllPlay has been embraced by educators, families and community groups across the country.

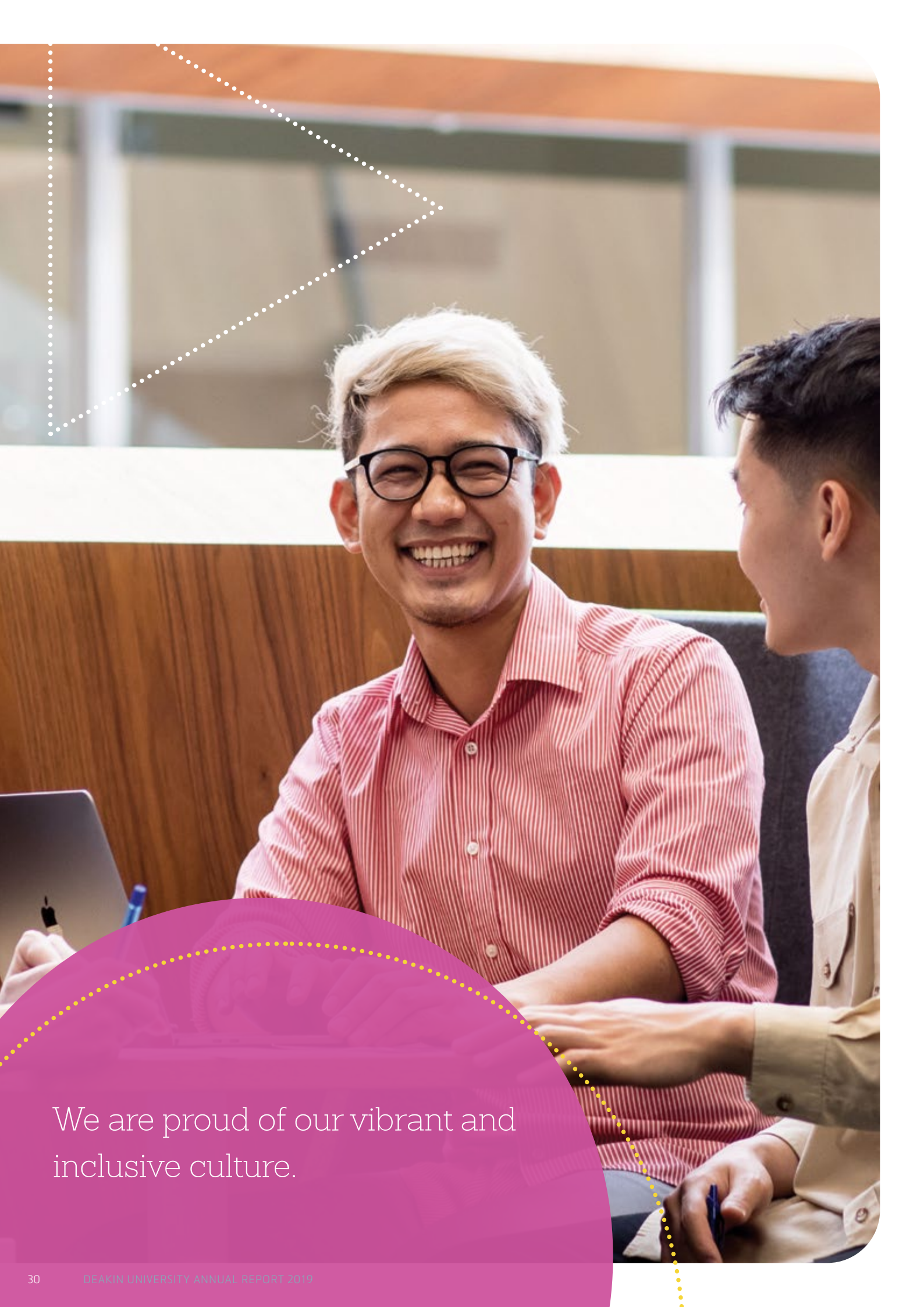
Partners have played a crucial role in its rapid development and uptake. Working with NAB AFL Auskick, the concept was pioneered in 2017 as AllPlay Footy. Since then, it has been used by sports clubs and families around Australia to give children with disabilities and developmental challenges the opportunity – often for the first time – to engage in organised sport. During the 2019 football season, 11,371 people used the AllPlay Footy website (32,737 page views).

Parents were the largest user group, followed by NAB AFL Auskick coaches and kids.

AllPlay Dance was the next program to be developed, in collaboration with Queensland Ballet, and launched in 2018.

Most recently, in August 2019, AllPlay Learn was launched in partnership with the Victorian Department of Education and Training, providing a one-stop-shop of online resources and professional learning courses for teachers and other education professionals working with Victorian children, young people and families.

AllPlay's successful implementation has made significant impact by removing barriers to social inclusion for children with disabilities and developmental challenges.



We are proud of our vibrant and inclusive culture.



VALUE



Deakin has a range of programs to protect and enhance the value of the University’s assets. Our greatest assets are our people and the value they create.

We are proud of the diversity of our staff and our vibrant, inclusive culture.

2019 STAFF SURVEY



In 2019 our staff participated in the biennial culture and experience survey, the Deakin iSay Survey. The survey is an opportunity for staff to share their experiences of working at Deakin to help inform improvements and initiatives. Although participation is not compulsory, 93 per cent of staff completed the survey, an extremely high response rate for surveys of this kind.

The results of the survey were very positive for each of the three key areas of engagement, progress and wellbeing:

- engagement measures the overall job satisfaction of staff and their commitment to the organisation. Our result of 81 per cent was an increase of one per cent on the 2017 survey and seven per cent above the Australian university average
- progress measures staff perceptions about current organisational performance and optimism about the future. Our result of 71 per cent was four per cent below the 2017 survey but 23 per cent better than the university average
- wellbeing measures the emotional wellness of staff at work and their ability to successfully manage job stress. Our result of 67 per cent was four per cent above 2017 and 15 per cent above the university average.

Key areas identified for improvement include enhancing career opportunities and improving the efficiency of our internal processes and systems. We have action plans to address these areas across the University.



93%

staff participation in 2019
Deakin iSay Survey

A SAFE AND HEALTHY WORK ENVIRONMENT



We are committed to providing a safe and healthy working environment for all our staff, students, contractors and visitors. Our Health Wellbeing and Safety Framework which includes our LIVE Healthily/Live Well Strategy 2016-2020 has delivered a steady enhancement in the resources that underlie improvements for the wellbeing and safety of staff and students. The Framework demonstrates our commitment to extend beyond compliance with legal obligations to maintaining and continuously improving our workplace culture, one that provides a positive and empowering experience for staff, students and others in the University community.

In 2019 we were successful in lowering our lost time injury rate to a very low level. This was a result of a program to increase awareness and review environmental and design factors following an increase (off a very low base) in the number of serious slips, trips and falls in 2018. Enhancements were implemented in training, better planning and facility improvements. In 2019 we had 0.08 lost standard claims per 100 FTE staff members, significantly lower than the previous two years.

Health, wellbeing and safety performance data (2017 – 2019)

	2017	2018	2019
Number of reported incidents for the year per 100 FTE staff members	5.1	7.3	6.5
Number of lost time standard claims for the year per 100 FTE staff members	0.18	0.41	0.08
Average cost per claim	\$17,128	\$15,307	\$20,753
Estimated outstanding cost per claim	\$92,919	\$35,585	\$42,178
Reported fatalities	0	0	0

WORKFORCE DATA

We have 5,396 staff (FTE) including casuals (2,409 FTE academic and 2,987 FTE professional), an increase of 3.9 per cent on 2018, reflecting our growth in student numbers of 4.5 per cent and our increased research capability and support.

Workforce disclosures (December 2018 – December 2019)

		DECEMBER 2018						
		All employees		Ongoing			Fixed term and casual	
		Total Headcount	Total FTE	Headcount (Full-time)	Headcount (Part-time)	FTE	Headcount	FTE
DEMOGRAPHIC DATA	Gender							
	Women Executives	133	125	82	8	87	43	38
	Women (total staff)	6,128	2,980	1,535	549	1,896	4,044	1,084
	Men Executives	252	224	161	11	167	80	57
	Men (total staff)	4,041	2,199	1,298	85	1,350	2,658	849
	Self-described	19	4	1	0	1	18	3
	Age							
	15-24	918	116	25	3	27	890	89
	25-34	2,709	1,176	512	55	545	2,142	631
	35-44	2,617	1,600	868	268	1,045	1,481	555
	45-54	1,846	1,227	794	164	903	888	324
	55-64	1,401	839	547	111	617	743	222
	Over 64	697	225	88	33	110	576	115
Total employees	10,188	5,183	2,834	634	3,247	6,720	1,936	

		DECEMBER 2019						
		All employees		Ongoing			Fixed term and casual	
		Total Headcount	Total FTE	Headcount (Full-time)	Headcount (Part-time)	FTE	Headcount	FTE
DEMOGRAPHIC DATA	Gender							
	Women Executives	141	132	90	12	98	39	34
	Women (total staff)	6,414	3,072	1,588	581	1,975	4,245	1,097
	Men Executives	254	224	157	12	164	85	60
	Men (total staff)	4,256	2,316	1,374	95	1,431	2,787	885
	Self-described	50	8	1	0	1	49	7
	Age							
	15-24	914	128	25	8	30	881	98
	25-34	2,855	1,189	507	51	540	2,297	649
	35-44	2,884	1,748	964	284	1,151	1,636	597
	45-54	1,923	1,258	823	174	938	926	320
	55-64	1,431	853	558	121	637	752	216
	Over 64	713	220	86	38	111	589	109
Total employees	10,720	5,396	2,963	676	3,407	7,081	1,989	

ABORIGINAL AND TORRES STRAIT ISLANDER INCLUSION

Deakin recognises the special place Aboriginal and Torres Strait Islanders have as the Original Peoples of Australia.

We are committed to improving the tertiary education outcomes of Aboriginal and Torres Strait Islander Peoples and to building stronger relationships between Aboriginal and Torres Strait Islander Peoples and non-Aboriginal Australians.

In 2019 our key focal points were the commitment to establishing the facts about Australia's Indigenous experiences (truth-telling) and to positively shifting the reconciliation landscape as part of national redress and inclusion.

We celebrated three significant Aboriginal and Torres Strait Islander events in 2019: National Sorry Day, Reconciliation Week and NAIDOC Week. National Sorry Day was recognised at the Geelong Waurn Ponds Campus with a flag-raising ceremony followed by a traditional smoking ceremony conducted by Traditional Wadawurrung owner Corrina O'Toole. We reflected upon past injustices, including the impact of government policies and practices of removal and separation, as a way of healing and honouring.

Reconciliation Week was celebrated at the Melbourne Burwood, Geelong Waurn Ponds and Warrnambool Campuses, and staff were invited to contribute to an artwork canvas portraying the National Reconciliation Week theme of *Grounded in Truth—Walk Together with Courage*. Finally, we celebrated NAIDOC Week through the theme of 'Voice Treaty Truth: Let's Work Together for a Shared Future', three key

elements to the reforms set out in the 2017 'Uluru Statement from the Heart'. These reforms acknowledge the desire for an enhanced role in decision-making in Australia's democracy and highlight First Nations' desires for lasting and effective agreements, such as Treaties. We produced 'Treaty' lanyards to celebrate and stand with these reforms and we were well represented at the Victorian NAIDOC March in Melbourne.

IKE, our Institute of Koorie Education, hosted a Treaty Forum, *Righting the Wrongs*, to continue the important conversation in partnership with Wadawurrung, the Victorian Treaty Advancement Commission and the Parliament of Victoria.

In 2019 Professor Mark Rose, a Gunditjmara man, was appointed as our first Pro Vice-Chancellor Indigenous Strategy and Innovation to provide leadership in Indigenous education, research and community engagement and to support the University's vision for Indigenous participation and success. We also welcomed an Indigenous Inclusion Coordinator, Tom Molyneux, also a Gunditjmara man, who works to support the delivery of Deakin's Aboriginal and Torres Strait Islander Higher Education Agenda, and who has already facilitated powerful discussions on a number of key issues, including the Victorian Treaty process and racism and reconciliation.

Further work in 2019 included revising our Graduate Learning Outcomes to position Indigenous content in all courses and conducting an extensive staff development program for cultural inclusion. IKE, Diversity and Inclusion and the School of Medicine's Indigenous Medical Program continue to make strong contributions to Aboriginal and Torres Strait Islander inclusion across Deakin.



Professor Mark Rose was appointed Pro Vice-Chancellor Indigenous Strategy and Innovation



GENDER EQUITY

Deakin is committed to addressing inequalities to achieve gender equity.

We have been recognised for 13 consecutive years as an Employer of Choice for Women by the Workplace Gender Equality Agency.

In August 2019 we received the prestigious Athena SWAN Bronze Institution Award in recognition of our extensive work in promoting gender equity, inclusivity and diversity and our ambitious four-year action plan to achieve further progress. The Athena SWAN program, managed by Science in Australia Gender Equity (SAGE), aims to improve gender equity outcomes in Science, Technology, Engineering, Mathematics, and Medicine (STEMM) in the Australian higher education and research sector.

Our Athena SWAN action plan helps guide how we improve gender equity outcomes for the next four years, and the SAGE principles underpin our Gender Equity Action Plan 2019–2023. Key targets in the Plan include:

Recruitment

- 50 per cent of STEMM strategic Level E appointments between 2019 and 2023 to be women (spread across portfolios)
- eight women appointed through female-only recruitment by 2023 in STEMM portfolios

Promotion and career advancement

- cumulative promotion success rates to be equal for each gender and for part- and full-time staff between 2019 and 2023
- females to comprise at least 50 per cent of all new Alfred Deakin Postdoctoral Research Fellowships by 2022

Success following career break

- 100 per cent of academic staff returning from a career break to be provided with a mentor from 2020
- 50 per cent of academic staff returning from a career break and responding to the next Diversity and Inclusion survey report no negative impacts from their career break.

DIVERSITY AND INCLUSION

Deakin supports diversity and rejects homophobia, biphobia and transphobia. We recognise the rights of our Lesbian, Gay, Bisexual, Transgender, Intersex, Queer, Questioning (LGBTIQ+) students and staff to learn, live and work free of prejudice and discrimination.

In 2019 Deakin was awarded the Australian Workplace Equality Index (AWEI) Gold Medal for our strong commitment to inclusion and support for LGBTIQ+ staff and students.

The AWEI is an evidence-based benchmarking tool that assesses workplace progress in LGBTIQ+ inclusion and diversity initiatives. Deakin was one of only 14 organisations in Australia to receive the Gold Employer standard in 2019, which is the result of significant work by the entire Deakin community.

Deakin proudly supports Wear it Purple Day which aims to raise awareness of LGBTIQ+ young people who have taken their lives after being bullied and harassed for their sexual orientation or gender identity. 2019 Wear it Purple events held on each campus raised money for Brophy's Safe in the South West program in Warrnambool. The program strengthens the capacity of South West Victorian communities to support young people who identify as same-sex attracted, trans or gender-diverse.

PROTECTING DEAKIN'S INFORMATION ASSETS

We have very valuable information assets and responsibilities to protect that information. With personal details of over 70,000 staff and students, cutting-edge research and financial transactions being made within Deakin's network, our information is an attractive target for cybercriminals.

The Deakin Shield program successfully transformed our cyber security landscape. It protects our stakeholders and digital information assets from cyber attacks. The program improved the capabilities of the cyber security team by introducing new and innovative technologies that mitigated the risk of University data and information being compromised.

Our eSolutions team also partners with the Faculty of Science, Engineering and Built Environment to provide students studying cyber security-related courses with practical training platforms and work integrated learning opportunities.

In 2019 we won the Cyber Security Educator of the Year award from the Australian Information and Security Association and Professor Robin Doss won the Cyber Security Researcher of the Year award. In December we were awarded the first Australian Computer Society accreditation in cyber security reflecting our capacity to produce graduates with the skills and knowledge to be successful in cyber security careers.

EXPENDITURE ON INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

We continue to advance our ICT infrastructure by optimising products, channels and platforms, supporting smarter network growth, implementing reliable core business systems and protecting against cyber threats.

Total ICT Business as Usual (BAU) expenditure in 2019 was \$74.9 million and total ICT project expenditure was \$22.5 million (\$2.2 million capex and \$20.3 million opex). Our total ICT expenditure of \$97.4 million reduced from \$101.9 million in 2018 following the completion of major ICT projects including the replacement of the Finance Enterprise Resource Planning system. In 2019 a number of activities previously recognised as projects, including our major cyber security uplift Deakin Shield, were reclassified as business as usual reflecting their ongoing nature.



VALUE ACCENT

EMPOWERING INNOVATION: SPARK DEAKIN

SPARK Deakin is an expression of our commitment to innovation and supporting new businesses. It was established to empower the next generation of entrepreneurs by offering programs and events to develop their entrepreneurial skills and innovative thinking. It includes an annual three-month accelerator program and year-long mentoring sessions and events.

The accelerator program supports start-ups founded by our students, alumni and staff. This program was introduced in 2016 and has since backed 28 start-ups, serving over 15,000 customers, creating 300 full-time and part-time jobs, 800 contract roles and generating over \$3.3 million in revenue.

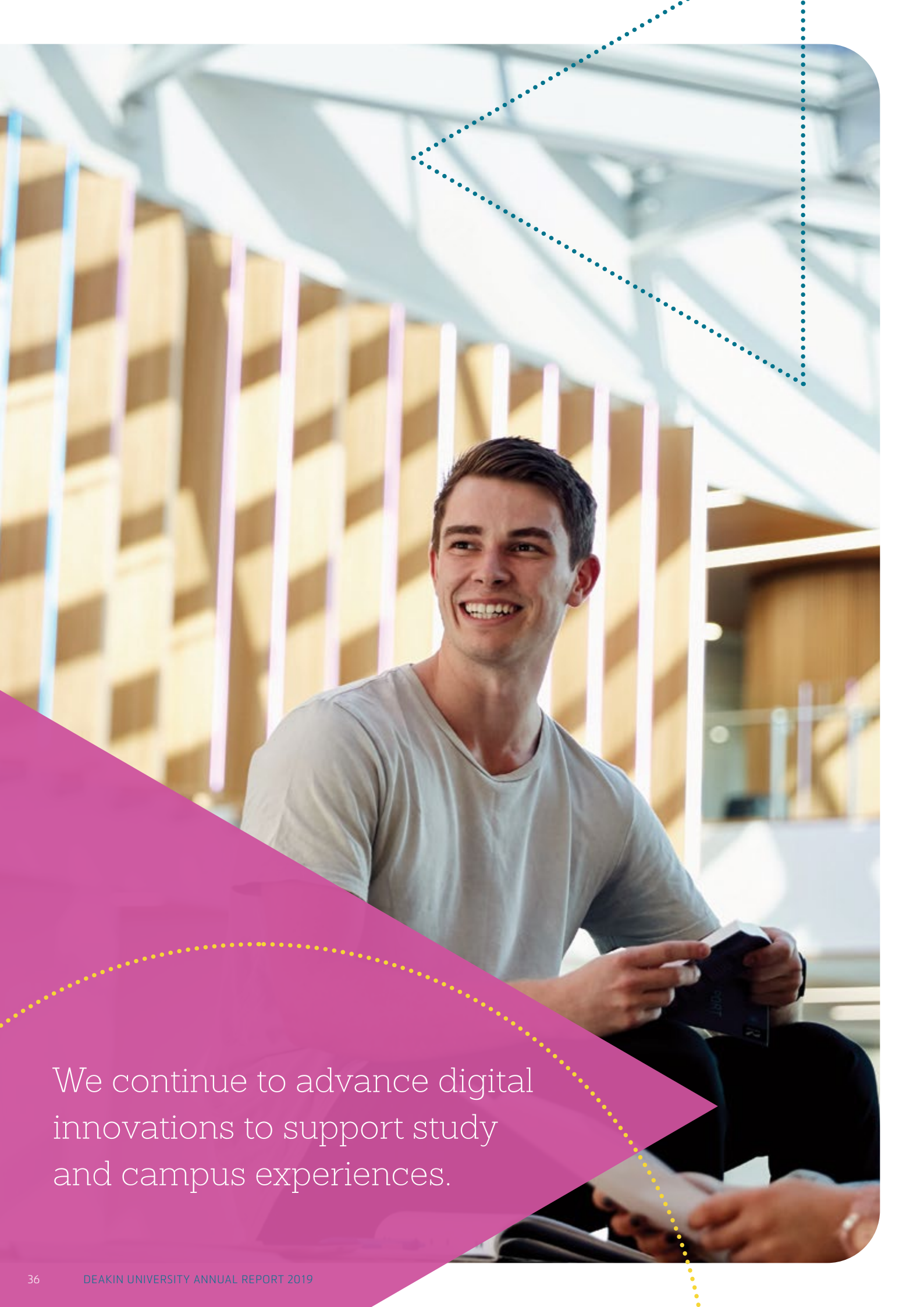
To be accepted into the program applicants undergo a rigorous selection process to assess commercial potential, scalability,

team diversity and impact. Once accepted, program teams each receive \$10,000 in funding, dedicated mentoring, co-working space, access to SPARK –Deakin's network of investors and entrepreneurs – and benefits from our partners including Google Cloud for Start-ups, HubSpot and Amazon Web Services at a value of approximately \$60,000.

One start-up which benefited from SPARK Deakin is theotherstraw, founded by alumna Jamie Lee-Kay and Lennart Meijer. It is an enterprise replacing single-use plastic straws with reusable and biodegradable bamboo straws. Through their work, theotherstraw has diverted more than 2,550,000 single-use plastic straws from landfill while providing ethical employment to ethnic-minority groups in Northern Vietnam. Fifty per cent of their profits are directed to ocean clean-up programs in Australia.

Two other start-ups STRUT and Polylab, founded by engineering students from Deakin, were accepted into the ManuFutures Export Acceleration Program (MEAP) in 2019. STRUT develops innovative technologies for the agricultural industry to empower farmers with data to achieve their yields more efficiently and effectively. Polylab provides recycling processes in 3D printing.

Through MEAP these start-ups receive continuous mentor support and exclusive access to 'The Chamber', a co-working space to assist manufacturing entrepreneurs move from the start-up stage to product refinement. This provides access to important advice and assistance to enable the companies to develop, in addition to continuing proximity to Deakin engineering researchers.



We continue to advance digital innovations to support study and campus experiences.



EXPERIENCE

Deakin places great importance on ensuring that our students have an excellent university experience and on sustaining strong and mutually beneficial connections with the communities we serve.

A STUDENT-CENTRED SERVICE ENVIRONMENT

Our Student Service Network is enhancing the way we provide information and support to students.

The Student Service Network combined different systems, processes and staff from various areas of the University into a single network that focuses on serving the needs of students throughout their Deakin experience. This has resulted in a number of outstanding benefits. Processes for general and faculty course advice are now aligned, clear and consistent. All course advice enquiries from students are managed within a single system. Students can now monitor the progress of their enquiries online and staff can provide them with a personalised service through a centralised view of their interactions and history. Up-to-date student and course advice, including curriculum changes, is provided through a central knowledge repository. Through sophisticated data analytics, we can obtain insights, identify trends and gaps which enhance our planning and development activities.

The Student Service Network handled more than 850,000 enquiries in 2019, which is more than double the number managed in 2018. Despite this increased volume of work, service levels continue to improve and wait times for students were reduced significantly.

The Student Service Network is now a thriving, collaborative and connected group of highly skilled professionals dedicated to supporting the success of our students.

Student Central is the starting point for all student information, advice and support, and we now have nine Student Central Hubs located across our five campuses, including a dedicated Cloud Student Central Hub.

DIGITAL SUPPORT FOR STUDY AND CAMPUS LIFE

We continue to advance digital innovations to support study and campus experiences.

The award-winning Deakin Genie app is a part of our digital frontier for excellence in education. It is a personalised digital assistant or concierge which helps students navigate many aspects of university life such as time management and multiple commitments. At the end of 2019 the number of students who had downloaded the app exceeded 25,000. In peak times such as the start of study periods, students initiated more than 12,000 discussions each day using the app. Genie uses artificial intelligence to deliver increasingly useful information to students.

Deakin Scout is an app which enables students, staff and visitors, on and near our campuses, to search for a room or service. The information is personalised and contextualised, helping users get the most out of their on campus experience. Scout is extremely popular with our commencing students. 9,000 people used Scout on day one of Trimester 1, 2019 to find their way around, and several thousand people used it the night before to plan their first day on campus. Over 100,000 locations were found using Scout, with lecture theatres being the highest term searched.

Recognition for Genie and Scout in 2019 included:

- Gold awards for EduTECH Asia Awards Best Use of Emerging Technology and Best EduTECH Solution Award categories (*Deakin Genie*), and EduTECH Asia Awards Smart Campus (*Deakin Scout*)
- Highly Commended for ATEM (Australian Tertiary Education Management) Best Practice Awards, award for excellence in innovation category (*Deakin Scout*)
- Runner up for the:
 - Council of Australasian University Directors of Information Technology (CAUDIT) Innovation in Teaching and Learning Award (*Deakin Genie*)
 - QS-Wharton, Reimagine Education Awards for ICT Tools for Teaching and Learning (*Deakin Scout*)
 - Asia Pacific Triple E Awards for Innovation Challenge of the Year (*Deakin Scout*).

Deakin Scout has also being recognised as a recipient of a 2020 FutureEdge 50 Award from IDG Communications, and a finalist for the 2020 iNews Benchmark Awards Internet of Things category.



Deakin Scout App

9,000

people used Scout on day 1 of Trimester 1, 2019 to find their way around

SUPPORTING STUDENT MENTAL HEALTH AND WELLBEING

We are committed to supporting the mental health and wellbeing of our students.

Our Student Mental Health and Wellbeing Strategy provides a systematic approach to promote and protect mental health and wellbeing and mitigate the impact of mental health difficulties on student learning.

In addition to University-wide services we have developed programs to prepare students to meet challenges in their future careers with resilience.

In 2019 the Faculty of Business and Law introduced the Professional Insight Module into the Bachelor of Commerce as a compulsory first-year unit. The program builds on a student's personal strengths, areas for improvement and experiences in preparation for the demands of the workplace. This was in response to research conducted by Faculty academic staff who identified that employers look for graduates who have not only the technical skills and relevant discipline knowledge but also the employability skills needed in the workplace. Students are asked to analyse the required standards of performance aligned with industry expectations and identify where they may need to improve. The recently developed Professional and Industry dashboard assists students to work through this program in a structured and thoughtful way. Student feedback is extremely positive and indicates an increased personal awareness and confidence.

Together with the support provided to students as part of their curriculum, the School of Medicine introduced an extracurricular program to support students' mental health and to assist them in clinical settings. This included the employment of a dedicated School counsellor and let to workshops on building resilience.

The School has a CaRE (Coping and Resilience) program which includes creative workshops, a community kitchen and activities to reduce stress. The School also provides monthly onsite support to students in years three and four at Geelong and Ballarat clinical schools.

40 YEARS OF THE DISABILITY RESOURCE CENTRE

Every year thousands of new students begin their journey at Deakin, with many of those students accessing our Disability Resource Centre (DRC). 2019 marked 40 years of disability support at Deakin.

The DRC was established in 1979 as the Lady Vera White Resource Centre, named after Alfred Deakin's daughter who provided a donation to support students with a disability. Deakin was the first university in Australia to employ a Disability Resource Officer (1980) to help improve accessibility for students with a disability. Initially support focused on working directly with students. Then strategies focused on creating an inclusive environment by providing physical accessibility, accessible materials, flexibility in assessment and student support, and addressing policy and systemic change.

The DRC has grown into a service supporting our onsite and Cloud Campus students with disability so they can fully participate in University life and study. Today almost 10 per cent of our students identify as having a disability and over 3,000 students accessed the DRC in 2019, our highest number so far.

In 2020 we will create a network of alumni who have an interest in disability support and inclusion at Deakin. We want to share the innovation and stories from our University with our wider community.

Deakin also provides programs to assist specific groups of students to adjust to the demands of university study. Introduced in 2019, *Navigate* is a specialised peer mentoring program supporting students with Autism Spectrum Disorder (ASD) to transition to university. Students with ASD have difficulty working through all the changes that come with entering tertiary education, and are at risk of leaving their studies. A student is supported in their first year of study through individual and group mentoring, counselling services, social events and study skills support. The program has been welcomed by students who attest it has helped them to feel more at ease and able to succeed.



40 years of disability support at Deakin



OUR ALUMNI

Our alumni are great ambassadors for the University and they provide influential connections and networks for our current students preparing for their careers.

In 2019 we celebrated our 250,000th graduate. With our antecedent institutions, the Deakin alumni community now includes more than 285,000 individuals across the globe.

More than 60,000 alumni directly engaged in the 2019 alumni program:

- over 20,000 alumni took advantage of benefits such as library memberships and career services
- over 100 domestic and international alumni events were held, including networking, lifelong learning and personal development, chapter activities, social networking opportunities, webinars and recognition achievement events
- sixteen (six domestic and ten international) alumni chapter committees and networks were active around the globe.

In October we recognised the accomplishments of our graduates through the Annual Alumni Awards celebration. The 2019 recipients included:

- Alumni Lifetime Achievement Award: Ms Leigh Sales AM (Graduate Diploma of International Relations 1999 and Master of Arts (International Relations) 2001)
- Alumna of the Year: Ms Karen Stocks (MBA 2008)
- Young Alumnus of the Year: Mr Khyber Alam (Bachelor of Vision Science/Master of Optometry 2016)
- Alumni Community Service Awards: Dr Georgia Birch (PhD 2013) and Mr Mark Sullivan (Bachelor of Science 1989).

THE TRANSFORMATIVE POWER OF PHILANTHROPY AND SCHOLARSHIPS

Philanthropic support significantly increases our capacity to create value in the communities we serve.

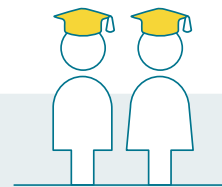
In 2019 we received donations from 599 individuals, trusts and organisations, a rise of 109 per cent over 2018.

The gift of education

In 2019 more than 450 individuals donated to our programs, supporting scholarships, research and innovative programs. Support for scholarships in particular saw a significant boost.

In July the Norman Beischer Medical Research Foundation established the *Ernie Williams Indigenous Scholarships*, which will support two Indigenous students every year as they complete up to four years of study within the Faculty of Health. Valued at \$320,000 in total, the scholarship program honours the legacy of Ernest Daniel (Ernie) Williams, a key real estate advisor to the Foundation for many years before passing away in 2014.

In 2019, the *Lawrence and Pamela St. Leger PhD Scholarship* was established in the Faculty of Health. The first recipient will be selected in 2020 and financially supported until 2023. The Scholarship reflects teachers Lawrence (Lawry) and Pam St. Legers' passion for education as a force for making the world a better place where people are more thoughtful, critical and reflective. Lawry was a driving force behind the development of our Faculty of Health.



60,000+

alumni directly engaged in the 2019 alumni program



IMPORTANT ANNIVERSARIES AT HOME AND ABROAD

In 2019 we celebrated important anniversaries in our local and international communities.

50 years as part of the Warrnambool community

In late October, the Hon. Dan Tehan, Minister for Education, joined the Vice-Chancellor, alumni and members of the Warrnambool community to celebrate the 50th anniversary of the Warrnambool Institute of Advanced Education, which is now Deakin University Warrnambool. Many nurses, teachers, accountants and business people were educated at the Institute and have become leaders in their fields around the world. Members of the community, who funded 59 scholarships for Warrnambool students in 2019, were thanked and acknowledged by the Vice-Chancellor.

Partnering with South West TAFE in Warrnambool, we expanded the pathways program to 11 qualifications that can lead to entry into Deakin. This exclusive regional initiative empowers more regional students to leverage their TAFE qualifications into further study at Deakin, including the courses on offer at the Warrnambool Campus.

Further to this pathway expansion, South West TAFE strengthened its physical footprint on the Warrnambool Campus by increasing the number of courses it delivers. Overall, this assists TAFE students as they transition to higher education and enhance their learning experience.

25 years of engagement in India

In March, Deakin celebrated 25 years of engagement in India. In association with AusTrade, events were held in Delhi and Chennai which focussed on women in leadership, sport and management, integrated reporting, smart agriculture, and healthcare.

The flagship Deakin India Research Initiative (DIRI) was awarded the 2019 Australian Financial Review (AFR) Higher Education Award for International Education. With investment of more than \$15 million by Deakin and over 20 strategic partners across industry and academia, more than 100 students have engaged in research training since DIRI was launched in 2009.

RECIPIENTS OF DEAKIN HONORARY DOCTORATES

Deakin awards honorary doctorates at graduations or other special ceremonies to recognise outstanding contributions by individuals to the University's communities and aims.

Recognition is not associated with a particular academic discipline but is reflected in a citation capturing the significance of the person's contribution. In 2019 13 Deakin Honorary Doctorates were conferred:

- Helene Bender OAM for distinguished service to the governance of Deakin as a member of the University Council from 2008 to 2018 and as Deputy Chancellor from 2010 to 2016, and for her significant contribution to the Geelong community and especially charitable causes
- Robert Costa for his significant and sustained commitment to shaping the future of Geelong through his invaluable contributions to a range of community organisations
- Tony Ellwood AM for outstanding leadership in the arts and arts education programs
- Cadel Evans AM for his inspiring example of achievement through dedication and determination and for promoting gender equity in sport and health through cycling
- Magistrate Rosemary Falla in recognition of her distinguished career in law, which saw her become the first Indigenous Magistrate appointed in Victoria, and her service to the community through the establishment of the first Koorie Courts in Victoria
- Professor Joe Graffam in recognition of his outstanding contribution to Deakin in a range of academic and research leadership positions
- Kiran Mazumdar-Shaw for her pioneering entrepreneurial role in biotechnology and her sustained and significant contribution to university and industry connections between India and Australia
- Peter Meehan for distinguished service to the governance of Deakin University as a member of the University Council from 2007 to 2018 and as Deputy Chancellor from 2011 to 2018
- Peter Norden AO for eminent and sustained service to the Australian non-government sector in the field of community services
- Andrew Norton for services to the Australian higher education sector through policy leadership and research over a sustained period
- Jill Smith for distinguished service to the Victorian arts and cultural sector – its artists, organisations and audiences, and to the City of Greater Geelong, in particular, where her work has contributed to Geelong's profile as a cultural and innovation hub.
- Melinda Smith OAM for her outstanding contribution to the arts and her tireless work in breaking down barriers to inclusion for people with disability both in Australia and internationally
- Professor Richard Tinning for his eminent contribution and leadership in social critical scholarship in health and physical education



Artist Terry Matassoni with Art Tram 837 (Matassoni) 1992, Deakin University Art Collection, Donated by VicTrack, 2019. Photography Simon Peter Fox

EXPERIENCE ACCENT

ART TRAM 837

Deakin's Art Collection and Galleries is committed to collecting, curating and displaying contemporary works by Australian artists.

Works are displayed around all of our campuses, in high-exposure sites such as our libraries and in pop-up galleries. We also have an app supporting a guided tour of campus sculptures.

In 2019 we revived a piece of Melbourne's cultural history with a retired W-Class tram making its new home on the Melbourne Burwood Campus. The arrival of the tram is part of a Victorian Government initiative to repurpose over 130 retired trams into community features such as cafes, learning spaces, food trucks and playgrounds around Victoria and Tasmania.

Our tram, which has been in storage for almost 30 years, is especially notable as it is the first of the iconic 'Transporting Art' trams to be re-homed. The 'Transporting Art' trams were commissioned between 1978 and 1993 as a way to reimagine traditional public art from conservative statues and sculptures into mobile, vibrant and provocative pieces in a public arena. As part of their modern repurposing, the trams are being gifted to an institution of the artist's choosing.

The tram's artwork was created in 1992 by former Deakin lecturer, student and Art Gallery exhibitor, Terry Matassoni. Deakin and Terry have had a close connection for many years, with ten of Terry's artworks in the University Art Collection. In 2003 he held a solo exhibition *A walk into town* at our Stonnington Stables Museum of Art.



The tram has been refitted to become an informal learning space and is a wonderful landmark for the Melbourne Burwood Campus community to enjoy.



Deakin strives for an embedded and transparent approach to sustainability.



SUSTAINABILITY

As one of our four core values, sustainability is at the heart of everything we do.

DEAKIN'S SUSTAINABLE VALUE

Deakin strives for an embedded and transparent approach to sustainability. As one of our four core values, sustainability is at the heart of everything we do.

Acknowledging the sustainability challenges currently facing the world, we're committed to advancing our environmental, social and economic sustainability, and contributing to the sustainable development of our communities and the planet.

We are a signatory to the university sector's commitment to the United Nations Sustainable Development Goals (UNSDG). Our commitment to contributing to this global agenda is demonstrated through our Sustainability Aspirations, which outline Deakin's targets for 2020, 2025 and 2030.



Sustainability principles are also embedded throughout our curriculum and we are undertaking world-leading research in areas such as energy, agriculture, health and corporate social responsibility.

Award-winning Citizen Science Program

Our HSBC Blue Carbon Citizen Science Program received the 2019 Industry Engagement award at the AFR Higher Education Awards. A partnership between Deakin, HSBC Australia and Earthwatch Australia, the program transforms community members into citizen scientists who advocate the value of wetlands while contributing to blue carbon research.

Growing partnerships for the Sustainable Development Goals

We partnered with La Trobe Business School to host a Principles for Responsible Management Education (PRME) Champions meeting. Attended by 39 global PRME institutions, the sessions showcased ideas and enabled idea exchange that will advance the SDGs through different partnerships.



Our commitment to contributing to this global agenda is demonstrated through our Sustainability Aspirations, which outline Deakin's targets for 2020, 2025 and 2030.



Environmental Sustainability

In 2019, we undertook a range of initiatives to reduce the environmental impacts of our operations. Key achievements included:

Energy



- We joined the Melbourne Renewable Energy Project 2 buying group, to procure 14 Gigawatt hours of grid supplied renewable electricity – ensuring the achievement of our 2020 and 2025 energy and emissions targets.
- Continued construction of a 7.25 megawatt renewable energy microgrid at the Geelong Waurn Ponds Campus. This project will lead to research in distributed energy resources, and help us be one step closer to carbon neutrality by 2030.

Waste



- Completion of a waste audit of all landfill and recycling bins at each campus, and development of a new Waste Management Plan to reduce waste to landfill, compost organic waste, enhance recycling and contribute to a circular economy.

Water



- With Barwon Water, progressing a Water Management Strategy at the Geelong Waurn Ponds Campus. Focusing on water used for irrigation and amenities, stormwater management and revegetation of the Waurn Ponds Creek, this strategy will be a fundamental element of achieving Deakin's water aspirations.



COMMITTED TO OUR NATURAL ENVIRONMENTS

Deakin is committed to protecting and enhancing our natural environments. We are privileged to be the custodians of 450 hectares across four campuses, and recognise the importance of how we manage and care for this land.

By 2030 we aspire to significantly enhance this land by having established biodiversity corridors that allow wildlife to thrive on campus.

Establishing the foundations to achieve this over the next decade, in 2019 Deakin completed the development of a biodiversity management plan for each campus, and progressed the embedding of biodiversity considerations into campus planning – both elements of our 2020 Natural Environment aspirations.

Rehabilitating our land

In 2019 work continued to rehabilitate 1.8 hectares of land alongside the Waurn Ponds Creek (Geelong) and 2.5 hectares of Hopkins River estuary frontage at the Warrnambool Campus.

Both of these projects have been supported by the relevant catchment management authorities, and are significantly contributing to the wider natural environment by the removal of invasive weeds and planting of over 1,000 trees.

In addition, the waterway restoration work at Warrnambool links to our School of Life and Environmental Sciences, which will use the project for research and teaching. The large-scale project will use a seeding technique which should germinate over 15,000 plants including grasses, small herbaceous varieties, ground covers, small and large shrubs and trees.

Urban forest strategy

Trees on campus are important to Deakin, and bring a wide range of benefits to our communities such as shade, reduced storm water flows and biodiversity. Over 5,000 trees currently grow at our four physical campuses with an estimated replacement value of over \$80 million.

Over the next ten years however, we predict that approximately 20 per cent of these trees will reach their natural end of life. This challenge, along with the impacts of growing campus populations and climate change present both considerable responsibility and opportunity.

In 2019 we developed a detailed strategy for each campus, identifying opportunities to increase the diversity of these trees and enhance canopy cover.

This strategy has resulted in hundreds of strategically planted trees which will improve the amenity of our campuses and deliver important outcomes such as mitigating the urban heat-island effect.



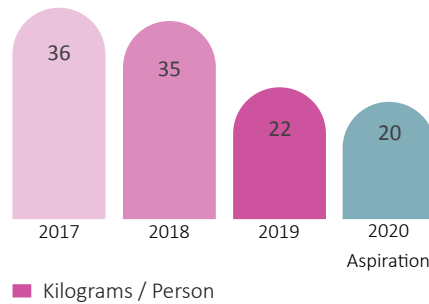
Progress against our Aspirations

In 2019 we progressed in all areas of the University's Sustainability Aspirations and we are on track to achieve the 2020 targets through the following priority initiatives:

- purchase of grid-supplied renewable electricity
- LED lighting upgrade program, and building efficiency actions
- Water Management Strategy
- sustainable procurement strategy, and focus on sustainable development goal impacts within the supply chain
- development of a comprehensive transport strategy
- 2020 Waste Management Strategy, including the expansion of food waste composting
- further embedment of the Sustainable Built Environment Principles within Deakin's Design Standards
- prioritisation of biodiversity of campus through the establishment of corridors and other strategic plantings.

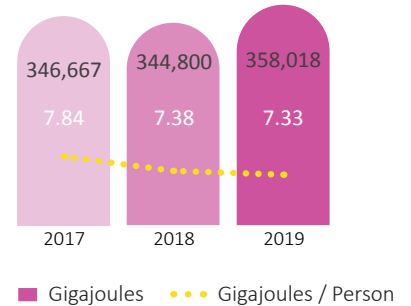
WASTE

Landfill (operational and residential)

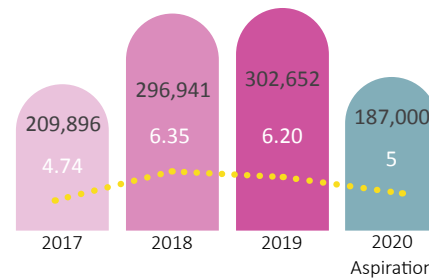


ENERGY

Electricity, natural gas and fuel (including fleet)



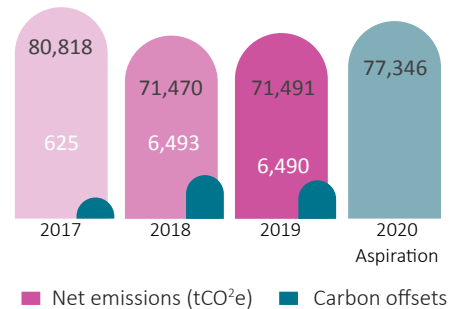
WATER



EMISSIONS



Scope 1, 2 and 3



* Historical data contained some estimates and has been updated for the 2019 report.

* 2019 energy, emissions and water data includes some estimates due to lag in billing data from utility providers.

* Person = Equivalent Full-time Student Load + Full-time equivalent staff.

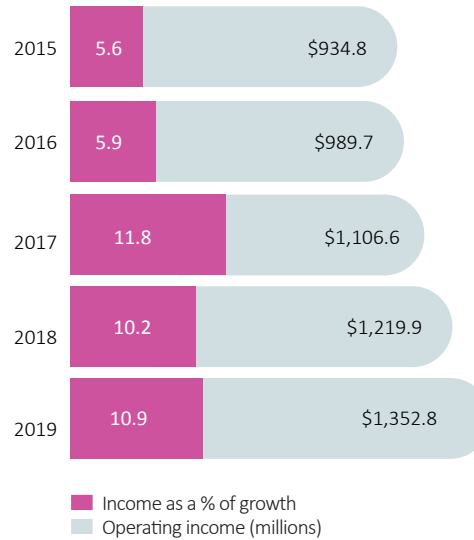
* Energy graph: The impact of initiatives to avoid energy requirements, reduce energy consumption, replace with renewable energy and offset residual emissions are captured within Deakin's emissions targets.

Financial Sustainability

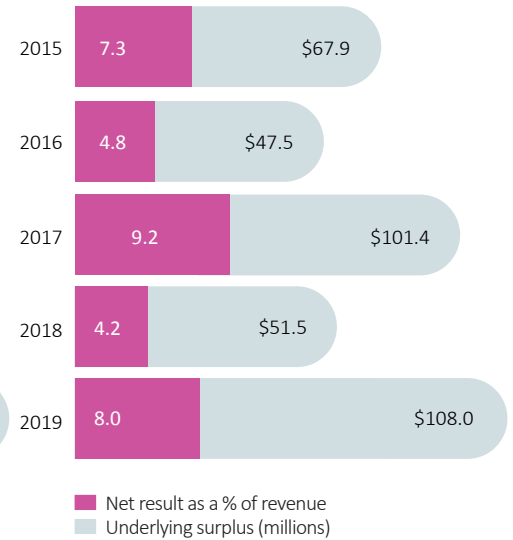
Our financial sustainability is built on effective financial management with a rigorous planning cycle and strong investment management.

We achieve surpluses to reinvest in teaching and research.

Operating income



Net result



INVESTING RESPONSIBLY AND SUSTAINABLY

Our sustainability program includes a responsible investment approach to both our direct investments (such as the renewable energy microgrid at the Geelong Waurin Ponds Campus) and indirect investments through managed funds.

Deakin has a core belief of investing responsibly to ensure funds are efficiently managed, to diversify risk and to generate sustainable and financial value over the long-term. We aim to continually evolve and incorporate environmental, social and governance (ESG) considerations into our decision-making and investment management, with parts of our investment portfolio maintained in specialist ESG managers since 2013. We recognise that good ESG management by companies in which we invest is likely to reduce risk and improve long-term returns.

Our Investment Governance Framework outlines our responsible investment approach, including the principles of the Investment Committee which is implemented by our investment team and external advisors in the assessment

of new and ongoing investments. As part of our approach we assess each fund manager's ESG capabilities before deciding to invest with them. We actively engage with our existing fund managers on our ESG objectives and expectations of how they, and the companies they invest in, incorporate ESG considerations. The Investment Committee also considers at each meeting the ESG approaches and disclosures of our fund managers to ensure they maintain high standards, with our responsible investment approach comprehensively reviewed twice a year.



LEADING EDGE TECHNOLOGY IN RENEWABLE ENERGY – OUR MICROGRID PROJECT

In 2019 Deakin progressed the construction of the 7.25 megawatt renewable energy microgrid at the Geelong Waurn Ponds Campus. Developed in partnership with AusNet Services and Mondo Power, the microgrid is a fundamental part of Deakin's transition to renewable energy, achievement of carbon neutrality by 2030 and commitment to the United Nations Sustainable Development Goals.

In 2019 over 20,000 ground-mounted solar panels were installed to create the solar farm. A total of 250 kilowatts (kW) of rooftop solar and 30 kilowatt hours (kWh) battery storage was installed on campus buildings and a new space was constructed within the Jane den Hollander Building to accommodate a microgrid research, teaching and visualisation centre.

The microgrid is due to be commissioned in 2020 with the installation of an Australian-first grid-connected lithium iron phosphate battery. The chemistry of this battery is preferable to other current lithium battery chemistries, as it is very stable, safer, has a longer lifetime and avoids the use of cobalt,

a material which can have ethical and social impacts in its production.

Choosing this battery type was supported by ethical procurement requirements, which were written by interdisciplinary researchers from the Alfred Deakin Institute and Deakin's Battery Technology Research and Innovation Hub (BatTRI-Hub), and included in the tender documentation.

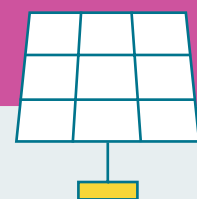
When complete the microgrid will deliver around 54 per cent of the campus's electricity needs, reducing emissions and delivering ongoing cost savings.

The microgrid will also support the education and training of future energy professionals, build the University's research capacity and provide research opportunities in areas such as energy storage, community energy, transactional modelling and forecasting, cyber security and future fuels.

The size and design of the microgrid provides unique opportunities to apply this research to grid-scale operations, and contribute to the advancement of renewable energy technologies, both locally and globally. For example, researchers from the Institute for Frontier Materials and BatTRI-Hub are working to create a new type of battery material that

will reduce the cost and environmental impact of high performance batteries. Supported by \$3 million of funding from the Federal Government's Cooperative Research Centre Projects program, 10 kWh battery prototypes developed through this research will be field tested within the Deakin microgrid, enabling researchers to test their application in a real world setting.

The project has also resonated internationally, creating research, knowledge exchange and funding opportunities through organisations including the Asian Development Bank and the United Nations Economic and Social Commission for Asia and the Pacific.



Our microgrid project brings together the expertise of our academic and professional staff and our industry partners.



OUR GOVERNANCE

THE UNIVERSITY COUNCIL

Deakin University was established by the *Deakin University Act* and reports to the Victorian Parliament through this Annual Report.

The responsible Minister throughout 2019 was the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

Deakin has a robust governance system delivering high standards of decision-making and accountability. The University Council is responsible for the overall governance of the University and is committed to the sustainable success of Deakin and the highest standards of ethical conduct.

The principal responsibilities of the Council include setting strategic direction, monitoring performance, appointing the Vice-Chancellor and members of the University Executive, ensuring effective risk management, overseeing academic activities, and approving the financial plan, commercial activities and major projects.

The Chancellor, Mr John Stanhope AM, chairs the Council. Ms Kathy Grigg and Ms Philippa Kelly served as Deputy Chancellors throughout 2019.

FOCUS ON OUR STAKEHOLDERS

The Council oversees the University's efforts to maximise the value it creates for its stakeholders.

It does so by ensuring our education prepares students well for their futures, our research delivers significant benefits to our communities, and the University contributes to a safe and healthy society and environment.

Each year the Council holds a forum to hear from a group of students from various locations and levels of study. A particularly strong theme in 2019 was students' preparation for and experience in employment. Students drew attention to the value of units such as Professional Insight offered in the University's largest course, the Bachelor of Commerce. Compared to previous forums the Council noticed an increased uptake by students of employment-related activities from the commencement of their study to graduation. We continue to expand and enhance these activities to meet students' needs.

In 2019 the Council paid close attention to the University's initiatives to create jobs and future industries and to translate research into new products and services.

The Council approved a further stage in the development of the growing Geelong Future Economy Precinct. The Council also approved funding for a new research institute, IMPACT, the Institute for Mental and Physical Health and Clinical Translation, headed by Alfred Deakin Professor Michael Berk. IMPACT works with our health service partners, including the Western Alliance, Healthscope, Barwon Health and Epworth Geelong to improve prevention and treatment of mental health disorders and commonly co-morbid chronic diseases. The Council approved funding for an establishment and development phase of six years, reflecting the ambition and breadth of IMPACT's research strategy, which spans fundamental drug discovery to web-based health programs.

Maintaining a healthy and vibrant culture and environment for our community is also a high priority for the Council. During 2019 the Council was pleased to note continuing high levels of satisfaction and engagement among students and staff. The University's work health and safety performance remains good. More broadly we have organised or hosted a diverse series of activities bringing University and community participants together. These included significant events during Reconciliation Week, cultural festivals such as Diwali, a wide variety of sporting occasions, and anniversary celebrations in Warrnambool and India.

GOVERNANCE PERFORMANCE

The Council regularly reviews its performance against best practice corporate governance. In 2019 the Council was reviewed by the specialist review and advisory firm, BoardsGlobal. The review had regard to the intense scrutiny on governance bodies following the Financial Services Royal Commission.

The review concluded that the Council has a very strong emphasis on ethics and values, performs very highly against best practice benchmarks, and fulfils all of its governance responsibilities. The review found no material areas requiring improvement but identified a series of enhancements to maximise the Council's contribution to the University's success. Actions arising from the review reflect the aspirations of the Council and Executive for continuous improvement and include extending strategy sessions, sharpening the future focus in reports to the Council, and enhancing Council's role in articulating the University's values and culture.

The Council also conducts a review each year of its work against the requirements of the *Deakin University Act 2009* (Vic), the *Higher Education Standards Framework 2015* (Cth) and the *Voluntary Code of Best Practice for the Governance of Australian Universities 2018*. In 2019 the Council fulfilled all of its responsibilities under these instruments. There were no areas of non-compliance.

LOOKING TO THE FUTURE

The Council looks to the future, aware of significant changes and challenges for the University.

We anticipate our strong trajectory of growth will slow in line with demographic trends and constrained government funding. Competition in international markets will be intense. The traditional multi-year course of study will come increasingly under threat from shorter courses and credential offerings. Disruptive technologies will affect the delivery of education. Cyber attack will be an ever-present threat.

The Council is confident that we are ready for these challenges and for the opportunities that accompany them.

In 2020 we will put in place our next strategic plan. The Council looks forward to our stakeholders engaging with the new strategic plan to continue our shared and sustainable success.

COUNCIL MEMBERS

The following individuals served on the University Council for all of 2019 unless indicated otherwise:

Chancellor

Mr John Stanhope AM

Deputy Chancellors

Ms Kathy Grigg

Ms Philippa Kelly

Vice-Chancellors

Professor Iain Martin from 1 July 2019

Professor Jane den Hollander AO was a member of the Council until her retirement on 30 June 2019

Members

Ms Carol Boyer-Spooner

Mr Stephen Bubb

Mr Richard Carr

Mrs Alice Di Pasquale

Ms Miranda Douglas-Crane

Mr Stuart Hamilton AO

Professor Chris Hickey

Mr Jean-Marc Kurban

Mr Ryan Leemon from 1 July 2019

Mr Peter Niblett

Dr Lyn Roberts AO

MEMBERS ATTENDANCE AT COUNCIL MEETINGS IN 2019

The number of meetings of the University Council held during the year ended 31 December 2019, and the number of meetings attended by each Council member are noted in the table below.

Eight Council meetings including strategy conferences	A	B
Chancellor, Mr J Stanhope AM	8	8
Deputy Chancellor, Ms K Grigg	8	7
Deputy Chancellor, Ms P Kelly	8	8
Vice-Chancellor, Professor J den Hollander AO	3	3
Vice-Chancellor, Professor I Martin	5	5
Ms C Boyer-Spooner	8	8
Mr S Bubb	8	8
Mr R Carr	8	8
Mrs A Di Pasquale	8	7
Ms M Douglas-Crane	8	8
Mr S Hamilton AO	8	8
Professor C Hickey	8	8
Mr J Kurban	8	7
Mr R Leemon	5	5
Mr P Niblett	8	8
Dr L Roberts AO	8	7

Key:

A – Meetings eligible to attend as a member

B – Meetings attended as a member

Overall attendance rates at Council and Council committee meetings were very strong in 2019. Where 100 per cent represents all members attending all meetings the attendance rate was 97 per cent for Council meetings and 96 per cent for Committee meetings (95 per cent and 94 per cent respectively in 2018).

Standing L-R: Dr Lyn Roberts AO, Mr Richard Carr, Ms Miranda Douglas-Crane, Mr Jean-Marc Kurban, Mr Ryan Leemon, Professor Chris Hickey, Mr Stuart Hamilton AO, Mrs Alice Di Pasquale, Mr Stephen Bubb, Mr Peter Niblett

Sitting L-R: Ms Philippa Kelly, Professor Iain Martin, Mr John Stanhope AM, Ms Kathy Grigg, Ms Carol Boyer-Spooner



COUNCIL COMMITTEES

Council committees play an important role in the leadership and good governance of the University by advising and making recommendations to the Council on matters in their areas of expertise.

The 2019 Council Performance Review found that the committees established by the Council are strong, effective and appropriately skilled. The Council takes ultimate responsibility for decisions but Committees provide advice and make recommendations.

Audit and Risk Committee

Members: Mr Peter Niblett (Chair), Mr Richard Carr, Ms Miranda Douglas-Crane, Mr Stuart Hamilton AO

In attendance: Vice-Chancellor

The Audit and Risk Committee advises the Council on our accounting, control and risk management practices and reports.

The Audit and Risk Committee reviews our audited financial statements prior to finalisation and is responsible for recommending their approval to the Council.

Chancellor's Advisory Committee

Members: Mr John Stanhope AM (Chair), Ms Kathy Grigg, Professor Chris Hickey, Ms Philippa Kelly, Professor Iain Martin

The Chancellor's Advisory Committee advises the Chancellor and the Council on corporate governance matters and appointments to the Council. The Committee is empowered to deal with matters between Council meetings when required.

Finance and Business Affairs Committee

Members: Ms Philippa Kelly (Chair), Ms Carol Boyer-Spooner, Ms Miranda Douglas-Crane, Professor Iain Martin, Ms Kerrie Parker, Mr Kean Selway, Dr Lyn Roberts AO

The Finance and Business Affairs Committee advises the Council on matters concerning Deakin's consolidated finances, major project expenditure and infrastructure and asset management and utilisation. It also provides oversight of University commercial entities and activities.

Honorary Degrees Committee

Members: Mr John Stanhope AM (Chair), Professor Jo Coldwell-Neilson, Mrs Alice Di Pasquale, Ms Kathy Grigg, Professor Chris Hickey, Ms Philippa Kelly, Professor Iain Martin

The Honorary Degrees Committee advises the Vice-Chancellor and the Council on nominations for Deakin Honorary Degrees.

Investment Committee

Members: Ms Carol Boyer-Spooner (Chair), Ms Kathy Grigg, Ms Kerrie Parker, Ms Jane Simon, Mr David St. John

In attendance: Vice-Chancellor

The Investment Committee oversees the performance of our managed investments and advises the Council on investment strategy and policy, including our commitment to the principles of responsible investment. The Committee includes investment specialists.

Legislation Committee

Members: Mr Stephen Bubb (Chair), Professor Chris Hickey, Mr Jean-Marc Kurban, Professor Jenni Lightowlers, Professor Bernie Marshall, Professor Iain Martin, Ms Shirley Rooney

The Legislation Committee advises Council on matters pertaining to the *Deakin University Act*, the University Statutes and Regulations, major governing legislative and statutory instruments and policy aligned to legislation.

Remuneration Committee

Members: Mr John Stanhope AM (Chair), Ms Miranda Douglas-Crane, Ms Kathy Grigg, Ms Philippa Kelly, Professor Iain Martin

The Remuneration Committee advises the Chancellor and the Council on remuneration strategies and salaries and employment conditions for senior staff.

In the absence of the Vice-Chancellor, the Remuneration Committee determines the Vice-Chancellor's annual remuneration, benchmarked against Chief Executive Officer positions in organisations which are of comparable size and turnover and operate in a complex and competitive environment.

THE ACADEMIC BOARD

The Academic Board is the principal academic authority within Deakin, responsible to the Council for maintaining the highest standards in teaching, learning and research. The Chair of the Academic Board, Professor Chris Hickey, reports to the Council on matters considered and resolved at each meeting of the Board, and reports annually on actions taken by the Board during the year to uphold academic freedom, standards and quality. The Board has broad membership encompassing academic and professional staff and students at undergraduate, postgraduate coursework and higher degree by research levels.

The main responsibilities of the Academic Board include setting admission criteria for courses, approving and reviewing courses in terms of their academic quality, oversight of academic regulatory risk, making and monitoring academic policy and upholding academic freedom and academic integrity.

Alongside its regular business, in 2019 the Board undertook specific initiatives to deepen its contact and alignment with the University's four Faculty Boards and to increase knowledge of the work of the Board's committees especially among non-committee members. In addition the Board played a leading role in our response to the Independent Review of Freedom of Speech in Australian Higher Education Providers, leading to amendments to the Academic Freedom policy and the introduction of a new Freedom of Speech policy during the year.

The Academic Board promotes debate and engagement on academic matters across the University community. In 2019 the Board provided a forum for discussion on a range of hot topics covering innovation and other areas of current interest including the PhD Xtra program, research strategy, student success and retention strategy, CloudFirst course design, advancing Indigenous knowledges and perspectives, academic integrity, contract cheating and assessment design. The Board communicates awareness of these hot topics and other key Board business to the whole University following each meeting.



UNDERSTANDING OUR RISKS

Risk management is integral to all aspects of Deakin's activities and is a critical component of Deakin's governance framework.

Deakin fosters a positive risk-aware culture which recognises that controlled risk-taking is acceptable and appropriate to foster growth, innovation, competitiveness and efficient business practices.

The Council oversees the University's risk management framework on the advice of the Audit and Risk Committee. University management led by the Vice-Chancellor and University Executive implements the framework.

In 2019 the Council approved refreshed risk and compliance management policies setting out how the University embeds effective risk management practices into its operations, activities and day to day decision making. The policy defines how risks are to be assessed, managed and reported and explains when and how a high rated risk must be escalated for urgent action.

The University's Risk Appetite Statement is renewed annually. It sets out Deakin's most significant categories of risk and sets the level of risk we are prepared to accept for each risk category, ranging from no tolerance for non-compliance with the law to a high level of willingness to take risks in the pursuit of strategic growth opportunities, innovation and transformation. Stakeholder and community expectations in regard to the acceptable levels of risk for the University are taken into account in setting the Statement.

ATTESTATION ON COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 3.7.1

I, Professor Iain Martin, Vice-Chancellor, certify that Deakin University has complied with Ministerial Standing Direction 3.7.1- Victorian Government Risk Management Framework and Processes.

Deakin's risk management processes are consistent with the Australian/New Zealand Risk Management Standard: (ISO 31000:2018) and based on an internal control system that enables the Executive to understand, manage and satisfactorily control risk exposures. The Audit and Risk Committee verifies this assurance and confirms that the risk profile of Deakin University has been critically reviewed within the last 12 months.



Professor Iain Martin
Vice-Chancellor
Deakin University

19 March 2020
Geelong



AN OVERVIEW OF DEAKIN'S RISK APPETITE STATEMENT

Risk Category	Risk Category Description	Risk Appetite				
		No Appetite	Low	Moderate	High	Very High
Strategic Growth, Innovation and Transformation	Being innovative is central to Deakin's strategic plan. The University is prepared to manage risks associated with innovation to support strategic growth opportunities and transformation.				●	
Student and Stakeholder Experience	Deakin is committed to positively engaging our students and stakeholders. The University is prepared to manage risks associated with innovation that enhance student and stakeholder engagement but guards against any risks that compromise the quality of the Deakin student experience.			●		
Teaching and Learning	Deakin is committed to delivering innovative, high quality teaching and learning to prepare students for the jobs and skills of the future. The University will not take risks which would compromise our ability to provide high quality teaching and learning that delivers excellent graduate outcomes.	●				
Research, Intellectual Property and Commercialisation	Deakin is committed to delivering benefits to the communities we serve through research and commercialisation. The University is prepared to manage risks associated with initiatives that increase research partnerships with industry.				●	
Brand and Reputation	Deakin is committed to maintaining its reputation for quality learning, research and student experiences. The University has a low appetite for actions or activities that may impact negatively on its brand or reputation but welcomes constructive criticism and complaints.		●			
People and Culture	Deakin values its staff, students and stakeholders and promotes a University culture that celebrates inclusion and diversity. The University has no appetite for activities that are inconsistent with Deakin's Values, Code of Conduct and policies.	●				
Wellbeing, Safety and Security	Deakin is committed to the wellbeing of students, staff and visitors. The University has no appetite for actions or activities that jeopardise a safe working and learning environment.	●				
Infrastructure and Environment	Deakin has strong campus infrastructure and sustainability strategies that include managing risks associated with sustainability initiatives. The University has a low appetite for risks that may adversely impact our working, learning and social environments and facilities.		●			
Information Technology and Data Protection	Deakin is committed to a robust and future oriented digital strategy. The University will maintain a high level of vigilance against risks to the availability, confidentiality and integrity of IT systems and data.	●				
Financial and Capital Viability	Deakin is committed to maintaining strong financial sustainability. The University is prepared to manage risks associated with commercialisation initiatives and investments in the context of ongoing sound financial management.			●		
Compliance with Legislative and Regulatory Standards	Deakin will meet its legislative and regulatory compliance obligations through strong institutional governance and robust policies. The University has no appetite for non-compliance with legislative and statutory compliance.	●				

STATUTORY REPORTING

REGISTER OF COMMERCIAL ACTIVITIES

General Counsel is responsible for maintaining Deakin's register of commercial activities.

The *Deakin University Act 2009 (Vic)* and the Interim Guidelines made by the Minister on 21 January 2011 and gazetted on 3 February 2011 require the University to maintain a Register of Commercial Activities.

Deakin's Council has determined that significant commercial activities are those where the annual expenditure budget for the activity exceeds \$1.5 million or where, in the opinion of the Vice-Chancellor, the activity exposes the University to any undue financial or other risk. Any significant commercial activities require the approval of the Council.

Proposals are submitted to the Finance and Business Affairs Committee of Council for University participation in a company or commercial activity in accordance with the Commercial Activities and Entities policy and procedure approved by the Council.

FLAIM Systems Pty Ltd, Universal Motion Simulator Pty Ltd and FIKA Entertainment Pty Ltd are companies that have been established by the University for a commercial purpose. The register also contains a lease with Carbon Revolution Pty Ltd.

OUR STATUTORY REPORTING RESPONSIBILITIES

Education and Training Reform Act 2006 (Vic)

In compliance with the *Education and Training Reform Act 2006* Deakin levied an amenities and student services fee in accordance with the *Higher Education Support (Student Services and Amenities) Act 2010 (Cth)*. The fee per trimester was \$150 for full-time students (only charged trimester 1 and 2), \$110 for part-time students (only charged trimester 1 and 2) and \$60 for students studying solely in the Cloud (payable in trimesters 1 and 2 only). \$8.432 million in revenue was collected from the fee. Of this, the Deakin University Student Association (DUSA) was contracted to spend \$4.625 million for the following approved purposes: academic advocacy, sporting programs, student social and cultural engagement, orientation, student media, student welfare, DUSA digital presence, and student legal advisory and referral service. The balance was allocated to Deakin for the provision of University sports and recreation strategy and management, graduate outcomes/careers and employment services, social and cultural engagement programs, Disability Liaison Officers, student health services including medical, counselling, and mental health, Safer Communities, digital service provision, sexual harm prevention, student peer support programs and after-hours academic support.

National competition policy and competitive neutrality requirements

Deakin adheres to competition laws and applies the principles of the National Competition Policy and the Competitive Neutrality Policy Victoria to relevant business activities, in particular to its commercial arm DeakinCo. in relation to pricing of tenders and bids, and to other services offered to the public at large by the University and its wholly owned subsidiaries.

Building Act 1993 (Vic)

Deakin is subject to the *Building Act 1993*. To ensure all buildings and works thereon are in compliance with the Act:

- all relevant works are subject to certification by an independent building surveyor, including provision of a Certificate of Occupancy or Certificate of Final Inspection on completion
- checks are conducted to ensure that all building practitioners are registered under the Act as required for the duration of the services. No reports of building practitioners becoming deregistered during services have been received
- all projects are monitored by Deakin project managers, or external consultants acting in that capacity on behalf of the University, to ensure that all projects comply with the Act
- works undertaken by Deakin directly are covered by policies of insurance for public liability and professional indemnity taken out by the University.

In 2017 the Victorian Government established the Victorian Cladding Taskforce to investigate the prevalence of combustible cladding on buildings throughout Victoria. Deakin has undertaken a review of all of its buildings and has participated in the

Statewide Cladding Audit. Combustible cladding has been detected in 43 buildings. A risk assessment has been undertaken in accordance with the Taskforce methodology. No emergency orders have been issued. Significant rectification works to address the risk and to remove and replace all combustible cladding have been undertaken in 2018 and 2019 in accordance with the Victorian Building Authority's requirements. All Deakin buildings with a risk rating of high or medium have been remediated. Further works in 2020 will proceed to address the remaining buildings classified as low risk.

Local Jobs First Policy (Vic)

No Victorian State Government grants to which the Local Jobs First Policy applies were received in 2019 and no Local Jobs First Standard or Strategic Projects involving the University were underway.

Protected Disclosure Act 2012 (Vic)

Under the *Protected Disclosure Act 2012*, the University must ensure that persons who have made protected disclosures under the Act are protected from detrimental action. The University has in place the Protection of Persons from Detrimental Action procedure, accessible via <https://policy.deakin.edu.au> to ensure compliance with the Act. Amendments to the Act will come into effect on 1 January 2020, which will necessitate changes to the procedure.

Freedom of Information Act 1982 (Vic)

Deakin is subject to the *Freedom of Information Act 1982*.

In 2019 the University received seven requests for access to documents under the Act, one non-personal and six personal.

Of the decisions provided by the University, none were referred to the Office of the Victorian Information Commissioner.

Access to University documents may be obtained through written request to the Freedom of Information Officer, as detailed in s17 of the Act.

Deakin facilitates access to documents and information outside of the Act where appropriate via the University's Privacy Officer.

Requests for documents made pursuant to the Act should be addressed to:

Freedom of Information Officer
Geelong Waterfront Campus
Locked Bag 20001
Geelong Victoria 3220

Subject to the provisions of the *Freedom of Information Act*, the following information is available on request:

- 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
- details of publications produced by the entity about itself and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity 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 the entity and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

Address for general enquiries

The Vice-Chancellor
Deakin University
Geelong Waterfront Campus
Locked Bag 20001
Geelong Victoria 3220

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Facsimile: +61 3 5227 8500
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www.deakin.edu.au

Deakin University Annual Reports are available at <https://www.deakin.edu.au/about-deakin/strategic-direction>.



FINANCIAL REPORT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019



	Note	Consolidated		University	
		2019	2018	2019	2018
		\$000's	\$000's	\$000's	\$000's
Income from continuing operations	2	1,352,774	1,219,882	1,320,511	1,195,442
Expenses from continuing operations					
Employee related expenses	2.9	(725,034)	(669,952)	(724,575)	(669,765)
Depreciation and amortisation expense	2.10	(98,490)	(87,039)	(87,282)	(76,384)
Other expenses from continuing operations	2	(420,605)	(411,335)	(401,309)	(397,015)
Total expenses from continuing operations		(1,244,129)	(1,168,326)	(1,213,166)	(1,143,164)
Net result before income tax		108,645	51,556	107,345	52,278
Income tax expense	13	(672)	(49)	-	-
Net result after income tax for the year		107,973	51,507	107,345	52,278
Other comprehensive income					
Items that will be reclassified to profit or loss:					
Increase / (decrease) in deferred government superannuation contributions	17	6,480	6,112	6,480	6,112
(Increase) / decrease in deferred employee benefits for superannuation	17	(6,480)	(6,112)	(6,480)	(6,112)
		-	-	-	-
Items that will not be reclassified to profit or loss					
Gain / (loss) on revaluation of land	14	22,157	250	22,057	-
Gain / (loss) on revaluation of buildings	14	160,286	(5,490)	133,078	-
Gain / (loss) on revaluation of special library holdings	14	-	1,245	-	1,245
Gain / (loss) on equity instruments designated at fair value through other comprehensive income	14	47,462	4,719	47,462	4,719
		229,905	724	202,597	5,964
Total other comprehensive income		229,905	724	202,597	5,964
Total comprehensive income		337,878	52,231	309,942	58,242
Total comprehensive income attributable to / (from)					
University		338,067	52,169	309,942	58,242
Non-controlling interest		(189)	62	-	-
		337,878	52,231	309,942	58,242

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019



	Note	Consolidated		University	
		2019	2018	2019	2018
		\$000's	\$000's	\$000's	\$000's
CURRENT ASSETS					
Cash and cash equivalents	3	135,635	138,937	124,972	137,854
Receivables	4	75,858	82,769	74,002	77,547
Contract assets	2.6	322	-	322	-
Inventories		560	292	362	292
Other financial assets	5	-	42,500	1,300	43,450
TOTAL CURRENT ASSETS		212,375	264,498	200,958	259,143
NON-CURRENT ASSETS					
Receivables	4	156,523	149,364	156,451	149,364
Other financial assets	5	558,293	437,869	759,097	647,920
Property, plant and equipment	6	1,986,986	1,699,901	1,730,209	1,468,648
Right-of-use asset	7	48,378	-	48,378	-
Deferred tax assets	8	26	5	-	-
Intangible assets	9	23,349	10,600	23,266	10,600
TOTAL NON-CURRENT ASSETS		2,773,555	2,297,739	2,717,401	2,276,532
TOTAL ASSETS		2,985,930	2,562,237	2,918,359	2,535,675
CURRENT LIABILITIES					
Trade and other payables	10	81,683	278,956	80,159	276,941
Lease liabilities	11	5,982	-	5,982	-
Employee benefit provisions	12	116,528	107,124	116,028	106,691
Contract liabilities	2.6	198,240	-	186,922	-
Current tax liabilities	13	668	54	-	-
TOTAL CURRENT LIABILITIES		403,101	386,134	389,091	383,632
NON-CURRENT LIABILITIES					
Trade and other payables	10	615	10	615	10
Lease liabilities	11	45,091	-	45,091	-
Employee benefit provisions	12	180,613	166,495	180,657	166,534
TOTAL NON-CURRENT LIABILITIES		226,319	166,505	226,363	166,544
TOTAL LIABILITIES		629,420	552,639	615,454	550,176
NET ASSETS		2,356,510	2,009,598	2,302,905	1,985,499
EQUITY					
Parent entity interest					
Reserves	14	752,189	522,431	717,021	514,992
Retained earnings	15	1,604,101	1,487,167	1,585,884	1,470,507
Parent entity interest		2,356,290	2,009,598	2,302,905	1,985,499
Non-controlling interest		220	-	-	-
TOTAL EQUITY		2,356,510	2,009,598	2,302,905	1,985,499

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Reserves	Retained earnings	Total parent entity	Non-controlling interest	Total
Note	\$000's	\$000's	\$000's	\$000's	\$000's
2019					
CONSOLIDATED					
Total equity at the beginning of the financial year	522,431	1,487,167	2,009,598	-	2,009,598
Effect of adoption of new accounting standards					
Retrospective changes	-	7,271	7,271	-	7,271
Balance as restated	522,431	1,494,438	2,016,869	-	2,016,869
Net result after income tax	15	108,162	108,162	(189)	107,973
Transfers to / (from) retained earnings	14,15	1,501	933	409	1,342
Increase / (decrease) in Reserves	14	230,326	230,326	-	230,326
Total equity at the end of the financial year	752,189	1,604,101	2,356,290	220	2,356,510
UNIVERSITY					
Total equity at the beginning of the financial year	514,992	1,470,507	1,985,499	-	1,985,499
Effect of adoption of new accounting standards					
Retrospective changes	-	7,464	7,464	-	7,464
Balance as restated	514,992	1,477,971	1,992,963	-	1,992,963
Net result after income tax	15	107,345	107,345	-	107,345
Transfers to / (from) retained earnings	14,15	568	-	-	-
Increase / (decrease) in Reserves	14	202,597	202,597	-	202,597
Total equity at the end of the financial year	717,021	1,585,884	2,302,905	-	2,302,905
2018					
CONSOLIDATED					
Total equity at the beginning of the financial year	550,218	1,400,478	1,950,696	(62)	1,950,634
Effect of adoption of new accounting standards					
Retrospective changes	(30,296)	37,029	6,733	-	6,733
Balance as restated	519,922	1,437,507	1,957,429	(62)	1,957,367
Net result for the year	-	51,445	51,445	62	51,507
Transfers to / (from) retained earnings	1,785	(1,785)	-	-	-
Increase / (decrease) in Reserves	724	-	724	-	724
Total equity at the end of the financial year	522,431	1,487,167	2,009,598	-	2,009,598
UNIVERSITY					
Total equity at the beginning of the financial year	537,539	1,382,985	1,920,524	-	1,920,524
Effect of adoption of new accounting standards					
Retrospective changes	(30,296)	37,029	6,733	-	6,733
Balance as restated	507,243	1,420,014	1,927,257	-	1,927,257
Net result for the year	-	52,278	52,278	-	52,278
Transfers to / (from) retained earnings	1,785	(1,785)	-	-	-
Increase / (decrease) in Reserves	5,964	-	5,964	-	5,964
Total equity at the end of the financial year	514,992	1,470,507	1,985,499	-	1,985,499

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019



Inflows / (outflows)	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES				
Australian Government grants	643,083	635,366	639,577	631,948
OS-HELP (net)	1,172	796	1,172	796
Superannuation supplementation	12,415	11,906	12,415	11,906
State Government grants	10,013	15,736	10,018	15,686
HECS-HELP- student payments	16,686	17,205	16,686	17,205
Other research grants and contracts	38,996	29,350	33,675	29,384
Receipts from student fees and other customers	504,930	454,018	472,078	422,592
Dividends received	10,896	3,221	10,896	3,221
Interest received	26,397	40,085	32,650	47,576
Other income	68,252	46,915	61,429	50,084
Payments to suppliers and employees (inclusive of GST)	(1,165,766)	(1,090,075)	(1,151,005)	(1,077,404)
Interest and other costs of finance	(775)	-	(775)	-
Goods and Services Tax recovered	30,944	32,428	31,371	32,416
Income taxes paid	(79)	-	-	-
Lease payments for leases of low-value assets	(12,139)	-	(11,896)	-
Net cash provided by operating activities	16 185,025	196,951	158,291	185,410
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	420	716	420	716
Payments for property, plant and equipment	(203,213)	(157,502)	(193,801)	(146,326)
Payments for intangible assets	(2,083)	(1,960)	(1,988)	(1,960)
Receipts / (payments) for other financial assets	20,959	47,371	20,959	47,371
Loans to subsidiary companies	-	-	8,897	(518)
Net cash outflow used in investing activities	(183,917)	(111,375)	(165,513)	(100,717)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share to minority interest	1,250	-	-	-
Repayment of lease liabilities	(5,660)	-	(5,660)	-
Net cash provided by / (used in) financing activities	(4,410)	-	(5,660)	-
Net increase / (decrease) in cash and cash equivalents	(3,302)	85,576	(12,882)	84,693
Cash and cash equivalents at the beginning of the financial year	138,937	53,361	137,854	53,161
Cash and cash equivalents at end of financial year	16 135,635	138,937	124,972	137,854

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

As per AASB 1054 *Australian Additional Disclosures*, the annual financial statements represent the audited general purpose financial statements of Deakin University and its subsidiaries. They have been prepared on an accrual basis and comply with the Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Deakin University applies Tier 1 reporting requirements. Additionally the statements have been prepared in accordance with the following statutory requirements:

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Victorian Financial Management Act 1994* (Standing Direction 5.2 and applicable Financial Reporting Directions)
- *Australian Charities and Not-for-profits Commission Act 2012*.

Deakin University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for debt and equity financial assets that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment.

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.

Critical accounting estimates

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may at times vary from estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting estimates and judgements

The areas involving a higher degree of judgement or complexity, or areas where assumed estimates are significant to the financial statements are disclosed below:

- the Group's impairment policies are set out in Note 4 for receivables, Note 5 for other financial assets and Note 6 for property, plant and equipment
- the Group's fair value measurement policies are set out in Note 5 for other financial assets.

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

The carrying amount of an item of property, plant and equipment is derecognised when no future benefits are expected from its use.

Land, buildings, special library holdings and art collection are valued by external valuers every three years or if there is a material movement in their values.

(a) INCOME TAX

Deakin University and its wholly owned subsidiaries are exempt from income tax pursuant to Section 50 of the *Income Tax Assessment Act 1997*. Deakin University has two controlled entities that are not exempt from income tax. The tax expense recognised in the statement of other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)
- taxable temporary differences arising on the initial recognition of goodwill
- temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) 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.

(c) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets (excluding receivables) 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. Commitments are presented on a gross basis.

(d) COMPARATIVE FIGURES

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

(e) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2019 reporting period. As at 31 December 2019 the following standards and interpretations had been issued but were not mandatory for the financial year ending 31 December 2019. The Group 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 1059 <i>Service Concession Arrangements: Grantors</i>	This standard is relevant for public sector agencies that are grantors in a service concession arrangements	1 January 2020	There will be no impact for the Group

In addition, at the date of authorisation of the financial statements, the following International Accounting Standards Board (IASB) standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations were on issue but not yet effective, but for which Australian equivalent standards and interpretations have not yet been issued:

- Amendments to the Conceptual Framework in IFRS Standards – 1 January 2020.

(f) INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (AAS)

The Group has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases* in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amendments have also been adopted:

- AASB 2016-8 Amendments to Australian Accounting Standards – *Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2018-8 Amendments to Australian Accounting Standards – *Right-of-Use Assets of Not-for-Profit Entities*.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) INITIAL APPLICATION OF AAS (continued)

AASB 15 and AASB 1058

The Group adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the Group has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As the Group is applying the modified retrospective approach, the Group did apply the practical expedient described in AASB 15.C5 (c), for contracts that were modified before the date of initial application.

The Group did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, the Group reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligation.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in the Note 2.

Overview of AASB 15 and AASB 1058

Under the new income recognition model applicable to not-for-profit entities, the Group first determine whether an 'enforceable agreement' exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are sufficiently specific (to a transaction or part of a transaction), the Group applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group consider whether AASB 1058 applies.

The nature and effect of the changes as a result of the adoption of AASB 15 and AASB 1058 are described as follows:

	Consolidated	University
	2019	2019
	\$000's	\$000's
Receivables	(322)	(322)
Contract assets	322	322
Total assets	-	-
Contract liabilities	198,240	186,922
Income in Advance	(198,240)	(186,922)
Total liabilities	-	-
Total adjustment on equity	-	-
Retained earnings	9,683	9,504

Assets

Receivables

Contract assets

Total assets

Contract liabilities

Income in Advance

Total liabilities

Total adjustment on equity

Retained earnings

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) INITIAL APPLICATION OF AAS (continued)

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB 15 and AASB 1058. The adoption of AASB 15 did not have a material impact on other comprehensive income (OCI) or the Group's operating, investing and financing cash flows. The first column of the below table shows amounts prepared under AASB 15 and AASB 1058, and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

Income Statement

	Amounts prepared under					
	Consolidated			University		
	AASB 15 / AASB 1058 \$000's	Previous AAS \$000's	Increase / (decrease) \$000's	AASB 15 / AASB 1058 \$000's	Previous AAS \$000's	Increase / (decrease) \$000's
Revenue and income from continuing operations						
Australian Government financial assistance						
Australian Government grants	372,546	362,863	9,683	369,040	359,357	9,683
HELP- Australian Government payments	271,477	271,477	-	271,477	271,477	-
State Government financial assistance	9,033	9,033	-	9,033	9,033	-
HECS-HELP- Student payments	16,686	16,686	-	16,686	16,686	-
Fees and charges	498,157	498,157	-	468,881	468,881	-
Royalties	20,626	20,626	-	20,626	20,626	-
Consultancy and contracts	31,156	31,156	-	31,156	31,156	-
Other revenue	44,379	44,379	-	38,645	38,645	-
Other income	88,714	88,714	-	94,967	94,967	-
Total revenue and income from continuing operations	1,352,774	1,343,091	9,683	1,320,511	1,310,828	9,683
Expenses from continuing operations						
Other expenses from continuing operations	1,244,129	1,244,129	-	1,213,166	1,213,166	-
Total expenses from continuing operations	1,244,129	1,244,129	-	1,213,166	1,213,166	-
Net result before income tax from continuing operations	108,645	98,962	9,683	107,345	97,662	9,683
Income tax expense	672	672	-	-	-	-
Net result from continuing operations, after tax	107,973	98,290	-	107,345	97,662	-
Net result attributable to:						
University	108,162	98,479	-	107,345	97,662	-
Non-controlling interest	(189)	(189)	-	-	-	-
Total	107,973	98,290	-	107,345	97,662	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) INITIAL APPLICATION OF AAS (continued)

Statement of Financial Position

	Amounts prepared under					
	Consolidated			University		
	AASB 15 / AASB 1058	Previous AAS	Increase / (decrease)	AASB 15 / AASB 1058	Previous AAS	Increase / (decrease)
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Assets						
Receivables	232,381	232,703	(322)	230,453	230,775	(322)
Contract assets	322	-	322	322	-	322
Other assets	2,753,227	2,753,227	-	2,687,584	2,687,584	-
Total assets	2,985,930	2,985,930	-	2,918,359	2,918,359	-
Liabilities						
Contract liabilities	198,240	-	198,240	186,922	-	186,922
Income in advance	-	207,923	(207,923)	-	196,605	(196,605)
Other liabilities	431,180	431,180	-	428,532	428,532	-
Total liabilities	629,420	639,103	(9,683)	615,454	625,137	(9,683)
Equity						
Retained earnings	1,604,101	1,594,418	9,683	1,585,884	1,576,201	9,683
Reserves	752,189	752,189	-	717,021	717,021	-
Total equity	2,356,290	2,346,607	9,683	2,302,905	2,293,222	9,683

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the Statement of Financial Position as at 31 December 2019 and the Statement of Comprehensive Income for the year ended 31 December 2019 are described below.

The financial assistance received from the Department of Education Research Block Grant in relation to the Research Training Program, did not meet the sufficiently specific criteria under AASB 15. Revenue for this stream is recognised when received. Upon adoption of the new standards, prior adjustments have been made (refer to Note 1(f)).

Contract assets

A \$321,930 contract asset was recognised as at 31 December 2019 and relates to contracts where revenue was assessable under AASB 15. Under the input method of revenue recognition, a contract asset is recognised when a sufficiently specific performance obligation has not been satisfied but the funds have not yet been received and the costs related to that research program are classified as contract assets.

Contract liability

A \$198,240,657 contract liability was recognised as at 31 December 2019 and relates to contracts where revenue was assessable under AASB 15. Under the input method of revenue recognition, a contract liability is recognised when a sufficiently specific performance obligation was not satisfied and the revenue could not yet be recognised under AASB 15.

AASB 16

The Group has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the Group has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB 117 and AASB Interpretation 4 Determining whether an arrangement contains a lease. The new accounting policies for leases in accordance with AASB 16 are provided in Note 11.

The nature and effect of the changes as a result of adoption of AASB 16 are as described below:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) INITIAL APPLICATION OF AAS (continued)

Definition of lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB 16, the Group will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the Group has not reassessed whether they are, or contain, a lease in accordance with the new AASB 16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB 117 *Leases* and Interpretation 4 as a lease will be treated as a lease under AASB 16. Whereas contracts previously not identified as a lease will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB 16. Therefore, the Group applied the recognition and measurement requirements of AASB 16 only to contracts that were previously identified as leases, and does not apply AASB 16 to contracts that were previously not identified as leases. The new definition of lease under AASB 16 will only be applied to contracts entered into or modified on or after 1 January 2019.

Incentives

Under AASB 117, lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. Under AASB 16, the Group recognises incentives as a reduction in lease payment when calculating the right-of-use asset and lease liabilities.

Assets in relation to make good provisions

Upon transition, the assets in relation to make good provisions were included as part of the right-of-use asset depending on their nature.

The Group as a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, this classification no longer exists for the Group as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (refer to Note 11 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB 117

On transition to AASB 16, the Group recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group has applied the following practical expedients in transitioning existing operating leases:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment)
- applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- relied on its assessment of whether leases are onerous applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application, as an alternative to undertaking an impairment review
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reconciliation of operating lease commitments under AASB 117 and lease liabilities under AASB 16

As a lessee, the incremental borrowing rate applied to lease liabilities recognised in the Statement of Financial Position on the date of initial application was 1.783 per cent.

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

	Consolidated	University
	1 January 2019	
	\$000's	\$000's
Operating lease commitments disclosed as at 31 December 2018	63,746	63,228
(Less): GST of Operating lease commitments disclosed as at 31 December 2018	(5,795)	(5,748)
(Less): Discounted using the Group's weighted average incremental borrowing rate of 1.783 per cent	(3,359)	(3,359)
(Less): Low-value leases recognised on a straight-line basis as an expense	(12,369)	(12,369)
(Less): Leases recognised on a straight-line basis as an expense as Supplier has substantive right to substitute the asset throughout the period of use	(471)	-
Add/(Less): Adjustments as a result of a different treatment of extension options	6,026	6,026
(Less): Difference in CPI use in Lease Commitments vs lease liability	(3,064)	(3,064)
(Less): Adjustment for Lease Commitments not commenced as at 31 December 2018	(4,319)	(4,319)
Add: Difference due to leases not included from commitments as at 31 December 2018	141	141
Lease liability recognised as at 1 January 2019	40,536	40,536

The Group as a lessor

Overview

The Group is not required to make any adjustments on transition to AASB 16 where it is a lessor.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. OPERATING RESULT

	Note	Consolidated		University	
		2019	2018	2019	2018
		\$000's	\$000's	\$000's	\$000's
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2.1	372,546	377,493	369,040	374,075
HELP- Australian Government payments	2.1	271,477	259,460	271,477	259,460
State Government financial assistance	2.2	9,033	12,011	9,033	11,961
HECS-HELP- Student payments		16,686	17,060	16,686	17,060
Fees and charges	2.3	498,157	427,284	468,881	399,838
Royalties		20,626	22,608	20,626	22,608
Consultancy and contract research	2.4	31,156	28,743	31,156	28,743
Other revenue	2.5	44,379	29,570	38,645	28,553
Investment income	2.8	88,714	45,653	94,967	53,144
Income from continuing operations		1,352,774	1,219,882	1,320,511	1,195,442
Expenses from continuing operations					
Employee related expenses	2.9	725,034	669,952	724,575	669,765
Depreciation and amortisation	2.10	98,490	87,039	87,282	76,384
Other expenses from continuing operations					
Repairs and maintenance	2.11	51,355	46,969	45,052	42,342
Lease interest expense	2.12	783	-	781	-
Impairment of assets	2.13	4,074	571	4,067	551
Investment losses	2.8	-	37,284	-	37,284
Other expenses	2.14	364,393	326,511	351,409	316,838
		420,605	411,335	401,309	397,015
Expenses from continuing operations		1,244,129	1,168,326	1,213,166	1,143,164
Net result before income tax		108,645	51,556	107,345	52,278

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE including Australian Government loan programs (HELP)

The Group reviews the funding criteria including the sufficiently specific performance obligations, timing of satisfaction of performance obligations to determine whether the funding to be recognised under AASB 1058 or AASB 15.

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

The following specific revenue recognition criteria have been applied:

- funding received from the Australian Government, for Commonwealth Grant Scheme (CGS), Higher Education Participation Program (HEPP), and Higher Education Loan Program (HELP), meet the criteria of sufficiently specific for the provision of educational services, programs, non-academic services and amenities, over a period. The revenue is recognised over time when the service is provided over the period
- funding received from Australian Research Council (ARC), National Health and Medical Research Council (NHMRC) in relation to research revenue is recognised under AASB 15. Where the University has a refund obligation, a related refund obligation is recognised under AASB 9 *Financial Instruments*.

Department of Education Research Block Grant (RBG) in relation to the Research Training Program (RTP) and Research Support Program (RSP) do not meet the sufficiently specific criteria (refer to Note 1(f)).

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Commonwealth Grants Scheme and Other Grants				
Commonwealth Grants Scheme	284,487	284,470	284,487	284,470
Higher Education Participation Program	5,003	4,828	5,003	4,828
Disability Performance Funding	564	478	564	478
Support for Warrnambool Campus	-	7,000	-	7,000
27.1	290,054	296,776	290,054	296,776
Higher Education Loan Programs				
HECS-HELP	213,346	208,514	213,346	208,514
FEE-HELP	52,139	45,059	52,139	45,059
SA-HELP	5,992	5,887	5,992	5,887
27.2	271,477	259,460	271,477	259,460
Education Research				
Research Training Program	19,752	19,604	19,752	19,604
Research Support Program	13,027	11,716	13,027	11,716
27.3	32,779	31,320	32,779	31,320
Other Capital Funding				
Linkage Infrastructure, Equipment and Facilities grant	-	265	-	265
27.4	-	265	-	265
Total funding from Department of Education and Training	594,310	587,821	594,310	587,821

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE
including Australian Government loan programs (HELP) (Continued)

	Consolidated		University		
	2019	2018	2019	2018	
Note	\$000's	\$000's	\$000's	\$000's	
Australian Research Council					
Discovery	8,527	7,691	8,527	7,691	
Linkages	4,707	4,954	4,707	4,954	
Special Research Initiatives	390	272	390	272	
27.5	13,624	12,917	13,624	12,917	
Other Australian Government financial assistance					
Non-Capital	36,089	36,215	32,583	32,797	
Other Australian Government financial assistance	36,089	36,215	32,583	32,797	
Total Australian Government financial assistance	644,023	636,953	640,517	633,535	
Reconciliation					
Australian Government grants	2	372,546	377,493	369,040	374,075
HECS-HELP payments		213,346	208,514	213,346	208,514
FEE-HELP payments		52,139	45,059	52,139	45,059
SA-HELP payments		5,992	5,887	5,992	5,887
2		271,477	259,460	271,477	259,460
Total Australian Government financial assistance		644,023	636,953	640,517	633,535

2.2 STATE GOVERNMENT FINANCIAL ASSISTANCE

The University recognises State Government grant income on the basis of its contractual obligations. If the contract has outstanding performance obligations or where the University has a refund obligation, a related refund obligation is recognised, then the income is recognised in accordance with AASB 15. For grants that do not meet the sufficiently specific criteria, revenue is recognised when received.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
State Government grants received during the reporting period				
Capital	-	1,000	-	1,000
Non-Capital	9,033	11,011	9,033	10,961
Total State Government financial assistance	2	9,033	9,033	11,961

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 FEES AND CHARGES

Course fees and charges

The course fees and charges revenue relates to undergraduate programs, graduate and professional degree programs and non-award programs. The revenue is recognised over time as and when the course is delivered to students over the trimester.

When the courses or trainings have been paid in advance by students or the University has received the government funding in advance (e.g. before starting the academic period) the University recognises a contract liability until the services are delivered.

Non-course fees and charges

Non-course fees and charges revenue relates to student services and amenities fees and parking fees.

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service to the students:

- over time as and when the service is provided over the period
- at a point in time when the service is delivered.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable, as it will depend on the relevant terms of the arrangement and the rights of the parties.

	Note	Consolidated		University	
		2019	2018	2019	2018
		\$000's	\$000's	\$000's	\$000's
Course fees and charges					
Fee-paying onshore overseas students		412,601	342,838	412,601	342,838
Fee-paying offshore overseas students		57	370	57	370
Fee-paying domestic undergraduate students		78	112	78	112
Fee-paying domestic postgraduate students		15,509	15,534	15,509	15,534
Fee-paying domestic non-award students		13,442	12,762	13,442	12,762
		441,687	371,616	441,687	371,616
Other non-course fees and charges					
Student accommodation fees		29,782	27,685	360	286
Rental income		2,304	2,385	2,450	2,338
Student services and amenities fees from students		2,474	2,312	2,474	2,312
Non-accredited learning and development of consultancy programs		4,834	5,987	4,834	5,987
Parking fees		6,606	6,457	6,606	6,457
Other fees		10,470	10,842	10,470	10,842
		56,470	55,668	27,194	28,222
Total fees and charges	2	498,157	427,284	468,881	399,838

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.4 CONSULTANCY AND CONTRACT RESEARCH

The Group reviews the contracts with non-government entities to determine whether the sufficiently specific and enforceable agreement criteria are met, and to identify the performance obligations in the agreement.

The revenue is recognised:

- over time when the performance obligations are satisfied over the period
- at a point in time when the performance obligations are delivered.

When the contracts do not meet the sufficiently specific criteria, revenue is recognised when received.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Consultancy	743	662	743	662
Contract research	30,413	28,081	30,413	28,081
Total consultancy and contract research	31,156	28,743	31,156	28,743

2.5 OTHER REVENUE

Other revenue that is within the scope of AASB 15 mainly relates to sales and commercial income, training and conference income and scholarships and prizes, and various other contracts.

Revenue is recognised:

- over time as and when the service or good is provided over the period
- at a point in time when the service or good is delivered to the customer.

When the contracts are not recognised under AASB 15, revenue is recognised when received. Where the University has a refund obligation, a related refund obligation has been recognised.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Sales and commercial income	16,820	4,763	6,270	4,322
Donations and bequests	6,728	3,383	6,786	3,383
Scholarships and prizes	1,449	1,231	1,449	1,231
Training and conference income	720	2,314	720	2,314
Gain on disposal of property, plant and equipment	-	140	-	140
Other	18,662	17,739	23,420	17,163
Total other revenue	44,379	29,570	38,645	28,553

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



2.6 REVENUE AND INCOME FROM CONTINUING OPERATIONS

BASIS FOR DISAGGREGATION

Sources of funding

The Group receives funds from the Australian Government as well as State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the Group also receives funds and fees from private organisations or individuals that are used for the different programs led by the Group or correspond to the education services provided by the Group.

Revenue and income streams

The streams are distinguishing the different activities performed by the Group as well as acknowledge the different type of users of the programs and services provided:

- Education: the University has domestic and overseas students enrolled in a variety of programs for different qualification levels (from certificates to doctoral degrees). Whilst the number of domestic students is affected by national economic factors as interest rates or unemployment, overseas students are impacted by changes in immigration policies
- Research: the University performs research activities in different fields such as health, engineering, education, and science. The University enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The University has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the University obtains control of the research funds
- Non-course fees and charges: these correspond to the complementary services provided by the University such as parking services.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2.6 REVENUE AND INCOME FROM CONTINUING OPERATIONS (Continued)

(a) DISAGGREGATION

The Group derives revenue and income from:

Revenue and Income Streams	Consolidated Sources of Funding								2019	
	Higher Education Loan Program (HELP)	Student Fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Course fees and charges										
Domestic students undergraduate	218,321	78	264,750	-	-	-	-	-	483,149	-
Onshore overseas students undergraduate	-	173,098	-	-	-	-	-	-	173,098	-
Offshore overseas students undergraduate	-	57	-	-	-	-	-	-	57	-
Domestic students postgraduate	63,850	15,509	19,737	-	-	-	-	-	99,096	-
Fee-paying domestic non-award students	-	13,463	-	-	-	-	-	-	13,463	-
Onshore overseas students postgraduate	-	239,482	-	-	-	-	-	-	239,482	-
Total course fees and charges	282,171	441,687	284,487	-	-	-	-	-	1,008,345	-
Research										
Research goods and services	-	-	49,713	8,991	30,413	-	-	-	85,611	3,506
Research income	-	-	32,779	-	-	-	-	-	-	32,779
Total research	-	-	82,492	8,991	30,413	-	-	-	85,611	36,285
Recurrent government grants	-	-	5,567	-	-	-	-	-	5,003	564
Non-course fees and charges										
Parking fees	-	6,606	-	-	-	-	-	-	6,606	-
Use of facilities charges	5,992	34,560	-	-	-	-	-	-	40,552	-
Commercial sales	-	-	-	-	743	-	-	16,820	17,563	-
Other	-	15,304	-	42	-	6,755	8	20,796	36,177	6,728
Total non-course fees and charges	5,992	56,470	-	42	743	6,755	8	37,616	100,898	6,728
Capital government grants	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	20,626	-	-	-	20,626	-
Other	-	-	-	-	-	-	-	88,714	88,714	-
Total other	-	-	-	-	20,626	-	-	88,714	109,340	-
Total revenue from contracts with customers	288,163	498,157	335,697	9,033	51,782	35	-	126,330	1,309,197	-
Total income of not-for-profit	-	-	36,849	-	-	6,720	8	-	-	43,577

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2.6 REVENUE AND INCOME FROM CONTINUING OPERATIONS (Continued)

(a) DISAGGREGATION (continued)

The University derives revenue and income from:

Revenue and Income Streams	University Sources of Funding							2019		
	Higher Education Loan Program (HELP)	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total Revenue from contracts with customers	Total Income of not-for- profit entities
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Course fees and charges										
Domestic students undergraduate	218,321	78	264,750	-	-	-	-	-	483,149	-
Onshore overseas students undergraduate	-	173,098	-	-	-	-	-	-	173,098	-
Offshore overseas students undergraduate	-	57	-	-	-	-	-	-	57	-
Domestic students postgraduate	63,850	15,509	19,737	-	-	-	-	-	99,096	-
Fee-paying domestic non-award students	-	13,463	-	-	-	-	-	-	13,463	-
Onshore overseas students postgraduate	-	239,482	-	-	-	-	-	-	239,482	-
Total course fees and charges	282,171	441,687	284,487	-	-	-	-	-	1,008,345	-
Research										
Research goods and services	-	-	46,207	8,991	30,413	-	-	-	82,105	3,506
Research income	-	-	32,779	-	-	-	-	-	-	32,779
Total research	-	-	78,986	8,991	30,413	-	-	-	82,105	36,285
Recurrent government grants	-	-	5,567	-	-	-	-	-	5,003	564
Non-course fees and charges										
Parking fees	-	6,606	-	-	-	-	-	-	6,606	-
Use of facilities charges	5,992	5,284	-	-	-	-	-	-	11,276	-
Commercial sales	-	-	-	-	743	-	-	6,270	7,013	-
Other	-	15,304	-	42	-	6,813	8	25,554	40,935	6,786
Total non-course fees and charges	5,992	27,194	-	42	743	6,813	8	31,824	65,830	6,786
Capital government grants	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	20,626	-	-	-	20,626	-
Other	-	-	-	-	-	-	-	94,967	94,967	-
Total other	-	-	-	-	20,626	-	-	94,967	115,593	-
Total revenue from contracts with customers	288,163	468,881	332,191	9,033	51,782	35	-	126,791	1,276,876	-
Total income of not-for-profit	-	-	36,849	-	-	6,778	8	-	-	43,635

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2.6 REVENUE AND INCOME FROM CONTINUING OPERATIONS (Continued)

(b) ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the following assets and liabilities related to contracts with customers:

	Note	Consolidated		University	
		2019		2019	
		Closing balance \$000's	Opening balance \$000's	Closing balance \$000's	Opening balance \$000's
Receivables	4	232,381	232,133	230,453	226,911
Receivables - current	4	75,858	82,769	74,002	77,547
Receivables - non-current	4	156,523	149,364	156,451	149,364
Contract assets		322	-	322	-
Contract assets - current		322	-	322	-
Contract assets - non-current		-	-	-	-
Australian Government unspent financial assistance		39,130	-	39,130	-
Other contract liabilities		159,110	-	147,792	-
Contract liabilities - current		198,240	-	186,922	-
Contract liabilities - non-current		-	-	-	-
Right-of-return assets and refund liabilities					
The Group has recognised the following right of return assets and refund liabilities related to contracts with customers:					
Refund liabilities		824	-	824	-
Refund liabilities - current		824	-	824	-
Refund liabilities - non-current		-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.7 RECONCILIATION OF REVENUE AND INCOME

The following table reconciles the amounts disclosed in Notes 2.1 to 2.5 which contain the mandatory disclosures required by the Australian Government Department of Education and the disclosures provided in Note 2.6 as per AASB 15 and AASB 1058:

	Note	Consolidated		University	
		2019	2019	2019	2019
		\$000's	\$000's	\$000's	\$000's
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	644,023	640,517	640,517	640,517
Total State and Local Government financial assistance	2.2	9,033	9,033	9,033	9,033
HECS-HELP- student payments		16,686	16,686	16,686	16,686
Total Fees and charges	2.3	498,157	468,881	468,881	468,881
Total Royalties		20,626	20,626	20,626	20,626
Total Consultancy and contract fees	2.4	31,156	31,156	31,156	31,156
Total Other revenue and income	2.5,2.8	133,093	133,612	133,612	133,612
Total		1,352,774	1,320,511	1,320,511	1,320,511
Total Revenue from contracts with customers as per AASB 15	2.6	1,309,197	1,276,876	1,276,876	1,276,876
Total Income of not-for-profit as per AASB 1058	2.6	43,577	43,635	43,635	43,635
Total Revenue and Income from continuing operations		1,352,774	1,320,511	1,320,511	1,320,511

2.8 INVESTMENT INCOME

Interest

For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in investment income in the Statement of Comprehensive Income.

Distribution

Distribution from managed funds is recognised as income when received.

Dividend

Revenue is recognised when (a) the Group's right to receive the payment is established, which is generally when shareholders approve the dividend; (b) it is probable that the economic benefits associated with the dividend will flow to the Group; and (c) the amount of the dividend can be measured reliably.

	Note	Consolidated		University	
		2019	2018	2019	2018
		\$000's	\$000's	\$000's	\$000's
<i>Interest and distributions</i>					
Debt instruments at fair value through profit or loss		25,816	39,718	25,788	39,716
Debt instruments at amortised cost		581	-	6,862	7,493
<i>Dividends and franking credits</i>					
Equity instruments designated at fair value through OCI		814	2,714	814	2,714
Debt instruments at fair value through profit or loss		10,082	3,221	10,082	3,221
<i>Other investment gains</i>					
Debt instruments at fair value through profit or loss		51,421	-	51,421	-
Investment income	2	88,714	45,653	94,967	53,144
<i>Other investment losses</i>					
Debt instruments at fair value through profit or loss		-	37,284	-	37,284
Investment losses	2	-	37,284	-	37,284
Net investment income		88,714	8,369	94,967	15,860

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.9 EMPLOYEE RELATED EXPENSES

Salaries

Expenditure for salaries is expensed as incurred. Annual leave expenses are part of the salary costs. Annual leave is calculated at the nominal value of expected payments to be made in respect of services provided by employees up to the reporting date. Where employees have significant annual leave balances, an estimate is made of the probability of leave to be taken within 12 months and beyond 12 months. Annual leave shown below is the movement of the leave balances as compared with last year.

Payroll tax

Payroll tax is recognised and included in employee benefit costs when the employee benefits to which they relate are recognised.

Long service leave

Long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	Note	Consolidated		University	
		2019 \$000's	2018 \$000's	2019 \$000's	2018 \$000's
Academic					
Salaries		272,237	258,566	272,237	258,566
Contributions to superannuation and pension schemes:					
Funded contributions		42,237	39,454	42,237	39,454
Non-funded contributions		5	(15)	5	(15)
Payroll tax		15,518	14,463	15,518	14,463
Worker's compensation		663	641	663	641
Long service leave		10,629	8,030	10,629	8,030
Annual leave		3,860	2,307	3,860	2,307
Other		14,382	10,962	14,380	10,962
		359,531	334,408	359,529	334,408
Non-academic					
Salaries		274,771	254,801	274,380	254,490
Contributions to superannuation and pension schemes:					
Funded contributions		43,332	39,232	43,282	39,217
Non-funded contributions		5	(15)	5	(15)
Payroll tax		15,905	14,558	15,902	14,558
Worker's compensation		1,204	662	1,193	657
Long service leave		10,964	8,139	10,964	8,139
Annual leave		3,870	2,084	3,870	2,221
Other		15,452	16,083	15,450	16,090
		365,503	335,544	365,046	335,357
Total employee related expenses	2	725,034	669,952	724,575	669,765

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.10 DEPRECIATION AND AMORTISATION

Land, art collection and library special collections are 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.

Major depreciation periods are:

	2019	2018
Buildings	1 to 50 years	1 to 50 years
Infrastructure	10 to 20 years	10 to 20 years
Leasehold improvements	3 to 10 years	3 to 10 years
Plant and equipment	2 to 20 years	2 to 20 years
Motor vehicles	6.5 to 10 years	6.5 to 10 years
Library holdings	2 to 10 years	2 to 10 years
Right-of-use buildings	2 to 10 years	-
Right-of-use equipment	5 to 10 years	-

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.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Depreciation				
Buildings	33,398	31,191	28,700	26,764
Infrastructure	3,900	3,314	3,889	3,314
Plant and equipment	47,623	47,668	41,136	41,440
Motor vehicles	632	712	632	712
Library holdings	951	1,346	951	1,346
Right-of-use assets	6,949	-	6,949	-
	93,453	84,231	82,257	73,576
Amortisation				
Leasehold improvements	1,684	1,206	1,684	1,206
Intangible assets	3,353	1,602	3,341	1,602
	5,037	2,808	5,025	2,808
Total depreciation and amortisation	98,490	87,039	87,282	76,384

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.11 REPAIRS AND MAINTENANCE

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Building and grounds refurbishment, maintenance and repairs	46,521	43,237	40,225	38,645
Equipment- maintenance and repairs	4,688	3,510	4,682	3,475
Motor vehicles- maintenance and repairs	146	222	145	222
Total repairs and maintenance	51,355	46,969	45,052	42,342

2.12 LEASE INTEREST EXPENSE

The lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a lease interest expense.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Interest expense on lease liabilities	783	-	781	-
Total	783	-	781	-

2.13 IMPAIRMENT OF ASSETS

Assets 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Provision for impaired receivables	2,892	571	2,892	554
Bad debt write off	1,182	-	1,175	-
Impairment of investment in subsidiaries	-	-	-	(3)
Total impairment of assets	4,074	571	4,067	551

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.14 OTHER EXPENSES

Other expenses are applied to the Statement of Comprehensive Income during the financial year in which they are incurred. 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. Expenses relating to enhancing brand loyalty and reputation and marketing activities undertaken by the group to develop community awareness of the group and its services are classified as advertising, marketing and promotional expenses.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Advertising, marketing and promotional expenses	5,403	4,490	5,229	4,349
Communication costs	18,352	20,716	18,329	20,677
Consultants and contractors	21,479	17,391	20,398	17,251
Contributions to learning institutions	4,727	5,113	4,727	5,113
Copying, printing, stationary and consumables	14,028	11,450	13,898	11,402
Equipment costs	35,073	25,651	34,895	25,508
International agents commission	30,778	25,071	30,778	25,071
Library expenses	12,185	11,237	12,185	11,237
Loss on disposal of property, plant and equipment	55	-	55	-
Non-capitalised equipment	7,350	8,031	6,996	7,918
Operating lease rentals	11,005	14,938	10,751	15,013
Rates and energy costs	14,077	12,495	12,372	10,774
Revision of capitalisation threshold	-	6,541	-	6,536
Scholarships, grants and prizes	96,092	78,055	96,092	78,042
Staffing and related costs	31,372	29,072	30,954	28,787
Student expenses	32,362	30,502	31,637	29,828
Other	30,055	25,758	22,113	19,332
Total other expenses	2 364,393	326,511	351,409	316,838

3. CASH AND CASH EQUIVALENTS

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.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Cash at bank	21,498	13,768	10,835	12,685
Cash on hand	2	2	2	2
Bank deposits- on call	5,135	167	5,135	167
Bank term deposits	109,000	125,000	109,000	125,000
Total cash and cash equivalents	16,25,26 135,635	138,937	124,972	137,854

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. RECEIVABLES

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost. They are included in current assets, except for those with maturities greater than 12 months after the balance date, which are classified as non-current assets.

Student fees are normally due for payment prior to the census date. Trade receivables and other debtors are due for settlement no more than 30 days from the date that invoice was issued.

Deferred government contribution for superannuation

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.

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education and Training (Education), 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. 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.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
CURRENT				
Student fees	14,388	15,362	14,388	15,362
Less: allowance for expected credit losses	(925)	(925)	(925)	(925)
	13,463	14,437	13,463	14,437
Trade debtors and other debtors	19,794	22,900	19,432	18,768
Less: allowance for expected credit losses	(4,746)	(1,860)	(4,722)	(1,835)
	15,048	21,040	14,710	16,933
25,26	28,511	35,477	28,173	31,370
Government grants receivable	-	1,166	-	1,166
Deferred government contribution for superannuation	17	11,396	12,445	11,396
Accrued income	8,351	7,830	6,030	5,510
Prepayments	20,295	22,905	20,853	23,760
Inter company receivable	-	-	276	-
GST recoverable	7,305	2,946	7,274	3,296
	75,858	82,769	74,002	77,547
NON-CURRENT				
Deferred government benefit for superannuation	17	154,166	146,637	154,166
Other debtors		2,357	2,727	2,727
25,26	156,523	149,364	156,451	149,364
	232,381	232,133	230,453	226,911

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. RECEIVABLES (Continued)

Impaired receivables

Trade receivables are non-interest bearing and are generally on 30 day terms. For trade receivables the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The movements of the provision are recognised 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.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

At 1 January

Provision for expected credit losses

Receivables written off during the year as uncollectible

At 31 December

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
At 1 January	2,785	2,951	2,760	2,928
Provision for expected credit losses	2,892	571	2,892	554
Receivables written off during the year as uncollectible	(6)	(737)	(5)	(722)
At 31 December	5,671	2,785	5,647	2,760

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, term deposits with original maturities longer than three months and loans to related parties.

Financial assets at fair value through other comprehensive income (for debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Comprehensive Income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Comprehensive Income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed and non-listed equity investments under this category.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. OTHER FINANCIAL ASSETS (Continued)

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Comprehensive Income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated Statement of Financial Position) when:

- the rights to receive cash flows from the asset have expired or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of debt instruments other than receivables

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Shares in subsidiaries are valued at their current net worth by providing for the impairment in the value of the investment. Where there has been a temporary diminution in the value of the investment, a provision for impairment is made based on the underlying net asset base of the security from the latest available accounts. All changes in impairment in value are taken through the Statement of Comprehensive Income (refer Note 2.10).

Deakin University and its subsidiaries did not hold any investment properties, as defined in AASB 140 *Investment Property*, in the current financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. OTHER FINANCIAL ASSETS (Continued)

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
CURRENT				
Financial assets at fair value through profit or loss				
Financial assets at amortised cost	-	42,500	-	42,500
Loan to subsidiaries	-	-	1,300	950
25,26	-	42,500	1,300	43,450
NON CURRENT				
Financial assets at fair value through profit or loss				
	465,362	398,802	465,362	398,802
Financial assets at fair value through other comprehensive income				
Listed equity securities	36,756	2,400	36,756	2,400
Unlisted equity securities	49,870	33,699	49,870	33,699
	86,626	36,099	86,626	36,099
Financial assets at amortised cost				
Convertible promissory note	6,305	2,968	6,305	2,968
Loan to subsidiaries	-	-	118,003	127,250
	6,305	2,968	124,308	130,218
Subsidiaries				
Shares in subsidiaries- at cost	-	-	82,801	82,801
	-	-	82,801	82,801
25,26	558,293	437,869	759,097	647,920
	558,293	480,369	760,397	691,370

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. PROPERTY, PLANT AND EQUIPMENT

Land, buildings, art collection and special library 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. Individual items of plant and equipment with a cost less than \$10,000 (2018: \$10,000) are charged to the Statement of Comprehensive Income (refer to Note 2.14). All other property, plant and equipment are 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.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities. Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and costs that are attributable.

Land and buildings were fully valued by Cunningham Property Consultants (Property Consultants and Valuers) at 31 October 2019. In completing the valuation of property and assets estimated fair value was derived from the depreciated replacement cost approach.

The special 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 September 2018 based on the guidelines set out in the Department of Treasury and Finance document *Victorian Government Policy: Revaluation of Non-Current Physical Assets*. The special library holdings are classified as a cultural asset and have been assessed on the fair and informed market as reflected by market evidence. This can be determined based on the current market buying price.

The art collection was valued by Guy Abrahams, a member of the Art Consulting Association of Australia, at 1 November 2017. The valuation was carried out on the basis of market value.

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.

Land, buildings, special library holdings and art collection purchased since the date of the last valuation are shown at cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Land				
At independent valuation 2019	215,900	-	214,050	-
At independent valuation 2018	-	1,750	-	-
At independent valuation 2016	-	171,920	-	171,920
At cost	-	16,739	-	16,739
	215,900	190,409	214,050	188,659
Buildings				
At independent valuation 2019	1,211,478	-	1,013,189	-
At independent valuation 2016	-	982,634	-	877,703
At cost	32,217	145,041	29,728	67,163
Accumulated depreciation	(6,494)	(64,769)	(5,600)	(56,845)
	1,237,201	1,062,906	1,037,317	888,021
Construction in progress				
Construction in progress	208,029	121,423	197,792	116,400
	208,029	121,423	197,792	116,400
Infrastructure				
At cost	49,628	40,542	49,485	40,542
Accumulated amortisation	(14,405)	(10,483)	(14,371)	(10,483)
	35,223	30,059	35,114	30,059
Leasehold improvements				
At cost	16,801	12,605	16,801	12,605
Accumulated amortisation	(8,362)	(6,678)	(8,362)	(6,678)
	8,439	5,927	8,439	5,927
Plant and equipment				
At cost	533,966	564,999	465,665	490,393
Accumulated depreciation	(281,468)	(302,019)	(257,864)	(277,008)
	252,498	262,980	207,801	213,385
Motor vehicles				
At cost	4,840	5,034	4,840	5,034
Accumulated depreciation	(2,838)	(2,665)	(2,838)	(2,665)
	2,002	2,369	2,002	2,369
Library holdings				
At cost	32,190	31,998	32,190	31,998
Accumulated depreciation	(29,575)	(29,026)	(29,575)	(29,026)
	2,615	2,972	2,615	2,972
Special library holdings				
At independent valuation 2018	8,287	8,287	8,287	8,287
	8,287	8,287	8,287	8,287
	10,902	11,259	10,902	11,259
Art collection				
At independent valuation 2017	11,909	11,909	11,909	11,909
At cost	4,883	660	4,883	660
	16,792	12,569	16,792	12,569
	1,986,986	1,699,901	1,730,209	1,468,648

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

MOVEMENTS IN CARRYING AMOUNTS	Balance at beginning of year	Additions	Disposals	Depreciation / Amortisation expense	Transfers *	Change in capitalisation threshold	Revaluation	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2019								
CONSOLIDATED								
Land	190,409	3,334	-	-	-	-	22,157	215,900
Buildings	1,062,906	134	-	(33,398)	47,273	-	160,286	1,237,201
Construction in progress	121,423	183,976	-	-	(97,370)	-	-	208,029
Infrastructure	30,059	82	-	(3,900)	8,982	-	-	35,223
Leasehold improvements	5,927	-	-	(1,684)	4,196	-	-	8,439
Plant and equipment	262,980	14,583	(359)	(47,623)	22,917	-	-	252,498
Motor vehicles	2,369	361	(79)	(632)	(17)	-	-	2,002
Library holdings	2,972	631	(37)	(951)	-	-	-	2,615
Special library holdings	8,287	-	-	-	-	-	-	8,287
Art collection	12,569	4,223	-	-	-	-	-	16,792
	1,699,901	207,324	(475)	(88,188)	(14,019)	-	182,443	1,986,986
UNIVERSITY								
Land	188,659	3,334	-	-	-	-	22,057	214,050
Buildings	888,021	135	-	(28,700)	44,783	-	133,078	1,037,317
Construction in progress	116,400	174,736	-	-	(93,344)	-	-	197,792
Infrastructure	30,059	-	-	(3,889)	8,944	-	-	35,114
Leasehold improvements	5,927	-	-	(1,684)	4,196	-	-	8,439
Plant and equipment	213,385	14,492	(359)	(41,136)	21,419	-	-	207,801
Motor vehicles	2,369	361	(79)	(632)	(17)	-	-	2,002
Library holdings	2,972	631	(37)	(951)	-	-	-	2,615
Special library holdings	8,287	-	-	-	-	-	-	8,287
Art collection	12,569	4,223	-	-	-	-	-	16,792
	1,468,648	197,912	(475)	(76,992)	(14,019)	-	155,135	1,730,209

* The balance of \$14,019k has been transferred to Intangible Assets (refer to Note 9).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

MOVEMENTS IN CARRYING AMOUNTS	Balance at beginning of year	Additions	Disposals	Depreciation / Amortisation expense	Transfers	Change in capitalisation threshold	Revaluation	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2018								
CONSOLIDATED								
Land	177,540	12,619	-	-	-	-	250	190,409
Buildings	1,029,296	616	-	(31,191)	69,675	-	(5,490)	1,062,906
Construction in progress	108,508	127,211	-	-	(114,296)	-	-	121,423
Infrastructure	32,322	-	-	(3,314)	1,051	-	-	30,059
Leasehold improvements	3,441	-	-	(1,206)	3,692	-	-	5,927
Plant and equipment	261,538	15,816	(54)	(47,668)	39,889	(6,541)	-	262,980
Motor vehicles	3,164	459	(531)	(712)	(11)	-	-	2,369
Library holdings	3,967	351	-	(1,346)	-	-	-	2,972
Special library holdings	6,735	307	-	-	-	-	1,245	8,287
Art collection	12,084	485	-	-	-	-	-	12,569
	1,638,595	157,864	(585)	(85,437)	-	(6,541)	(3,995)	1,699,901
UNIVERSITY								
Land	176,040	12,619	-	-	-	-	-	188,659
Buildings	881,389	615	-	(26,764)	32,781	-	-	888,021
Construction in progress	59,935	116,144	-	-	(59,679)	-	-	116,400
Infrastructure	32,322	-	-	(3,314)	1,051	-	-	30,059
Leasehold improvements	3,441	-	-	(1,206)	3,692	-	-	5,927
Plant and equipment	223,533	15,708	(46)	(41,440)	22,166	(6,536)	-	213,385
Motor vehicles	3,164	459	(531)	(712)	(11)	-	-	2,369
Library holdings	3,967	351	-	(1,346)	-	-	-	2,972
Special library holdings	6,735	307	-	-	-	-	1,245	8,287
Art collection	12,084	485	-	-	-	-	-	12,569
	1,402,610	146,688	(577)	(74,782)	-	(6,536)	1,245	1,468,648

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. RIGHT-OF-USE ASSETS

The leased assets relate to administration, education and accommodation buildings and some IT equipment.

Information about leases where the Group is a lessee is presented below:

	Consolidated	University
	2019	2019
	\$000's	\$000's
Buildings		
At 1 January	39,081	39,081
Additions of right-of-use assets	4,452	4,452
Depreciation charge	(6,707)	(6,707)
At 31 December	36,826	36,826
Equipment		
At 1 January 2019	29	29
Additions of right-of-use assets	11,765	11,765
Depreciation charge	(242)	(242)
At 31 December	11,552	11,552
Total Right-of-use assets	48,378	48,378

8. DEFERRED TAX ASSETS

	Consolidated		University	
	2019	2019	2019	2019
	\$000's	\$000's	\$000's	\$000's
Deferred tax asset	26	5	-	-

Deferred tax asset has been recognised in relating to temporary differences arising from provision of employment benefits and accruals in a subsidiary company.

MOVEMENTS IN DEFERRED TAX ASSET

CONSOLIDATED

	Opening balance	Charged to income	Charged to equity	Closing balance
	\$000's	\$000's	\$000's	\$000's
Opening balance	2	12	-	14
Employee benefits provision	3	(1)	-	2
Accruals	-	32	-	32
Lease liability	-	3	-	3
Provision	-	3	-	3
Deferred tax asset - closing balance	5	49	-	54

MOVEMENTS IN DEFERRED TAX LIABILITIES

Opening balance	-	-	-	-
Property, plant and equipment- tax allowance	-	28	-	28
Deferred tax liability- closing balance	-	28	-	28
Net deferred tax assets	5	21	-	26

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. INTANGIBLE ASSETS

Intangible assets comprise deferred implementation costs of the human resources system and electronic publications for library holdings. Deferred implementation costs are capitalised and are amortised over a life of ten years for systems used in the administration of the University. 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 ten years. The publications 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 of disposal and value in use. Annual subscription based publications are expensed as incurred.

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Human resources and Finance systems	18,266	4,153	18,171	4,153
Accumulated depreciation	(3,167)	(1,219)	(3,155)	(1,219)
	15,099	2,934	15,016	2,934
Electronic publications	14,706	12,717	14,706	12,717
Accumulated depreciation	(6,456)	(5,051)	(6,456)	(5,051)
	8,250	7,666	8,250	7,666
Total intangible assets	23,349	10,600	23,266	10,600

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year	Additions	Disposals	Transfer from capital work in progress (refer to Note 6)	Amortisation expense	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2019						
CONSOLIDATED						
Human resources and Finance systems	2,934	95	-	14,019	(1,949)	15,099
Electronic publications	7,666	1,988	-	-	(1,404)	8,250
	10,600	2,083	-	14,019	(3,353)	23,349
UNIVERSITY						
Human resources and Finance systems	2,934	-	-	14,019	(1,937)	15,016
Electronic publications	7,666	1,988	-	-	(1,404)	8,250
	10,600	1,988	-	14,019	(3,341)	23,266

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year	Additions	Amortisation expense	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's
2018				
CONSOLIDATED				
Human resources system	3,369	-	(435)	2,934
Electronic publications	6,873	1,960	(1,167)	7,666
	10,242	1,960	(1,602)	10,600
UNIVERSITY				
Human resources system	3,369	-	(435)	2,934
Electronic publications	6,873	1,960	(1,167)	7,666
	10,242	1,960	(1,602)	10,600

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. 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.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
CURRENT				
Creditors and accrued expenses	77,516	75,122	75,283	74,691
Australian Government unspent financial assistance	-	50,565	-	50,565
Amount owing to Australian Government	-	16	-	16
OS-HELP liability to Australian Government	4,167	2,995	4,167	2,995
Income in advance	-	150,258	-	144,637
Owing to subsidiaries	-	-	709	4,037
	81,683	278,956	80,159	276,941
NON-CURRENT				
Creditors and accrued expenses	615	10	615	10
	615	10	615	10
23,24	82,298	278,966	80,774	276,951

11. LEASE LIABILITIES

The Group has leases for administration, education and accommodation buildings and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Statement of Financial Position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (refer to Note 7).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Some leases contain an option to extend the lease for a further term which the Group has assessed to determine if it is reasonably certain that the option term will be exercised. The Group is prohibited from selling or pledging the underlying leased assets as security.

The Group must keep properties in a good state of repair and for some properties return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts. There are no sale and leaseback transactions, exposure to residual value guarantees and no other restrictions and covenants imposed by leases.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. LEASE LIABILITIES (Continued)

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the Statement of Financial Position.

	No. of assets leased	Range of remaining term	No. of leases with renewal options	No. of leases with termination options
Right-of-use asset				
IT equipment	2	5 years	0	0
Properties	16	1-12 years	9	0

At 31 December 2019 the Group had committed to leases which had not yet commenced. The total future cash outflows for leases that had not yet commenced were as follows:

	Consolidated 2019	University 2019
	\$000's	\$000's
Amounts recognised in the income statement		
Interest on lease liabilities	783	781
Expenses relating to low-value assets, excluding short term leases of low-value assets	11,005	10,751
	11,788	11,532
Maturity analysis - undiscounted contractual cash flows		
Less than one year	6,831	6,831
One to five years	26,086	26,086
More than five years	22,131	22,131
Total undiscounted contractual cash flows	55,048	55,048
Lease liabilities recognised in the Statement of Financial Position	51,073	51,073
Current	5,982	5,982
Non-current	45,091	45,091
Amounts recognised in Statement of Cash Flows		
Total cash outflow for leases		
Repayment of lease liabilities	(5,660)	(5,660)
Interest and other costs of finance	(775)	(775)
	(6,435)	(6,435)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



12. EMPLOYEE BENEFIT PROVISIONS

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 expected settlement. Provisions which are expected to be settled wholly within 12 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 wholly within 12 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. The wage inflation rate and the discount rate used in the calculation of the present value are as advised by the Department of Treasury and Finance for the reporting period.

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 seven or less than 10 years of continuous service, in accordance with the respective employment arrangements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. EMPLOYEE BENEFIT PROVISIONS (Continued)

	Note	Consolidated		University	
		2019 \$000's	2018 \$000's	2019 \$000's	2018 \$000's
CURRENT					
Current provisions expected to be settled wholly within 12 months at nominal value					
Annual leave		32,697	29,831	32,441	29,622
Long service leave		8,697	8,134	8,585	8,021
		41,394	37,965	41,026	37,643
Provisions for employee benefit on-costs expected to be settled wholly within 12 months at nominal value					
Annual leave		7,431	6,795	7,396	6,761
Long service leave		1,965	1,836	1,956	1,827
		9,396	8,631	9,352	8,588
Current provisions expected to be settled wholly after more than 12 months at present value					
Annual leave		1,342	1,216	1,337	1,212
Long service leave		43,112	38,094	43,041	38,040
		44,454	39,310	44,378	39,252
Provisions for employee benefit on-costs expected to be settled wholly after more than 12 months at present value					
Annual leave		303	257	302	256
Long service leave		9,585	8,516	9,574	8,507
		9,888	8,773	9,876	8,763
Current provision for employee benefits		105,132	94,679	104,632	94,246
Deferred employee benefits for superannuation- Victorian State Superannuation Fund	17	11,396	12,445	11,396	12,445
		116,528	107,124	116,028	106,691
NON-CURRENT					
Long service leave at present value		21,922	16,316	21,967	16,357
Provisions for employee benefit on-costs at present value		4,414	3,434	4,413	3,432
		26,336	19,750	26,380	19,789
Deferred employee benefits for superannuation- Victorian State Superannuation Fund	17	154,166	146,637	154,166	146,637
Unfunded superannuation liability- State Employees Retirement Benefit (SERB)		111	108	111	108
		180,613	166,495	180,657	166,534
		297,141	273,619	296,685	273,225
SUMMARY					
Annual leave		41,773	38,099	41,476	37,851
Long service leave		89,695	76,330	89,536	76,184
Deferred employee benefits for superannuation- Victorian State Superannuation Fund		165,562	159,082	165,562	159,082
Unfunded superannuation liability- State Employees Retirement Benefit (SERB)		111	108	111	108
		297,141	273,619	296,685	273,225

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. CURRENT TAX LIABILITIES

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Provision for income tax	668	54	-	-
Deakin University has two subsidiaries that are not exempt from income tax.				
(a) The major components of tax expense comprise:				
Current income tax expense	692	44	-	-
Current tax expense recognised in retained earnings for adoption of AASB 16	3	-	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	(23)	5	-	-
	672	49		
(b) Reconciliation of income tax to accounting profit: Prima facie tax payable on profit from ordinary activities before income tax at 30% (2018: 30%)				
	615	44	-	-
Add Tax effect of:				
Non Deductible Share Based Payments Expense	56	2	-	-
Non Deductible entertainment	1	3	-	-
Income tax expense	672	49	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. RESERVES

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, Investment in equity instruments at fair value through other comprehensive income, Share based payments reserve, Endowment Fund Reserve and Retained Earnings. 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.

There is an equity incentive plan in two subsidiary companies. The plan is designed to personally reward employees and originating researchers for developing the business of the company to deliver long term shareholder returns. Under the plan, participants have been granted options shares which only vest if certain performance obligations are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Balance at beginning of year	522,431	550,218	514,992	537,539
Retrospective changes on adoption of new accounting standards	-	(30,296)	-	(30,296)
Balance as restated	522,431	519,922	514,992	507,243
Asset revaluation surplus				
Increase / (decrease) in asset valuation of non-current assets are:				
Land (valuation date: 31 October 2019)	22,157	250	22,057	-
Buildings (valuation date: 31 October 2019)	160,286	(5,490)	133,078	-
Special library holdings (valuation date: 20 September 2018)	-	1,245	-	1,245
Investment in equity instruments at fair value through other comprehensive income (valuation date: 31 December 2019)	47,462	4,719	47,462	4,719
Share Based Payments Reserve	421	-	-	-
	230,326	724	202,597	5,964
Endowment Fund Reserve	(568)	1,785	(568)	1,785
Balance at end of year	752,189	522,431	717,021	514,992

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. RESERVES (Continued)

MOVEMENTS IN CARRYING AMOUNTS	Balance at beginning of year	Transfer to Comprehensive Income	Increase / (decrease) on revaluation	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's
CONSOLIDATED				
Asset Revaluation Surplus				
Land	116,631	-	22,157	138,788
Buildings	363,857	-	160,286	524,143
Special library holdings	2,034	-	-	2,034
Art collection	3,593	-	-	3,593
Investments- Financial assets at fair value through other comprehensive income	25,442	-	47,462	72,904
Share Based Payments Reserve	-	-	421	421
Endowment Fund Reserve	10,874	(568)	-	10,306
	522,431	(568)	230,326	752,189
UNIVERSITY				
Asset Revaluation Surplus				
Land	116,031	-	22,057	138,088
Buildings	357,018	-	133,078	490,096
Special library holdings	2,034	-	-	2,034
Art collection	3,593	-	-	3,593
Investments- Financial assets at fair value through other comprehensive income	25,442	-	47,462	72,904
Share Based Payments Reserve	-	-	-	-
Endowment Fund Reserve	10,874	(568)	-	10,306
	514,992	(568)	202,597	717,021

15. RETAINED EARNINGS

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Balance at beginning of year	1,487,167	1,400,478	1,470,507	1,382,985
Retrospective changes on adoption of new accounting standards	7,271	37,029	7,464	37,029
Balance as restated	1,494,438	1,437,507	1,477,971	1,420,014
Net result after income tax for the year	107,973	51,507	107,345	52,278
Transfer to reserves	568	(1,785)	568	(1,785)
Contribution from non-controlling interest	1,342	-	-	-
Change of ownership in subsidiaries during the year	(409)	-	-	-
Attribution from / (to) non-controlling interest	189	(62)	-	-
Retained earnings at the end of the year	1,604,101	1,487,167	1,585,884	1,470,507

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. CASH FLOW STATEMENT

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
RECONCILIATION OF CASH				
Cash at bank and on hand	21,500	13,770	10,837	12,687
Bank deposits- on call	5,135	167	5,135	167
Bank term deposits	109,000	125,000	109,000	125,000
Total cash and cash equivalents	135,635	138,937	124,972	137,854
Balance as per Statement of Cash Flows	135,635	138,937	124,972	137,854
RECONCILIATION OF NET RESULT TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Net result after income tax for the year	107,973	51,507	107,345	52,278
Add / (Less) non-cash items:				
Depreciation and amortisation	98,490	87,039	87,282	76,384
Donations for art works	(4,111)	(363)	(4,111)	(363)
Fair value loss / (gains) on debt instruments at fair value through profit or loss	(51,421)	37,284	(51,421)	37,284
Revision of capitalisation threshold	-	6,541	-	6,536
Loss / (profit) on disposal of property, plant and equipment	55	(131)	55	(140)
Impairment for other financial assets	-	-	-	-
Transferred share based payment to reserve	421	-	-	-
Decrease / (increase) in:				
Current assets				
Trade debtors	6,966	(7,312)	3,197	(3,257)
Contract assets	(322)	-	(322)	-
Government grants receivable	1,166	(587)	1,166	(587)
Accrued income	(521)	(3,964)	(520)	(3,955)
Prepayments	2,610	(3,374)	2,907	(3,215)
GST recoverable	(4,359)	2,717	(3,978)	2,362
Owing by subsidiaries	-	-	(276)	-
Inventories	(268)	(76)	(70)	(76)
Deferred government contribution for superannuation	1,049	(109)	1,049	(109)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. CASH FLOW STATEMENT (Continued)

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Non-current assets				
Receivables	462	443	442	443
Deferred tax assets	(21)	(5)	-	-
Deferred government contribution for superannuation	(7,529)	(6,003)	(7,529)	(6,003)
Increase / (decrease) in:				
Current liabilities				
Creditors and accrued expenses	2,352	(7,228)	550	(7,322)
Contract liabilities	159,110	-	147,792	-
Income received in advance	(151,226)	21,016	(145,412)	17,206
Owing to subsidiaries	-	-	(3,328)	(1,752)
Current tax payable	614	54	-	-
Employee benefits	10,453	10,300	10,386	10,475
Deferred employee benefits for superannuation	(1,049)	109	(1,049)	109
Non-current liabilities				
Creditors and accrued expenses	13	-	13	-
Employee benefits	6,586	3,129	6,591	3,148
Deferred employee benefits for superannuation	7,529	6,003	7,529	6,003
Unfunded superannuation liability- SERB	3	(39)	3	(39)
Net cash provided by operating activities	185,025	196,951	158,291	185,410

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



17. SUPERANNUATION

UniSuper Defined Benefit Plan

Deakin University has a number of present staff members who are members of the UniSuper Defined Benefit Division (DBD) 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 AASB 119 *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 2019, the assets of the DBD in aggregate were estimated to be \$5,643 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 125.4%. 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 indexed pensions being provided by the DBD.

As at 30 June 2019, the assets of the DBD in aggregate were estimated to be \$7,301 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 135.5%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and 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 actuaries, Ms Kate Maartensz and Mr Andrew West, using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2019. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return		
- DBD pensions	4.8% p.a.	6.1% p.a.
Gross of tax investment return		
- Commercial rate indexed pensions	2.4% p.a.	2.4% p.a.
Gross of tax investment return		
- non pensioner members	4.3% p.a.	5.5% p.a.
Consumer Price Index	2.0% p.a.	2.0% p.a.
Inflationary salary increases long term		
For the next three years	2.75% p.a.	2.75% p.a.
Beyond three years	3.0% p.a.	3.0% p.a.

Assets have been included at their net market value; that is, after allowing for realisation costs.

Victorian State Superannuation Fund

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education and Training (Education), 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. 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.

AASB 119 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 31 December 2019.

The unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by Ms Catherine Nance, Fellow of the Institute of Actuaries of Australia (FIAA) and relate to the estimates of net liabilities at 31 December 2019. The methodology for measurement of the net liabilities uses the discount rate of 1.49 per cent based on the government bond rate and assumed salary increases of 4 per cent and pension indexation of 1.6 per cent. The net liability has increased by \$6.48 million (2018: increased by \$6.112 million), or 4.1 per cent (2018: 4 per cent) over the year to 31 December 2019.

The main reasons for the change in the net liability are:

- the discount rate decreased from 2.36 per cent as at 31 December 2018 to 1.49 per cent as at 31 December 2019, which has increased the accrued benefit liability by \$13.57 million (8.5 per cent)
- a decrease in the accrued liability due to the ageing of pensioners
- actual pension indexation being lower than that assumed (1.6 per cent compared to 2.5 per cent)
- a 3.6 per cent decrease in membership, which decreased the accrued benefit liability.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. SUPERANNUATION (Continued)

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 31 December 2019, 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 31 December 2019, amounted to \$165.562 million (2018: \$159.082 million). Unfunded liabilities are met by the Australian Government.

	Consolidated		University	
	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's
Amounts receivable from Australian Government				
Receivable within 12 months	4	11,396	12,445	11,396
Receivable later than 12 months	4	154,166	146,637	154,166
Total deferred government contribution for superannuation		165,562	159,082	165,562
Movements in deferred government contribution for superannuation		6,480	6,112	6,480
Unfunded superannuation liability				
Payable within 12 months	12	11,396	12,445	11,396
Payable later than 12 months	12	154,166	146,637	154,166
Total deferred employee benefits for superannuation		165,562	159,082	165,562
Movements in deferred employee benefits for superannuation		6,480	6,112	6,112

18. COMMITMENTS

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of GST payable. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. COMMITMENTS (Continued)

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Property, plant and equipment

Within one year

Between one and five years

Equity instrument

Within one year

Between one and five years

Later than five years

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
	81,113	159,749	81,113	159,749
	13,245	29,744	13,245	29,744
	94,358	189,493	94,358	189,493
	74	74	74	74
	296	222	296	222
	512	667	512	667
	882	963	882	963

19. CONTINGENCIES

FLAIM Systems Ptd Ltd, a subsidiary company of Deakin University, finalised a capital raising in June 2019 to raise \$1.25 million for 12.5 per cent of the shares of the Company. A representation was made in the Seed Round Information Memorandum (November 2018) that FLAIM would qualify for Early Stage Innovation Companies (ESIC) status, which gives investors certain tax incentives. In July 2019, the Company, including the Board, became aware that it was likely that the Company would not pass the eligibility tests to qualify for ESIC status during the relevant period. Following independent advice and an investigation into the Company's options regarding ESIC eligibility, the Company confirmed that it would not qualify for ESIC status. Following discussions with the affected investors, the Board was advised in November 2019 that the affected investors had verbally undertaken that they would not take legal action against

the Company. The Board resolved in November 2019 to request that the affected investors document their verbally agreed position with the Company, in a mutually agreed form. No quantification of the liability is possible at this stage. The matter has been reported to the University's insurer.

As at 31 December 2019 there is a warranty claim against the Company which is currently under review and estimated to be \$30k.

There are no other material contingent liabilities and no material contingent assets for the Group at balance date (2018: nil). Bank guarantees totalling \$3,154,097 (2018: \$524,750) have been issued to third parties for the Group primarily in relation to properties and performance guarantee.

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

On 20 January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. The outbreak was declared a pandemic by the World Health Organization on 11 March 2020 and the Victorian Government declared a state of emergency on 16 March 2020.

The travel restrictions put in place by the Chinese Government immediately after the declaration of an outbreak impacted the ability of Chinese-based students to commence their studies in Australia. The ongoing roll out of international travel restrictions broadened the scope

to impact all international students looking to commence or resume their studies at the University.

The length and extent of the spread of the virus and actions being undertaken by both the Australian Federal and State Governments will continue to determine the scale of the impact on the finances of the University.

Due to this significant uncertainty surrounding the COVID-19 outbreak and the government's response to this, it is not possible to estimate the full impact on the University's operations, financial position and cashflows at this point in time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD (Continued)

This being the case, the University does not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The University will continue to monitor the non-financial and financial impacts of COVID-19 on its operations, and has put in place various mitigation strategies that will ensure we will remain a going concern for at least the next 12 months.

The financial statements have been prepared based upon conditions existing at 31 December 2019, and considering those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting period.

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and as such, no adjustments have been made to the financial statement balances as at 31 December 2019 for the impacts of COVID-19.

There are no other events occurring after the end of the reporting period that would materially affect the financial position of the Group (2018: nil).

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

Name of Responsible Persons

University

For the purposes of the *Financial Management Act 1994 (Vic)*, the Victorian Minister for Training and Skills and Minister for Higher Education and members of the University Council are the responsible persons of the University. The Victorian Minister for Training and Skills and Minister for Higher Education for the full year was The Hon. Gayle Tierney MP. The remuneration of the Minister is included in the financial statements of the Victorian Department of Parliamentary Services. Members of the University Council received remuneration for services rendered. The following persons held office as the members of the University Council during the financial year:

- Mr J Stanhope AM (Chancellor)
- Professor J den Hollander AO (Vice-Chancellor and President) (ceased 30 June 2019)
- Professor I Martin (Vice-Chancellor and President) (from 1 July 2019)
- Ms C Boyer-Spooner
- Mr S Bubb
- Mr R Carr
- Mrs A Di Pasquale
- Ms M Douglas-Crane
- Ms K Grigg
- Mr S Hamilton AO
- Professor C Hickey
- Ms P Kelly
- Mr J Kurban
- Mr R Leemon (from 1 July 2019)
- Mr P Niblett
- Dr L Roberts AO.

Professor J den Hollander AO was the Accountable Officer from 1 January 2019 to 30 June 2019. Professor I Martin is the Accountable Officer from 1 July 2019 to 31 December 2019. Remuneration received or receivable by the Accountable Officer in connection with the management of the University during the reporting period were in the range \$450,000 to \$459,999 and \$820,000 to 829,999 (2018: \$1,100,000 to \$1,109,999).

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of Deakin University during the year:

- Mr W Confalonieri
- Professor B Crotty (ceased 18 April 2019)
- Alfred Deakin Professor M Duke (from 19 April 2019 and ceased 18 October 2019)
- Alfred Deakin Professor M Ewing
- Professor K Hapgood
- Professor R Huxley (from 21 October 2019)
- Professor E Johnson
- Alfred Deakin Professor J Owens
- Ms K Parker
- Mr K Selway
- Professor G Smith
- Alfred Deakin Professor C Ure.

Subsidiaries

The following persons held office as the directors of the subsidiary companies, but not as executive officers of the University, during the financial year:

- Mr G Campbell
- Ms V Evans
- Mr R Gilmore
- Mr M Grantham
- Mr W Healy
- Mr G Pullen
- Mr A Smith
- Mr V Wilson.

The following persons held office as the directors of the subsidiary companies and as executive officers of the University during the financial year:

- Ms K Parker
- Mr K Selway.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

RESPONSIBLE PERSONS REMUNERATION

Compensation received or due and receivable from the University and its subsidiaries by the responsible persons:

Short-term employee benefits

Post-employment benefits

Other long-term benefits

Termination payments

Share option

Total compensation

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Short-term employee benefits	3,364	3,087	1,919	1,843
Post-employment benefits	269	301	196	177
Other long-term benefits	54	48	28	28
Termination payments	95	129	95	-
Share option	39	-	-	-
Total compensation	3,821	3,565	2,238	2,048

Number of responsible persons whose remuneration from the University and its subsidiaries was within the following bands:

Nil to \$9,999

\$10,000 to \$19,999

\$20,000 to \$29,999

\$30,000 to \$39,999

\$40,000 to \$49,999

\$60,000 to \$69,999

\$70,000 to \$79,999

\$80,000 to \$89,999

\$100,000 to \$109,999

\$160,000 to \$169,999

\$180,000 to \$189,999

\$190,000 to \$199,999

\$220,000 to \$229,999

\$240,000 to \$249,999

\$250,000 to \$259,999

\$260,000 to \$269,999

\$270,000 to \$279,999

\$280,000 to \$289,999

\$290,000 to \$299,999

\$360,000 to \$369,999

\$440,000 to \$449,999

\$460,000 to \$469,999

\$810,000 to \$819,999

\$1,100,000 to \$1,109,999

Annualised employee equivalent

	Consolidated		University	
	2019	2018	2019	2018
Nil to \$9,999	3	-	-	-
\$10,000 to \$19,999	3	-	1	-
\$20,000 to \$29,999	3	4	3	4
\$30,000 to \$39,999	6	7	6	7
\$40,000 to \$49,999	1	-	1	-
\$60,000 to \$69,999	-	1	-	-
\$70,000 to \$79,999	1	2	1	1
\$80,000 to \$89,999	2	-	-	-
\$100,000 to \$109,999	-	1	-	-
\$160,000 to \$169,999	1	-	-	-
\$180,000 to \$189,999	-	1	-	-
\$190,000 to \$199,999	1	1	-	1
\$220,000 to \$229,999	-	1	-	-
\$240,000 to \$249,999	1	1	1	-
\$250,000 to \$259,999	-	1	-	-
\$260,000 to \$269,999	1	-	-	-
\$270,000 to \$279,999	1	-	-	-
\$280,000 to \$289,999	-	1	-	1
\$290,000 to \$299,999	1	-	1	-
\$360,000 to \$369,999	-	1	-	-
\$440,000 to \$449,999	1	-	1	-
\$460,000 to \$469,999	1	-	-	-
\$810,000 to \$819,999	1	-	1	-
\$1,100,000 to \$1,109,999	-	1	-	1
	28	23	16	15
Annualised employee equivalent	25.4	20.6	14.5	15

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

EXECUTIVE OFFICER REMUNERATION

The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (refer to Note 24).

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Compensation received or due and receivable from the University and its subsidiaries by the responsible persons:				
Short-term employee benefits	4,167	4,594	4,167	4,594
Post-employment benefits	585	647	585	647
Other long-term benefits	90	98	90	98
Termination benefits	-	106	-	106
Total compensation	4,842	5,445	4,842	5,445

Number of executive officers whose remuneration from the University and its subsidiaries was within the following bands:

	Consolidated		University	
	2019	2018	2019	2018
\$30,000 to \$39,999	-	1	-	1
\$90,000 to \$99,999	-	1	-	1
\$100,000 to \$109,999	1	-	1	-
\$130,000 to \$139,999	1	-	1	-
\$160,000 to \$169,999	-	1	-	1
\$210,000 to \$219,999	-	2	-	2
\$220,000 to \$229,999	1	-	1	-
\$320,000 to \$329,999	-	1	-	1
\$360,000 to \$369,999	1	1	1	1
\$390,000 to \$399,999	1	-	1	-
\$440,000 to \$449,999	-	1	-	1
\$450,000 to \$459,999	1	2	1	2
\$460,000 to \$469,999	1	-	1	-
\$500,000 to \$509,999	1	1	1	1
\$520,000 to \$529,999	-	2	-	2
\$530,000 to \$539,999	2	-	2	-
\$540,000 to \$549,999	1	1	1	1
\$570,000 to \$579,999	1	-	1	-
\$580,000 to \$589,999	-	1	-	1
	12	15	12	15
Annualised employee equivalent	10.0	10.6	10.0	10.6

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

21. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

Other transactions with key management personnel

A member of Council, Mr R Leemon, is employed by Moore Stephens (Vic) Pty Ltd. In 2019 Deakin conducted business with Moore Stephens on normal commercial terms and conditions.

The Chancellor, Mr J Stanhope AM was Chairman of Australia Post in 2019. In 2019 Deakin conducted business with Australia Post on normal commercial terms and conditions.

The Chancellor, Mr J Stanhope AM is also a non-executive director of AGL Energy Limited. In 2019 Deakin conducted business with AGL on normal commercial terms and conditions.

A member of Council, Mr J Kurban was President of the Deakin University Student Association (DUSA). Deakin University has an annual funding and service agreement with DUSA.

The Executive Dean, Faculty of Health until 18 April 2019, Professor B Crotty was a member of the Board of Barwon Health. In 2019 Deakin University and Barwon Health conducted collaborative research and health projects and Deakin University students received clinical supervision by Barwon Health on the normal terms and conditions attached to clinical placements.

The Executive Dean, Faculty of Health until 18 April 2019, Professor B Crotty has a family member who is a member of Western Health Executive. In 2019 Deakin conducted business with Western Health on normal commercial terms and conditions.

The Chief Operating Officer, Mr K Selway has a family member employed by Moore Stephens (Vic) Pty Ltd. In 2019 Deakin conducted business with Moore Stephens on normal commercial terms and conditions.

The Deputy Vice-Chancellor Education, Professor E Johnson has a family member employed by the company CADMUS which develops plagiarism management software. In 2019 Deakin conducted business with CADMUS on normal commercial terms and conditions.

Ex-gratia payments

Deakin University and its subsidiaries did not undertake any ex-gratia payments in the current financial year.

22. REMUNERATION OF AUDITORS

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

Subsidiaries

Total remuneration of auditors

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Deakin University	176	180	176	180
Subsidiaries	48	38	-	-
Total remuneration of auditors	224	218	176	180

23. SUBSIDIARIES

Section 48 of the *Deakin University Act 2009 (Vic)* permits the University to form limited liability companies. At the reporting date the University controlled the entities listed in the table below.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Deakin University as at 31 December 2019 and the results of all subsidiaries for the year then ended.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. SUBSIDIARIES (Continued)

Name of entity	Principal place of business	Principal activity	Ownership interest	
			2019	2018
Unilink Limited	Australia	Provision of human resource services to Deakin University	100%	100%
Deakin Residential Services Pty Ltd	Australia	Provision of residential services	100%	100%
Deakin Cyber Security Accelerator Pty Ltd *	Australia	Development of a program to support developers of innovative solutions to cyber security challenges	-	100%
FLAIM Systems Pty Ltd	Australia	Development of a reality system for simulating training scenarios for emergency services personnel	70.33%	100%
Fika Entertainment Pty Ltd #	Australia	Develop and commercialise a suite of virtual production solutions and capabilities for film, television and streaming content.	100%	0%
Universal Motion Simulator Pty Ltd	Australia	Development of the reconfigurable driver simulator	97.5%	100%

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

* Deregistered during 2019.

The Company commenced its business in 2020 and there were no transactions in 2019.

Entity	Total Revenue		Total Expenditure		Net Profit / (Loss) After Tax Expense		Net Profit / (Loss) attributable to non-controlling interest	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Unilink Limited	6,632	7,048	6,632	7,048	-	-	-	-
Deakin Residential Services Pty Ltd	33,442	31,644	33,595	32,322	(153)	(678)	-	-
Deakin Cyber Security Accelerator Pty Ltd	-	50	-	6	-	44	-	-
FLAIM Systems Pty Ltd	1,604	444	2,120	664	(516)	(220)	(189)	-
Universal Motion Simulator Pty Ltd	4,137	350	2,087	186	1,378	115	-	-
	45,815	39,536	44,434	40,226	709	(739)	(189)	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. SUBSIDIARIES (Continued)

	Note	Current assets		Non-current assets		Total assets	
		2019	2018	2019	2018	2019	2018
(a) Assets							
Entity		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Unilink Limited	(a)	428	406	-	-	428	406
Deakin Residential Services Pty Ltd	(b)	2,444	6,139	253,365	231,167	255,809	237,306
Deakin Cyber Security Accelerator Pty Ltd	(c)	-	58	-	-	-	58
FLAIM Systems Pty Ltd	(d)	881	212	168	-	1,049	212
Universal Motion Simulator Pty Ltd	(e)	10,346	4,841	3,610	92	13,956	4,933
		14,099	11,656	257,143	231,259	271,242	242,915

(a) Current assets includes an amount owing by Deakin University of \$428,104 (2018: \$406,266).

(b) Current assets includes an amount owing by Deakin University of \$0 (2018: \$3,569,135).

(c) Current assets includes an amount owing by Deakin University of \$0 (2018: \$58,150).

(d) Current assets includes an amount owing by Deakin University of \$4,448 (2018: \$4,448).

(e) Current assets includes an amount owing by Deakin University of \$9,324 (2018: \$9,324).

	Current liabilities		Non-current liabilities		Total liabilities	
	2019	2018	2019	2018	2019	2018
(b) Liabilities						
Entity	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Unilink Limited	419	392	9	14	428	406
Deakin Residential Services Pty Ltd	3,912	3,317	118,003	127,250	121,915	130,567
Deakin Cyber Security Accelerator Pty Ltd	-	-	-	-	-	-
FLAIM Systems Pty Ltd	269	216	-	-	269	216
Universal Motion Simulator Pty Ltd	12,181	4,818	29	-	12,210	4,818
	16,781	8,743	118,041	127,264	134,822	136,007

	Equity		Internal borrowings		External borrowings	
	2019	2018	2019	2018	2019	2018
(c) Equity and Borrowings						
Entity	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Unilink Limited	-	-	-	-	-	-
Deakin Residential Services Pty Ltd	133,894	106,739	118,003	127,250	-	-
Deakin Cyber Security Accelerator Pty Ltd	-	58	-	-	-	-
FLAIM Systems Pty Ltd	780	(4)	100	150	-	-
Universal Motion Simulator Pty Ltd	1,746	115	1,200	800	-	-
	136,420	106,908	119,303	128,200	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

24. RELATED PARTIES

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		University	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Sale of goods and services	1,330	1,753	1,330	1,753
Purchase of goods and services	21,268	18,770	21,264	18,725
Other transactions with subsidiaries				
Rental deposit from subsidiaries	-	-	14	9
Rental income	-	-	138	12
Consultancy fees	-	-	84	-
Income from subsidiaries	-	-	236	21

Loans to subsidiaries

Balance at the beginning of the year	-	-	128,200	127,682
Loan advanced	-	-	6,692	12,018
Loan repayments received	-	-	(15,589)	(11,500)
Interest charged	-	-	6,292	7,493
Interest received	-	-	(6,292)	(7,493)
End of the year	-	-	119,303	128,200

Outstanding balances

Current receivables				
Subsidiaries receivable	-	-	276	-
Subsidiaries loans	-	-	1,300	950
Other related parties (sale of goods and services)	276	533	276	533
Total current receivables	276	533	1,852	1,483
Non-current receivables (loans)				
Subsidiaries	-	-	118,003	127,250
Total non-current receivables	-	-	118,003	127,250
Current payables (purchases of goods and services)				
Subsidiaries	-	-	708	4,037
Other related parties	62	651	52	651
Total current payables	62	651	760	4,688

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. 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 risks. The Finance and Business Affairs Committee provides advice to Council on the management of corporate assets. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. In addition, the Investment Committee regularly reviews investment performance against established objectives, advises on proposed policy changes and monitors the asset allocation mix of the investment portfolio. 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.

(a) MARKET RISK

(i) Foreign exchange risk

The Group's foreign exchange exposure 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, for example library books and journals. The Group's practice is to hedge significant foreign currency commitments by using appropriate hedging instruments. The Group also has limited foreign exchange exposure within its non-current financial assets at fair value through profit or loss global equities investment.

This exposure, as part of a broader diversified investment portfolio, is monitored by the Investment Committee.

(ii) 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 Committee. The investment portfolio is constructed to diversify price risk across the various asset classes.

(iii) Interest rate risk

Investment of funds is monitored by the Investment Committee. The investment portfolio is constructed to diversify interest rate risk through the use of highly rated 'fund of funds' short-term investment products. The Group's practice is to eliminate the potential loss resulting from adverse movements in floating market rates by using appropriate hedging instruments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL RISK MANAGEMENT (Continued)

(iv) Summarised sensitivity analysis

The sensitivity analysis below has been determined based on management's assessment of possible changes in price movements, in particular Australia and offshore equity markets, and interest rates. Management considers an interest rate rise of one per cent and fall or rise in equities markets of five per cent as reasonably possible, as at the reporting date.

	Note	Carrying amount		Interest rate risk					Price risk					
		2019	2018	1%		-5%			5%					
		2019	2018	Result	2018	2019	Equity	2018	2019	Result	2018	Equity	2018	
Financial instruments		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
(i) Financial assets														
Cash on hand	3	2	2	-	-	-	-	-	-	-	-	-	-	-
Cash at bank	3	21,498	13,768	215	138	-	-	-	-	-	-	-	-	-
Bank deposits	3	114,135	125,167	1,141	1,252	-	-	-	-	-	-	-	-	-
Receivables - trade debtors	4	28,511	35,477	-	-	-	-	-	-	-	-	-	-	-
Receivables - other current	4	19,747	21,441	-	-	-	-	-	-	-	-	-	-	-
Receivables - other non-current	4	156,523	149,364	-	-	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost - current	5	-	42,500	-	425	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	5	465,362	398,802	-	-	(23,268)	(19,940)	(23,268)	(19,940)	23,268	19,940	23,268	19,940	
Financial assets at fair value through other comprehensive income	5	86,626	36,099	-	-	-	-	(4,331)	(1,805)	-	-	4,331	1,805	
Financial assets at amortised cost - non-current	5	6,305	2,968	63	30	-	-	-	-	-	-	-	-	
Total financial assets		898,709	825,588	1,419	1,845	(23,268)	(19,940)	(27,599)	(21,745)	23,268	19,940	27,599	21,745	
(ii) Financial liabilities														
Payables	10	78,131	75,148	-	-	-	-	-	-	-	-	-	-	
Total financial liabilities		78,131	75,148	-	-	-	-	-	-	-	-	-	-	
Total increase / (decrease)		-	-	1,419	1,845	(23,268)	(19,940)	(27,599)	(21,745)	23,268	19,940	27,599	21,745	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



25. FINANCIAL RISK MANAGEMENT (Continued)

(b) 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 primarily associated with the higher education industry. 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 from the date that invoice was issued, debt collection policies, and procedures including use of a debt collection agency.

An impairment analysis is performed at each reporting date using a provision to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed throughout the year by the University's Investment Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) 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. The following tables summarises the maturity of the Group's financial assets and financial liabilities.

	Note	2019		2018		2019		2018		2019		2018		2019		2018	
		\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	%	%	
Financial instruments																	
(i) Financial assets																	
Cash at bank and on hand	3	21,498	13,768	-	-	-	-	-	-	2	2	21,500	13,770	0.55%	1.34%		
Bank deposits- at call	3	5,135	167	-	-	-	-	-	-	-	-	5,135	167	0.75%	1.50%		
Bank term deposits	3	-	-	109,000	125,000	-	-	-	-	-	-	109,000	125,000	1.40%	2.58%		
Receivables- trade debtors	4	-	-	-	-	-	-	-	-	28,511	35,477	28,511	35,477	-	-		
Receivables- other current	4	-	-	-	-	-	-	-	-	19,747	21,441	19,747	21,441	-	-		
Receivables- other non-current	4	-	-	-	-	-	-	-	-	156,523	149,364	156,523	149,364	-	-		
Financial assets at amortised cost - current	5	-	-	-	42,500	-	-	-	-	-	-	-	42,500	-	2.64%		
Financial assets at fair value through profit or loss	5	-	-	-	-	-	-	-	-	465,362	398,802	465,362	398,802	19.36%	1.77%		
Financial assets at fair value through other comprehensive income	5	-	-	-	-	-	-	-	-	86,626	36,099	86,626	36,099	-	-		
Financial assets at amortised cost- non-current	5	-	-	-	-	6,305	2,968	-	-	-	-	6,305	2,968	10.00%	10.00%		
Total financial assets		26,633	13,935	109,000	167,500	6,305	2,968	-	-	756,771	641,185	898,709	825,588	-	-		
(ii) Financial liabilities																	
Payables	10	-	-	-	-	-	-	-	-	78,131	75,148	78,131	75,148	-	-		
Total financial liabilities		-	-	-	-	-	-	-	-	78,131	75,148	78,131	75,148	-	-		

(d) UNRECOGNISED FINANCIAL INSTRUMENTS

Forward exchange contracts

The University enters into forward exchange contracts to buy or sell specified amounts of foreign currencies in the future at stipulated exchange rates.

The objective in entering the forward exchange contracts is to protect the University against unfavourable exchange rate movements for the anticipated future purchases or sale undertaken in foreign currencies. The accounting policy in regard to forward exchange contracts is detailed in Note 1(b).

Unrecognised gains / (losses)

	Consolidated		University	
	2019	2018	2019	2018
\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
	52	-	52	-
	52	-	52	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

26. FAIR VALUE MEASUREMENTS

The fair value of assets and liabilities are measured for recognition and disclosure purposes. The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread. The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held.

Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(a) FAIR VALUE MEASUREMENTS

The carrying amounts and aggregate fair value of financial assets and financial liabilities at the reporting date are as follows:

CONSOLIDATED		Total carrying amount as per the Statement of Financial Position		Fair value	
		2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's	
Financial assets					
Cash at bank and on hand	3	21,500	13,770	21,500	13,770
Bank deposits- at call	3	5,135	167	5,135	167
Bank term deposits	3	109,000	125,000	109,000	125,000
Receivables- trade debtors	4	28,511	35,477	28,511	35,477
Receivables- other current	4	19,747	21,441	19,747	21,441
Receivables- other non-current	4	156,523	149,364	156,428	149,149
Other financial assets at amortised costs	5	-	42,500	-	42,500
Non-current financial assets					
Other financial assets at fair value through profit or loss	5	465,362	398,802	465,362	398,802
Investments in equity instruments designated at fair value through other comprehensive income	5	86,626	36,099	86,626	36,099
Other financial assets at amortised costs	5	6,305	2,968	6,305	2,968
Total financial assets		898,709	825,588	898,614	825,373
Financial liabilities					
Other financial liabilities at amortised cost	10	78,131	75,148	78,131	75,148
Total financial liabilities		78,131	75,148	78,131	75,148

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

26. FAIR VALUE MEASUREMENTS (Continued)

(a) FAIR VALUE MEASUREMENTS (continued)

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes. Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due. The following methods and assumptions are used to determine the fair value of financial assets and liabilities.

<i>Cash and cash equivalents</i>	The carrying amount approximates fair value because of their short-term to maturity.
<i>Trade receivables and payables</i>	The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair value due to their short-term nature.
<i>Non-current receivables</i>	<p>The fair value of non-current receivable, Deferred Government Contribution for Superannuation, is measured at nominal value which is offset by a liability to the State Government of equal value (refer to Note 17).</p> <p>The fair value of other non-current receivables are estimated by discounting future payments to net present value, using the discount rates as advised by the Department of Treasury and Finance.</p>
<i>Other financial assets - current at fair value</i>	For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.
<i>Other financial assets - non-current</i>	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.

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- Land and buildings
- Special library holdings
- Art collection.

(b) FAIR VALUE HIERARCHY

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

- Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2- inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
- Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 31 December 2019.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

26. FAIR VALUE MEASUREMENTS (Continued)

(b) FAIR VALUE HIERARCHY (continued)

		Total	Level 1	Level 2	Level 3
	Note	\$000's	\$000's	\$000's	\$000's
Fair value measurements at 31 December 2019					
<i>Recurring fair value measurements</i>					
CONSOLIDATED					
Financial assets					
Financial assets at fair value through profit and loss	5	465,362	465,362	-	-
Financial assets at fair value through other comprehensive income	5	86,626	36,756	-	49,870
Financial assets at amortised costs- non-current	5	6,305	-	6,305	-
Total financial assets		558,293	502,118	6,305	49,870
Non financial assets					
Land	6	215,900	-	12,150	203,750
Buildings	6	1,237,201	-	10,772	1,226,429
Special library holdings	6	8,287	-	8,287	-
Art collection	6	16,792	-	16,792	-
Total non-financial assets		1,478,180	-	48,001	1,430,179
Fair value measurements at 31 December 2018					
<i>Recurring fair value measurements</i>					
CONSOLIDATED					
Financial assets					
Financial assets at amortised cost- current	5	42,500	42,500	-	-
Financial assets at fair value through the profit and loss	5	398,802	398,802	-	-
Financial assets at fair value through other comprehensive income	5	36,099	2,400	-	33,699
Financial assets at amortised cost- non-current	5	2,968	-	2,968	-
Total financial assets		480,369	443,702	2,968	33,699
Non-financial assets					
Land	6	190,409	-	7,775	182,634
Buildings	6	1,062,906	-	9,325	1,053,581
Special library holdings	6	8,287	-	8,287	-
Art collection	6	12,569	-	12,569	-
Total non-financial assets		1,274,171	-	37,956	1,236,215

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements refer to Note 26(d) below.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

26. FAIR VALUE MEASUREMENTS (Continued)

(b) FAIR VALUE HIERARCHY (continued)

(ii) Disclosed fair values

The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in these notes.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

The fair values of held-to-maturity investments that are disclosed in Note 5 were determined by reference to published price quotations in an active market (level 1).

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments (level 3).

(c) VALUATION TECHNIQUES USED TO DERIVE LEVEL 2 AND LEVEL 3 FAIR VALUES

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities.

Land, buildings, special library holdings and art collection (classified as property, plant and equipment) are valued independently every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group considers information from a variety of sources, including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for properties are included in level 3.

(d) FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

The following table is a reconciliation of level 3 items for the years ended 31 December 2019 and 2018.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

26. FAIR VALUE MEASUREMENTS (Continued)

(d) FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) (continued)

LEVEL 3 FAIR VALUE MEASUREMENTS 2019	Financial assets	Land	Buildings	Total
	\$000's	\$000's	\$000's	\$000's
Opening balance	33,699	182,634	1,053,581	1,269,914
Acquisitions	348	-	46,982	47,330
Transferred to Level 1	(367)			
Recognised in other comprehensive income	16,190	21,116	158,837	196,143
Recognised in profit or loss	-	-	(32,972)	(32,972)
Closing balance	49,870	203,750	1,226,429	1,480,416

LEVEL 3 FAIR VALUE MEASUREMENTS 2018	Financial assets	Land	Buildings	Total
Opening balance	16,200	170,628	1,020,201	1,207,029
Effect of adoption of new accounting standards	11,728	-	-	11,728
Acquisitions	652	12,006	69,197	81,855
Recognised in other comprehensive income	5,119	-	(5,490)	(371)
Recognised in profit or loss	-	-	(30,327)	(30,327)
Closing balance	33,699	182,634	1,053,581	1,269,914

There was no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

(i) Valuation inputs and relationships to fair value

The following tables summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. Refer to Note 26(c) above for the valuation techniques adopted.

Description	Fair Value at 31 December 2019	Valuation technique	Significant unobservable inputs	Range of inputs (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Financial assets	\$000's 49,870	Adjusted net assets	A reasonable estimate of the fair value is determined by reference to the underlying net asset base of the investment, add the market capitalisation of the investment, then discounting the value to reflect the existing restrictive agreement in place	n/a	A significant increase or decrease in the net asset of the investment / security would result in a significantly higher or lower fair value
	49,870				

Description	Fair Value at 31 December 2019	Valuation technique	Significant unobservable inputs
Land	\$000's 203,750	Market approach	Community Service Obligation (CSO) adjustment
Buildings	1,226,429	Depreciated replacement cost	Direct cost per square metre and useful life of specialised buildings
	1,430,179		

(ii) Valuation process

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings at least every three years.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

27.1 Education – CGS and Other Education Grants

University only

	University only					
	Commonwealth Grants Scheme #1		Higher Education Participation Program		Disability Performance Funding #2	
	2019	2018	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	286,103	283,458	5,003	4,828	564	478
Net accrual adjustments	(1,616)	1,012	-	-	-	-
Revenue for the period	284,487	284,470	5,003	4,828	564	478
Surplus / (deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrual revenue	284,487	284,470	5,003	4,828	564	478
Less expenses including accrual expenses	(284,487)	(284,470)	(5,003)	(4,828)	(564)	(478)
Surplus / (deficit) for reporting period	-	-	-	-	-	-

University only

	University only					
	Promotion of Excellence in Learning and Teaching		Support for Warrnambool Campus		Total	
	2019	2018	2019	2018	2019	2018
Note	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	-	-	-	7,000	291,670	295,764
Net accrual adjustments	-	-	-	-	(1,616)	1,012
Revenue for the period	-	-	-	7,000	290,054	296,776
Surplus / (deficit) from the previous year	-	92	-	(2,047)	-	(1,955)
Total revenue including accrual revenue	-	92	-	4,953	290,054	294,821
Less expenses including accrual expenses	-	(92)	-	(9,945)	(290,054)	(299,813)
Surplus / (deficit) for reporting period	-	-	-	(4,992)	-	(4,992)

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Medical Student Loading, Allocated Places, Non Designated Courses and CGS – Special Advances from Future Years.

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education and Training.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

27.2 Higher Education Loan Program

	University only									
	HECS-HELP (Australian Government payments only)		FEE-HELP #3		SA-HELP		Total			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash payable / (receivable) at beginning of year										
Financial assistance received in cash during the reporting period	212,041	208,257	54,051	45,581	5,992	5,887	272,084	259,725		
Cash available for the year	212,598	208,080	48,376	40,353	5,992	5,887	266,966	254,320		
Net accrual adjustments	4,302	991	1,388	(969)	-	-	5,690	22		
Revenue earned	2.1	(213,346)	(208,514)	(52,139)	(45,059)	(5,992)	(5,887)	(271,477)	(259,460)	
Cash payable / (receivable) at end of year	3,554	557	(2,375)	(5,675)	-	-	1,179	(5,118)		

27.3 Education Scholarship and Research

	University only					
	Scholarship - Research Training Program		Research - Research Support Program		Total	
	2019	2018	2019	2018	2019	2018
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	19,752	19,604	13,027	11,716	32,779	31,320
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2.1	19,752	19,604	13,027	11,716	31,320
Surplus / (deficit) from the previous year	4,935	3,584	-	-	4,935	3,584
Total revenue including accrual revenue	24,687	23,188	13,027	11,716	37,714	34,904
Less expenses including accrual expenses	(19,309)	(18,253)	(13,027)	(11,716)	(32,336)	(29,969)
Surplus / (deficit) for reporting period (#4)	5,378	4,935	-	-	5,378	4,935

#3 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

#4 The cash surpluses for Research Training Program of \$5.378 million for 2019 is considered a request to the Secretary of the Australian Government Department of Education to be rolled over for future expenditure.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

27.3 Education Scholarship and Research (continued)

	University only			
	Total domestic students		Total overseas students	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Total Research Training Program expenditure				
Research Training Program Fees Offsets	14,411	13,612	345	-
Research Training Program Stipends	4,359	4,101	194	540
Total for all types of support	18,770	17,713	539	540

27.4 Other Capital Funding

	Note	University only			
		Linkages Infrastructure, Equipment and Facilities		Total	
		2019	2018	2019	2018
		\$000's	\$000's	\$000's	\$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		-	265	-	265
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	-	265	-	265
Surplus / (deficit) from the previous year		219	149	219	149
Total revenue including accrual revenue		219	414	219	414
Less expenses including accrual expenses		(190)	(195)	(190)	(195)
Surplus / (deficit) for reporting period		29	219	29	219

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

27. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (Continued)

27.5 Australian Research Council (ARC) Grants

Note	University only							
	Discovery		Linkages		Special Research Initiatives		Total	
	2019 \$000's	2018 \$000's	2019 \$000's	2018 \$000's	2019 \$000's	2018 \$000's	2019 \$000's	2018 \$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	8,527	7,691	4,707	4,954	390	272	13,624	12,917
Net accrual adjustments		-	-	-	-	-	-	-
Revenue for the period	8,527	7,691	4,707	4,954	390	272	13,624	12,917
Surplus / (deficit) from the previous year	6,183	5,936	6,677	5,054	272	-	13,132	10,990
Total revenue including accrual revenue	14,710	13,627	11,384	10,008	662	272	26,756	23,907
Less expenses including accrual expenses	(7,081)	(7,444)	(4,018)	(3,331)	(185)	-	(11,284)	(10,775)
Surplus / (deficit) for reporting period	7,629	6,183	7,366	6,677	477	272	15,472	13,132

27.6 OS-HELP

Note	University only	
	2019 \$000's	2018 \$000's
Cash received during the reporting period	8,567	8,978
Cash spent during the reporting period	(7,395)	(8,182)
Net cash received	1,172	796
Cash surplus / (deficit) from the previous period	2,995	2,199
Cash surplus / (deficit) for the reporting period	4,167	2,995

27.7 Higher Education Superannuation Program

	2019 \$000's	2018 \$000's
Cash received during the reporting period	12,415	11,906
University contribution in respect of current employees	-	-
Cash available	12,415	11,906
Surplus / (deficit) from the previous year Financial Statements	155	656
Cash available for the reporting period	12,570	12,562
Contributions to specified defined benefit funds	(11,365)	(12,407)
Cash surplus / (deficit) for the reporting period	1,205	155

27.8 Student Services and Amenities Fees

	2019 \$000's	2018 \$000's
Unspent / (overspent) revenue from previous period	70	1,498
SA-HELP revenue earned	5,992	5,887
Student Services and Amenities Fees direct from students	2,474	2,312
Total revenue expendable in period	8,536	9,697
Student Services expenses during the period	(8,019)	(9,627)
Unspent / (overspent) Student Services revenue	517	70

Declaration by the Chancellor, Vice-Chancellor and Chief Financial Officer

In our opinion:

The accompanying financial statements and notes present fairly the financial position of the University and the consolidated group as at 31 December 2019, the financial performance for the year ended 31 December 2019, and comply with the *Financial Management Act 1994*, the applicable Financial Reporting Directions, *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and other mandatory professional reporting requirements.

At the date of this declaration 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.

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 program guidelines in making this expenditure.

The University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act.

Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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.

This declaration is made in accordance with a resolution of Deakin University Council.



Mr John Stanhope AM
Chancellor



Professor Iain Martin
Vice-Chancellor



Ms Kerrie Parker
Chief Financial Officer

Certification

Prior to the adoption of the 2019 financial statements Council considered a declaration from the Vice-Chancellor and Chief Financial Officer that in their opinion:

- the financial records of the University have been properly maintained;
- the financial statements comply with the accounting standards, the *Financial Management Act 1994*, applicable Financial Reporting Directions and present fairly the University's financial position and performance; and
- the integrity of the financial statements is founded on a sound system of risk management and internal control which is operating effectively.



Mr John Stanhope AM
Chancellor

Dated 28 April 2020



Victorian Auditor-General's Office

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To the Council of Deakin University

Opinion

I have audited the financial report of Deakin University (the university) which comprises the:

- consolidated entity and university statements of financial position as at 31 December 2019
- consolidated entity and university statements of comprehensive income for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes to the financial statements, including significant accounting policies
- Declaration by Chancellor, Vice-Chancellor and Chief Financial Officer.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2019 and their financial performance and cash flows for the year then ended
 - complying with Australian Accounting Standards.
-

Basis for Opinion

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

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

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

**Emphasis of Matter
- subsequent events
COVID-19 pandemic**

I draw attention to Note 20 to the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.

Other information

The Council are responsible for the Other Information, which comprises the information in the annual report for the year ended 31 December 2019, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Council's responsibilities for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council
- conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the university and the consolidated entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the university and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the university and the consolidated entity. I remain solely responsible for my audit opinion.

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

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



Charlotte Jeffries

as delegate for the Auditor-General of Victoria

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

VAGO

Victorian Auditor-General's Office

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To the Council, Deakin University

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Deakin University for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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



MELBOURNE
30 April 2020

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

PRINCIPAL ACTIVITIES

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

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

During the 2019 reporting period no significant changes occurred in the nature of the principal activities of Deakin University.

Review of Operations

A review of operations for the year 2019, of which this report forms a part, is set out on pages 18-47.

Significant Changes in the State of Affairs

On 20 January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. The outbreak of this new communicable virus and subsequent travel restrictions put in place by both Chinese and Australian Governments has impacted the ability of Chinese-based students to commence their studies in Australia. Due to the uncertainty surrounding how long travel restrictions will remain in place, as at the date of writing this report an accurate estimate of the impact on the 2020 financial results cannot be made.

There are no other events occurring after the end of the reporting period that would materially affect the financial position of the Group.

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.

Insurance of Officers

The University maintains a comprehensive insurance program which is renewed annually. The insurance 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.

The premium for the current insurance period was \$120,973 (excluding GST).

SIGNIFICANT CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Comprehensive Income

The University's reported consolidated net result for the year was \$108.0m in 2019, compared to \$51.5m in 2018. On an underlying basis, the net result was \$58.5m in 2019, compared to \$87.8m in 2018.

Total income from continuing operations for 2019 was \$1,352.8m, \$132.9m above 2018, attributable to:

- an increase of \$7.0m in Commonwealth Supported Places – Commonwealth Grant Scheme (CGS) and Higher Education Loan Program scheme (HELP)
- an increase of \$70.8m in course fees and charges across international fee paying onshore, international fee paying offshore and domestic fee paying students
- an increase of \$43.1m in investment income, largely a result of \$51.4m market value movement.

Total expenses from continuing operations for 2019 were \$1,244.8m, \$76.5m above 2018, attributable to:

- an increase of \$55.1m in employee related expenses
- an increase of \$11.5m in depreciation and amortisation
- an increase in other expenses of \$37.9m driven by increases in scholarships, grants and prizes (\$18.0m), international agent commissions (\$5.7m) and \$10.2m in equipment costs.

Underlying Surplus Reconciliation

When adjusted for major one-off items, the underlying surplus is \$58.5m, compared to \$87.8m in 2018:

	2019	2018
	\$m's	\$m's
Underlying operating net result for the year	58.5	87.8
<i>Major one-off items:</i>		
Future Fund – market movement	49.5	(37.7)
Capital grants received	-	1.4
Operating net result for the year	108.0	51.5

Statement of Financial Position

Total assets have increased by \$423.7m from 2018. Cash and other financial assets were \$74.6m higher than in 2018.

A combination of \$207.3m additions plus the revaluation increment of \$182.4m contributed to an increase of \$287.0m in property, plant and equipment.

Total liabilities increased by \$76.8m from 2018 driven by the recognition of \$45.1m in lease liabilities on adoption of AASB 16 *Leases* and employee provisions of \$23.5m.

FIVE-YEAR FINANCIAL SUMMARY (CONSOLIDATED)



	2019	2018	2017	2016	2015
	\$000's	\$000's	\$000's	\$000's	\$000's
Operating income					
Australian Government grants	372,546	377,493	365,919	357,336	348,959
HECS-HELP	230,032	225,574	221,704	213,479	210,510
State Government grants	9,033	12,011	11,424	10,402	14,667
Other	741,163	604,804	507,518	408,519	360,701
Total operating income	1,352,774	1,219,882	1,106,565	989,736	934,837
Operating expenses	1,244,129	1,168,326	1,005,166	942,267	866,915
Operating result before income tax	108,646	51,556	101,399	47,469	67,922
Income tax benefit / (expense)	(672)	(49)	-	-	-
Operating result after income tax	107,973	51,507	101,399	47,469	67,922

BALANCE SHEET INFORMATION

Current assets

Cash assets	135,635	138,937	53,361	32,541	22,830
Receivables	64,784	70,324	57,804	46,968	47,458
Other financial assets	-	42,500	184,000	179,000	255,000
Deferred government contribution for superannuation	11,396	12,445	12,336	13,074	13,966
Other	560	292	216	230	308
	212,375	264,498	307,717	271,813	339,562

Non-current assets

Other financial assets	558,293	437,869	369,572	316,936	227,762
Property, plant and equipment	1,986,986	1,699,901	1,638,595	1,587,783	1,440,289
Right-of-use asset	48,378	-	-	-	-
Deferred government contribution for superannuation	154,166	146,637	140,634	142,526	147,460
Other	25,732	13,332	13,412	9,558	6,166
	2,773,555	2,297,739	2,162,213	2,056,803	1,821,677

Liabilities

Payables	281,206	279,020	265,179	230,419	202,325
Lease liabilities	51,073	-	-	-	-
Provision for employee entitlements	131,579	114,537	101,147	95,318	93,207
Deferred employee benefits for superannuation	165,562	159,082	152,970	155,600	161,426
	629,420	552,639	519,296	481,337	456,958

Net assets

	2,356,510	2,009,598	1,950,634	1,847,279	1,704,281
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Total equity

	2,356,510	2,009,598	1,950,634	1,847,279	1,704,281
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PAYMENTS TO CONSULTANTS 2019



During the year Deakin engaged the following consultants:

\$1,385,284	KPMG Australia	Implementation of new finance system
\$1,366,473	Innosight Consulting Asia Pacific Pte Ltd	Online Strategy and Digital Transformation Project (dual transformation)
\$306,330	Strategic Project Partners Pty Ltd (SPP)	Place Based Strategy Development Project
\$230,000	Nous Group Pty Ltd	Consulting services to inform Deakin University's Strategy 2021-2026
\$213,485	Ernst & Young (EY)	Planning for new finance system
\$179,220	Bastion EBA Pty Ltd	EBA Sponsorship Management Services
\$116,036	Bevington Consulting Pty Ltd	Think Differently Program- Support to Best Practice Student Conversion Project
\$100,400	Emmet Consulting	Delivery of a university wide course innovation process
\$3,897,228	Total combined cost of eight consulting firms costing more than \$100,000	
\$298,595	Total combined cost of nine consulting firms costing between \$10,000 to \$100,000	

The website location to view details of 2019 consultancies is <https://www.deakin.edu.au/about-deakin/strategic-direction>.

DISCLOSURE INDEX



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1	FRD 22H 5.4	Manner of establishment and the relevant Minister.	49
2	FRD 22H 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	14-16, 21-47, 49
3	FRD 22H	Nature and range of services provided including communities served.	12-13, 16, 21-24, 31-42
MANAGEMENT AND STRUCTURE			
4	FRD 22H 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities.	17, 51-52
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5	FRD 03A	Accounting for Dividends.	n/a
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8	FRD 17B	Long service leave and annual leave for employees.	79, 96
9	FRD 22H 5.11 c	Operational and budgetary objectives, performance against objectives and achievements.	21-47
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	31
11	FRD 22H 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections.	32
12	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods.	133
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14	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	21-47, 50, 132
15	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	106
16	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i> .	57
17	FRD 22H 5.18 b	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i> .	56-57
18	FRD 22H 5.12	The Report of Operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance.	131-132
19	FRD 22H 5.9	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target.	34
20	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	n/a
21	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform.	56
22	FRD 22H 5.18 c	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> including disclosures required by the Act.	57
23	FRD 22H 5.18 h & FRD 24D	Summary of Environmental Performance.	43-45
24	FRD 22H 5.13 5.14 5.15	<p><i>Consultants</i></p> <p>Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> Total number of consultancies of \$10,000 or more (excluding GST) Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available: <ul style="list-style-type: none"> consultant engaged brief summary of project total project fees approved (excluding GST) expenditure for reporting period (excluding GST) any future expenditure committed to the consultant for the project. <p>Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period.</p>	134
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	57

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Item No.	Source	Summary of Reporting Requirements	Page No./s
26	FRD 22H 5.17	<p>An entity shall disclose the following in the report of operations:</p> <p>a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and</p> <p>b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for:</p> <ul style="list-style-type: none"> Operational expenditure (OPEX); and Capital expenditure (CAPEX). 	34
27	FRD 25D	Local Jobs First.	57
28	AASB 16	Leases.	60, 62, 64, 68-69, 95-100
29	FRD 119A	Transfers through contributed capital.	n/a
30	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.	54
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	3, 63, 127
32	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which the Annual Report was approved.	3
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE <i>FINANCIAL MANAGEMENT ACT 1984 (FMA)</i>			
33	SD 5.2.2(a), 5.2.2(b) & FMA s49	<p>The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, Chief Financial Officer (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements:</p> <ul style="list-style-type: none"> present fairly the financial transactions during reporting period and the financial position at end of the period; and have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	63, 127
34	FRD 30D	<p>Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than:</p> <ul style="list-style-type: none"> \$10,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and \$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	63, 128
35	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister.	52

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47	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period.	63-126
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
48	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019.	56
49	PAEC	Financial and other information relating to the University's international operations.	10, 16, 26, 28, 39-40, 73
50	University Commercial Activity Guidelines	<ul style="list-style-type: none"> • Summary of the University's commercial activities. • If the University has a controlled entity, include the accounts of that entity in the University's Annual Report. 	56, 74, 76-77, 110-112

FURTHER INFORMATION

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