



DEAKIN UNIVERSITY

**ANNUAL
REPORT**
2008



**REPORT OF OPERATIONS AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

19 March 2009

The Honourable Jacinta Allan, MP
Minister for Skills and Workforce Participation
Minister for Regional and Rural Development
Level 36, 121 Exhibition Street
Melbourne VIC 3000

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, I have pleasure in presenting to you, on behalf of the Deakin University Council, the Deakin University Annual Report 2008.

This Annual Report was approved at a Council meeting held on 19 March 2009.

Yours sincerely

A handwritten signature in white ink, consisting of a single continuous line that starts with a small loop, extends horizontally to the right, and then curves downwards and back to the left, ending in a small hook.

Ms Jennifer M. Lightowlers
Acting Chancellor

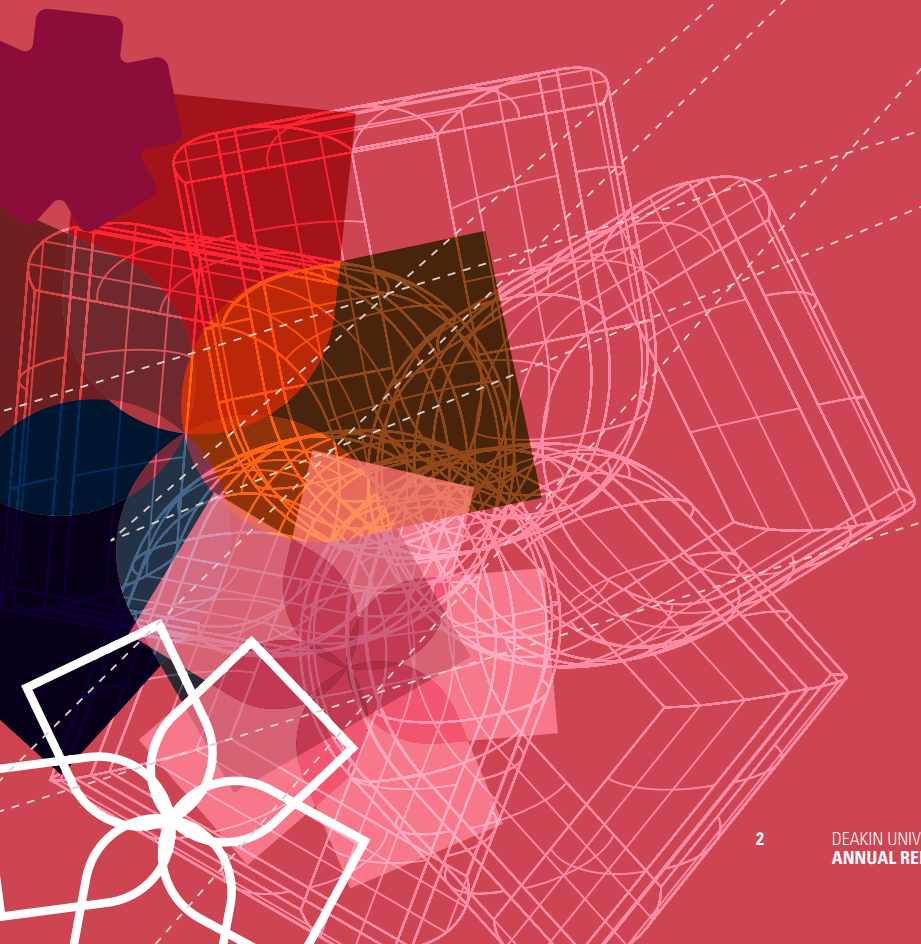


DEAKIN UNIVERSITY

**ANNUAL
REPORT**
2008

TABLE OF CONTENTS

- 4 Deakin at a glance
- 6 The year in review
- 9 Planning for success
- 10 Highlights 2008
- 13 Review of operations
- 42 The organisation
- 61 Legislative and procedural compliance matters
- 65 Audited financial statements
- 115 Compliance index





MISSION

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

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

- Relevant
- Innovative and
- Responsive

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

CORE COMMITMENTS

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

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

**RELEVANT
INNOVATIVE
RESPONSIVE
PROGRESSIVE**

DEAKIN AT A GLANCE

STATISTICS SUMMARY

2008

STUDENT LOAD¹

(EQUIVALENT FULL TIME
STUDENT LOAD – EFTSL)

Student load 25,480

STAFF

FULL-TIME EQUIVALENT²

Full time/fractional full time 2,418

Casual (estimate) 494

Total 2,912

COURSE DATA¹

Active award courses 394

LIBRARY

(QUANTITY OF MATERIALS 2008)

Books 1,668,491

Current serials
(includes electronic titles) 7,782

FINANCE

(AS AT 31 DECEMBER 2008)

(\$ MILLIONS)

Total income 557.2

Total expenditure 475.4

CAMPUSES AND

LAND AREA

(HECTARES)

Melbourne Campus at Burwood 27

Geelong Campus at Waurn Ponds 325

Geelong Waterfront Campus 4

Warrnambool Campus 94

Total 450

COURSE ENROLMENTS¹

| | 2008 | 2007 | 2006 |
|--------------|---------------|---------------|---------------|
| Commencing | 13,774 | 13,371 | 12,457 |
| Returning | 22,984 | 21,764 | 21,517 |
| Total | 36,758 | 35,135 | 33,974 |

BY FACULTY

| | | | |
|---|--------|--------|--------|
| Arts and Education | 11,692 | 11,527 | 11,182 |
| Business and Law | 13,398 | 12,597 | 12,302 |
| Health, Medicine, Nursing and Behavioural Sciences | 6,506 | 5,949 | 5,321 |
| Science and Technology | 4,689 | 4,581 | 4,676 |
| Cross institutional | 472 | 480 | 495 |

BY COURSE TYPE

| | | | |
|---------------------------|--------|--------|--------|
| Higher degree by research | 880 | 917 | 917 |
| Postgraduate coursework | 9,545 | 8,492 | 8,169 |
| Undergraduate | 25,702 | 25,151 | 24,309 |
| Non-award | 631 | 575 | 579 |

BY CAMPUS

| | | | |
|---|--------|--------|--------|
| Melbourne Campus at Burwood ³ | 18,002 | 16,685 | 15,377 |
| Geelong Campus at Waurn Ponds | 4,386 | 4,281 | 4,178 |
| Geelong Waterfront Campus | 2,071 | 1,910 | 1,635 |
| Warrnambool Campus | 1,067 | 1,096 | 1,103 |
| Off Campus | 10,466 | 10,240 | 10,587 |
| Offshore | 766 | 924 | 1,095 |

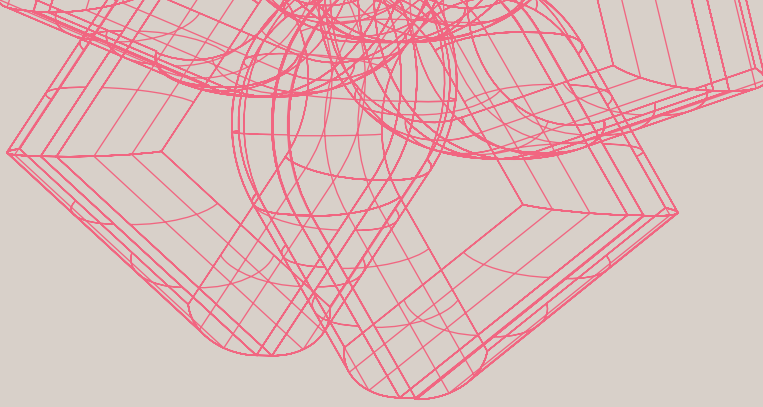
BY GENDER

| | | | |
|--------|--------|--------|--------|
| Female | 21,407 | 20,439 | 19,674 |
| Male | 15,351 | 14,696 | 14,300 |

1. 2008 data represents an end of year estimate as at 31 August. It includes actual Semester 1 and Semester 2 data and an estimate of Trimester 3 data. Full year data is not finalised until 31 March 2009.

2. FTE figures are as at 31 December 2008 and exclude external entities (DeakinPrime and Callista). Casual FTE estimates are based on contact hours worked during the 2008 calendar year, per DEEWR formulae. They include staff on unpaid leave as at 31 December 2008.

3. Melbourne Campus at Burwood includes Melbourne Campus at Toorak in 2006 and 2007.



Finance
Total income
\$557 million
Total expenditure
\$475 million

STUDENT LOAD¹
(EQUIVALENT FULL TIME
STUDENT LOAD – EFTSL)

| | 2008 | 2007 | 2006 |
|--------------|---------------|---------------|---------------|
| Commencing | 9,541 | 8,965 | 8,200 |
| Returning | 15,939 | 14,266 | 13,697 |
| Total | 25,480 | 23,230 | 21,896 |

BY FACULTY

| | | | |
|--|-------|-------|-------|
| Arts and Education | 8,099 | 7,760 | 7,334 |
| Business and Law | 8,706 | 7,482 | 7,063 |
| Health, Medicine, Nursing and Behavioural Sciences | 4,967 | 4,517 | 4,002 |
| Science and Technology | 3,565 | 3,318 | 3,344 |
| Cross institutional | 144 | 154 | 154 |

BY COURSE TYPE

| | | | |
|---------------------------|--------|--------|--------|
| Higher degree by research | 612 | 615 | 634 |
| Postgraduate coursework | 4,162 | 3,324 | 2,972 |
| Undergraduate | 20,512 | 19,108 | 18,087 |
| Non-award | 195 | 183 | 203 |

DOMESTIC FEE-PAYING LOAD¹ (EFTSL)
(POSTGRADUATE, UNDERGRADUATE AND NON-AWARD)

| | | | |
|--------------|--------------|--------------|--------------|
| Commencing | 1,661 | 1,392 | 1,174 |
| Returning | 1,604 | 1,305 | 1,131 |
| Total | 3,266 | 2,697 | 2,305 |

INTERNATIONAL FEE-PAYING LOAD² (EFTSL)

| | | | |
|--------------|--------------|--------------|--------------|
| Commencing | 2,415 | 2,035 | 2,071 |
| Returning | 3,264 | 2,871 | 2,595 |
| Total | 5,679 | 4,906 | 4,665 |

COURSE COMPLETIONS
BY COURSE TYPE

| | 2007 | 2006 | 2005 |
|-----------------------------|--------------|--------------|--------------|
| Higher degree by research | 137 | 118 | 121 |
| Higher degree by coursework | 1,385 | 1,457 | 1,543 |
| Other postgraduate | 1,237 | 1,174 | 1,271 |
| Bachelor | 4,747 | 4,883 | 4,909 |
| Other undergraduate | 111 | 156 | 197 |
| Total | 7,617 | 7,788 | 8,041 |

STAFF³
(FULL-TIME EQUIVALENT INCLUDING CASUAL)

| | 2008 | 2007 | 2006 |
|--------------|--------------|--------------|--------------|
| Academic | 1,340 | 1,219 | 1,196 |
| General | 1,572 | 1,444 | 1,442 |
| Total | 2,912 | 2,663 | 2,638 |

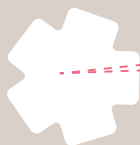
FINANCE
(\$ MILLIONS)

| | 2008 | 2007 | 2006 |
|-----------------------------------|--------------|--------------|--------------|
| Total revenue | 557.2 | 460.8 | 451.2 |
| Government grant revenue | 198.3 | 171.6 | 173.7 |
| Consultancy and contract research | 14.1 | 12.0 | 11.0 |
| Fee-paying students | 154.9 | 125.7 | 104.3 |
| Commercial activities | 60.8 | 60.0 | 67.5 |
| HECS | 99.2 | 80.6 | 76.1 |
| Other revenue | 29.9 | 10.9 | 18.6 |

1. 2008 data represents an end of year estimate as at 31 August. It includes actual Semester 1 and Semester 2 data and an estimate of Trimester 3 data. Full year data is not finalised until 31 March 2009.

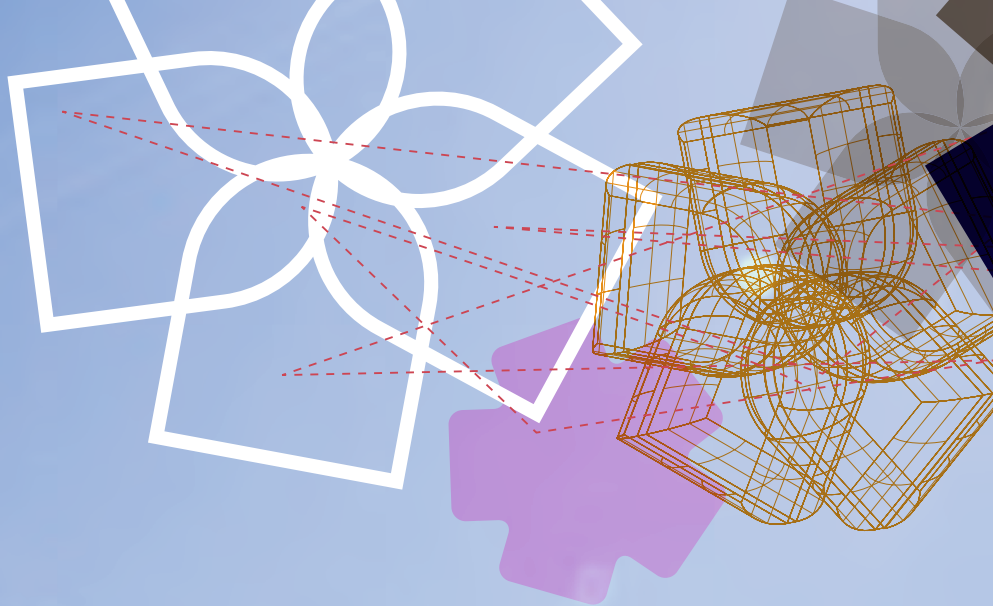
2. International fee-paying load (EFTSL) includes offshore.

3. FTE figures are as at 31 December 2008 and exclude external entities (DeakinPrime and Callista). Casual FTE estimates are based on contact hours worked during the 2008 calendar year, per DEEWR formulae. They include staff on unpaid leave as at 31 December 2008.



THE YEAR IN REVIEW

PROFESSOR SALLY WALKER
VICE-CHANCELLOR





2008 was another successful and busy year for Deakin University.



A NEW STRATEGIC PLAN

The year began with the University's Council approving a new Strategic Plan - *Delivering Effective Partnerships*. The development and approval of a Strategic Plan is a significant event in the life of a university. At Deakin, Strategic Plans operate for five years, which means that the new Plan will guide the University's activities from 2008 until the end of 2012.

Delivering Effective Partnerships was based on two years of consultation and review to which all staff members were invited to contribute. Some changes were made to the University's Mission and Core Commitments and a list of Values was established. Deakin's planning, resourcing, accountability and evaluation cycle was also thoroughly reviewed and some improvements made.

As its name suggests, the new Strategic Plan focuses on the theme of partnerships. To underscore this, it was launched at each of Deakin's Campus locations with staff, students and representatives of Deakin's communities in attendance. It was especially pleasing to me that representatives of the Deakin family were present at the launches.

THE COMMENCEMENT OF THE MEDICAL SCHOOL

In 2008 the University welcomed its first cohort of 120 Medical students into the Bachelor of Medicine, Bachelor of Surgery graduate entry course. The Medical School was formally opened by the Prime Minister, the Hon. Kevin Rudd, at the Geelong Campus at Waurn Ponds on 1 May 2008. This was the culmination of four years of intensive preparation and planning to establish Victoria's first rural and regional Medical School.

Deakin's Medical School will play an important role in strengthening the medical workforce in rural and regional communities.

STUDENT RECRUITMENT AND INTERNATIONALISATION

Deakin achieved outstanding results in 2008 in relation to both domestic and international student recruitment.

There was an increase of 5.5 per cent in first preference applications for Commonwealth Supported Places at Deakin, compared with an overall decline of 3.1 per cent across Victoria. Deakin also secured 15.3 per cent of the market share of first preferences, compared with 14 per cent in 2007.

Domestic fee paying postgraduate load increased from 1,561 EFTSL in 2007 to 1,904 EFTSL in 2008. International student load at Deakin increased from 4,906 EFTSL in 2007 to 5,679 EFTSL in 2008. These outcomes were assisted by the successful introduction of a Trimester system in 2008.

Deakin was named Victorian exporter of the year in the education category in the 2008 Governor of Victoria Export Awards. The Award was for outstanding innovation and export achievement in the field of education and training services, expertise and curriculum. It recognised the University's success in the recruitment of overseas students and its success in developing research and other collaborative education partnerships with overseas entities and organisations.

RESEARCH

Deakin recognises that it must improve its research record. In 2008 a new Research and Research Training Plan 2008 – 2012 was developed based on wide consultation.

The University has continued to develop the Geelong Technology Precinct (GTP) at its Geelong Campus at Waurn Ponds and in 2008 it was awarded a Regional Infrastructure Development Fund (RIDF) grant of \$6 million by the Victorian Government to expand the GTP.

Deakin gained recognition for its approach to research partnerships by winning the 2008 Business-Higher Education Round Table Award for Outstanding Collaboration with a Regional Focus – Research and Development. The Award was made to Deakin and its partner organisations: the City of Greater Geelong, the Geelong Manufacturing Council, G21 and the Committee for Geelong.

OTHER ACHIEVEMENTS AND MAJOR INITIATIVES

The Deakin Foundation was established in 2008. The former Victorian Premier, The Hon. Steve Bracks, agreed to Chair the Foundation and the first meeting of the Board was held at the end of 2008.

The International Centre and the Business Building were opened by the Governor of Victoria, Professor David de Kretser, in February 2008. These beautiful new buildings are located on the Melbourne Campus at Burwood.

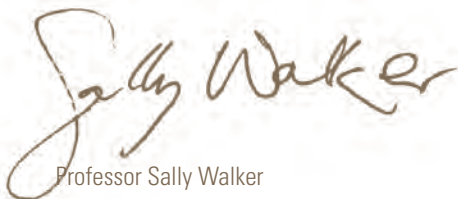
In December 2008 the Australian Government awarded Deakin a grant of \$8.21 million under the Diversity and Structural Adjustment Fund to support an innovative project entitled *Deakin At Your Doorstep*. This program, which aims to attract under-represented people to higher education, will be designed, developed and delivered from the Warrnambool Campus. Access and Equity is one of the University's Core Commitments and the grant will assist Deakin to make further advances in this area.

During 2008 the University launched its "Top Third" program, which aims to move Deakin into the top third of Australian universities in relation to a range of measures identified in the Strategic Plan. The University has Federal Government funding for the program to support its development in 2008 and for two further years.

In January 2008, as a result of a merger between the Faculty of Arts and the Faculty of Education, a new Faculty of Arts and Education commenced operations. The merger brought with it significant challenges which, in their usual positive manner, were overcome by the resilience of Deakin's dedicated members of staff.

THE YEAR OF REVIEWS

It seemed that 2008 was the year of reviews with the release of two major Reports: the Review of the National Innovation System (the Cutler Report) and the Review of Australian Higher Education (the Bradley Report). It is pleasing that there is a significant alignment between the University's strategic directions and the aims of both Reports.



Professor Sally Walker
Vice-Chancellor



PLANNING FOR SUCCESS

“What sets *Delivering Effective Partnerships* apart from its predecessor is that the goals are much bolder and more visionary, especially in key areas such as teaching and learning and in relation to research.”

Vice-Chancellor's introduction to *Delivering Effective Partnerships*

DELIVERING EFFECTIVE PARTNERSHIPS

Deakin University aims for excellence in all of its activities. It is committed to continuous quality improvement to advance its teaching programs, its contribution to research, the development of its staff and students and its infrastructure.

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

Deakin is improving the alignment of its Budget with its Strategic and Operational Plans. During 2008 steps were also taken to ensure that the individual performance planning of all staff members advances the University's Plans.

At its highest level, the Strategic Plan sets out Deakin's long-term goals and strategies. The current Strategic Plan - *Delivering Effective Partnerships* - will guide the University's activities over the five years from 2008 to the end of 2012. This Strategic Plan builds on the success of its predecessor *Taking Deakin University Forward*, which operated from 2003 until the end of 2007.

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

- Community relationships
- Contemporary, friendly and welcoming environment
- Flexible education platform
- Effective research partnerships
- Indigenous education
- DeakinPrime's activities.

“Deakin does not aim to compete with or to emulate other universities; its focus is on developing its own distinctive position in the higher education sector. By being the best that it can be in its areas of core commitment, Deakin will rival other universities, although such rivalry is not, of course, an objective in itself.”

*Vice-Chancellor's introduction to *Delivering Effective Partnerships**

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

Performance measures and targets are identified in the Strategic Plan and it sets out how Deakin will benchmark its performance. In most cases, the benchmarks are expressed in relation to a group of universities, comprising Curtin University, Griffith University, Macquarie University, Newcastle University, the University of South Australia and the University of Wollongong. Deakin has chosen to compare itself with these universities due to the rankings that they have achieved in terms of key performance measures. The aim is to stretch Deakin by comparing its standards with those of this group.

The Strategic Plan is complemented by an annual University-wide Operational Plan that sets out immediate priorities in the form of measurable targets for the year. The Operational Plan is finalised over a period of months, during which targets are refined and adjusted in the light of the University's current performance, external developments and available resources. Faculties and other areas then develop their own Operational Plans or, in the case of Schools and Divisions, Work Plans. The latter are consistent with and advance the University's Operational Plan and the goals and strategies in the Strategic Plan.

DEAKIN UNIVERSITY HIGHLIGHTS 2008

TEACHING AND LEARNING

During 2008, 120 students from a variety of backgrounds commenced the new graduate entry Bachelor of Medicine, Bachelor of Surgery course. The course aims to address the acute shortage of doctors in rural and regional areas of Australia.

Other highlights included:

- Introducing a trimester timetable as part of Deakin's commitment to flexible education
- Five academic staff receiving a Citation for Outstanding Contribution to Student Learning and one staff member receiving a National Award for Teaching Excellence from the Australian Learning and Teaching Council Awards
- Establishing the Higher Education Research Group at Deakin to significantly progress the development of scholarship in teaching with a particular emphasis on flexible education.

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

THE HON. KEVIN RUDD, PRIME MINISTER OF AUSTRALIA OFFICIALLY OPENED THE DEAKIN MEDICAL SCHOOL ON 1 MAY 2008 AND TOURED THE NEW FACILITIES WITH THE HON. JOHN BRUMBY, PREMIER OF VICTORIA AND DEAKIN UNIVERSITY VICE-CHANCELLOR, PROFESSOR SALLY WALKER



RESEARCH AND RESEARCH TRAINING

During the year Deakin committed to a new era of research expansion. Three Research Colleges were established in the areas of

- Frontier Science and Technology
- Health and Wellbeing
- Governance and Society.

The Colleges will raise the profile of Deakin's distinctive research strengths and identify the areas where the University is contributing to Australia's research portfolio.

Other highlights included:

- The Geelong Technology Precinct being chosen as the location for Australia's Innovation Regions Innovation Centre as part of the Enterprise Connect Scheme
- Deakin's partnership with the City of Greater Geelong, the Geelong Regional Alliance G21, the Geelong Manufacturing Council and the Committee for Geelong winning the Business/Higher Education Round Table Award for Outstanding Collaboration with a Regional Focus-Research and Development
- Winning the Ford Global Challenge to design a Model T car for the 21st century.

More information on research and research training at Deakin is provided on pages 19-22.

Highlight Receiving an \$8.21m grant from the Commonwealth Government to support the 'Deakin at your Doorstep' project.



INTERNATIONALISATION

2008 was a very successful year in relation to internationalisation with most Faculties exceeding their onshore international student targets and with record numbers attending the Deakin University English Language Institute.

Other highlights included:

- Conducting an 'International Week' in conjunction with the Deakin University Students Association with many intercultural activities on all campuses
- Holding alumni events in Beijing, Hong Kong, Jakarta, New Delhi, Kuala Lumpur, Penang, Seoul, Osaka, Shiga Prefecture (Japan), Colombo and Singapore
- Opening a Beijing office – an Australian university 'first'
- Holding a series of conferences and events in New Delhi exploring the use of partnerships to help meet India's skills shortages and to increase its research productivity.

More information on internationalisation at Deakin is provided on pages 23-25.

RURAL AND REGIONAL ENGAGEMENT

Deakin's commitment to rural and regional engagement is embodied in the development of mutually beneficial partnerships with local communities. This was demonstrated in 2008 by:

- Signing a joint Memorandum of Understanding with three TAFE Institutes, two of which are in regional Victoria and the third in metropolitan Melbourne
- Hosting the Smart Living – Sustainable Lifestyle Expo organised by the South-West Sustainability Partnership of which Deakin is a member.

Other highlights included:

- Winning a Gold Medal at the Annual Awards for Excellence conducted by the Association of Consulting Engineers Australia for a pioneering study of the effects of land use change on south-west Victoria's water resources
- Being awarded \$8.21 million by the Commonwealth Government to support the 'Deakin at your Doorstep' project.

More information on Deakin's rural and regional engagement initiatives is provided on pages 26-28.

EQUITY AND ACCESS

In 2008 Deakin focused on improving participation for three of the groups that remain under-represented across the Australian higher education sector: students from low socio-economic status (SES) backgrounds, regional and remote students, and Indigenous students.

Other highlights included:

- Working in partnership with Faculties to identify how changes to the University's curriculum could assist in improving both the success and the retention of equity group students
- Conducting a research study in the Faculty of Health, Medicine, Nursing and Behavioural Sciences to help increase the satisfaction and retention of Deakin's remote students
- Undertaking outreach activities at schools close to Deakin's rural and regional campuses to encourage their students to aspire to attend university
- Continuing to enrol the largest number of higher education Indigenous students of any university in Victoria.

More information on equity and access at Deakin is provided on pages 29-30.

PEOPLE, CULTURE AND CHANGE

In 2008 the University undertook a process of workplace reform focused on improving its efficiency, effectiveness, productivity and performance. These reforms involved:

- Reviewing human resources practices
- Examining ways to optimise organisational structures and staffing profiles
- Improving organisational performance
- Changing the organisational culture.

Other highlights included:

- Launching the 'Top Third' program, which aims to advance Deakin to the top third of Australian universities
- Implementing a new approach to academic professional development – one that fosters a connected community of researchers, teachers and learners.

More information on staffing matters at Deakin is provided on pages 31-32.

ACADEMIC SUPPORT

Academic Support comprises the services provided to underpin the core university activities of teaching, research and internationalisation. In 2008 the Academic Support units successfully managed all the necessary changes to a range of student-related administrative and support processes to support the introduction of trimesters.

Other highlights included:

- Commencing work on new physical and virtual learning spaces at the Melbourne Campus at Burwood and at the Geelong Campus at Waurn Ponds
- Delivering an improved, year-long Transition Program for new students
- Reviewing course rules for programs with large enrolments to make them more easily understood by students and their advisors.

More information on academic support initiatives at Deakin is provided on pages 33-35.

COMMUNICATION, MARKETING AND 'POSITIONING'

The percentage of undergraduate applicants who identified Deakin as their university of first choice for entry in 2008 increased by 5.5 percent.

Other highlights included:

- An increase in first preferences for every Deakin Campus
- Establishing the Deakin Foundation, chaired by the Hon. Steve Bracks

- Expanding Deakin's alumni, corporate and community engagement activities
- Signing new partnership agreements with the Geelong Performing Arts Centre and the Department of Education and Early Childhood Development (Eastern Region)
- Implementing a Workplace Giving Program.

More information on related initiatives can be found on pages 36-37.

RESOURCES, INFRASTRUCTURE AND SERVICES

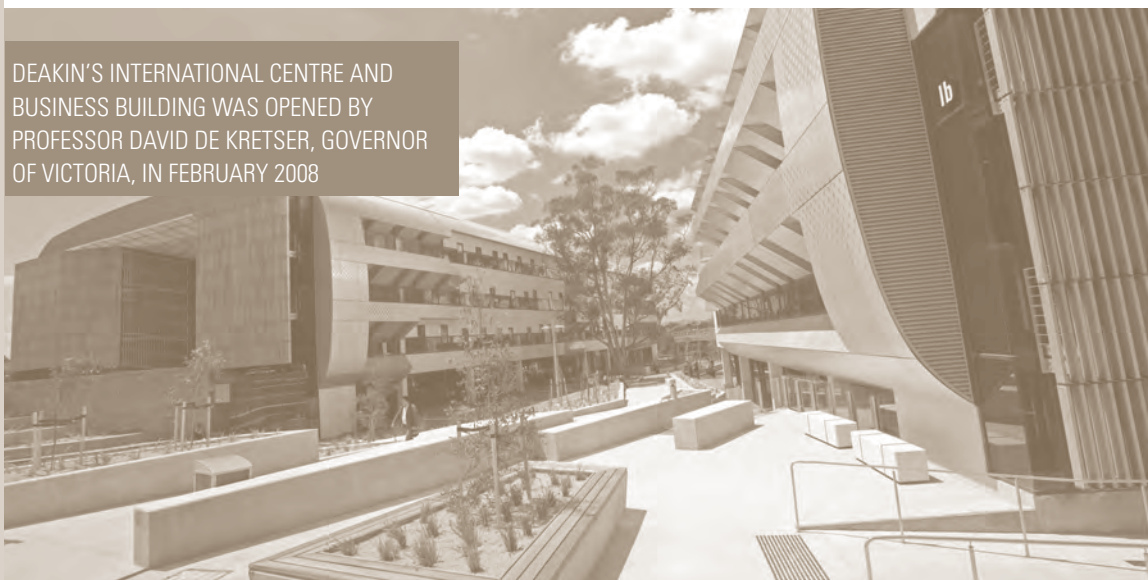
Deakin's strong growth in enrolments, both in Commonwealth Supported Places and fee-paying enrolments, contributed to its strong financial performance in 2008.

Other highlights included:

- Obtaining a significant compensation package from the Commonwealth Government for the phasing out of domestic fee-paying undergraduate places
- The completion and opening of the International Centre and Business Building on the Elgar Road side of the Melbourne Campus at Burwood
- The completion of the refurbishment of the Science Building at the Geelong Campus at Waurn Ponds.

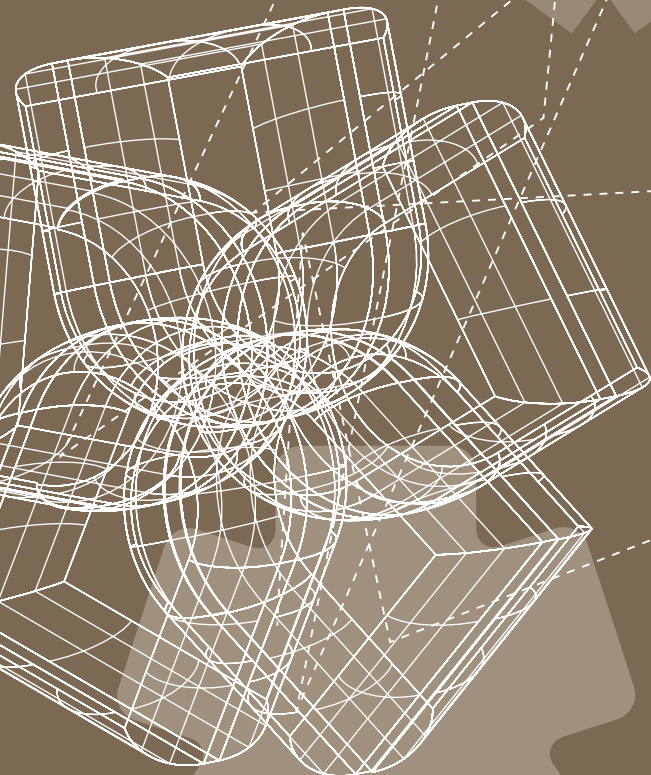
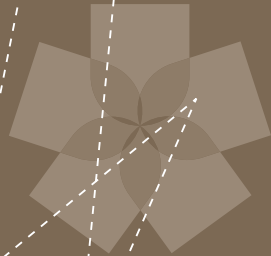
More information on resources, infrastructure and services can be found on pages 38-41.

DEAKIN'S INTERNATIONAL CENTRE AND BUSINESS BUILDING WAS OPENED BY PROFESSOR DAVID DE KRETZER, GOVERNOR OF VICTORIA, IN FEBRUARY 2008

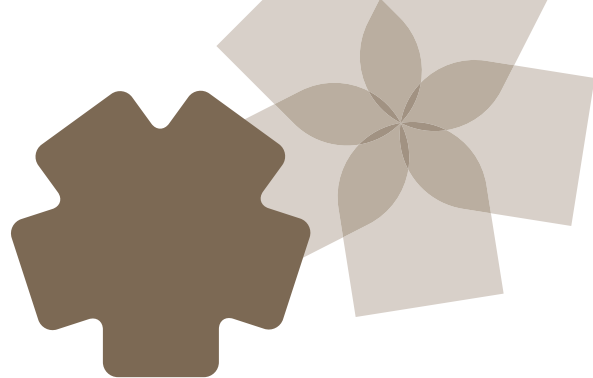




REVIEW OF OPERATIONS



TEACHING AND LEARNING



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

Deakin's Teaching and Learning strategies include a range of initiatives to enhance its teaching programs. This includes responding to student and employer demand, which is a key feature of all of its undergraduate and postgraduate courses. A rigorous and ongoing annual course review process takes account of such indicators as the Graduate Destination Survey results, Course Experience Questionnaires and the University's Student Evaluation of Teaching and Units. This ensures that courses are refreshed and renewed on a regular basis and that new courses are responsive to the market place, thereby maximising employment opportunities for graduates.

Deakin's enrolment outcomes in 2008 maintained the strong growth of recent years. The University exceeded its Commonwealth-supported targets by 8.3 per cent in student-load terms and by 6.7 per cent in funding terms. These over-enrolment levels were larger than planned, primarily due to the new academic teaching model requiring a once-off inclusion of four teaching periods in the 2008 calendar year. Without this one-off adjustment, the University would have been 4.6 per cent over its 2008 Commonwealth-supported target, in line with the 2008–2010 Enrolment Plan.

Both revenue and student load from fee-paying enrolments exceeded target by considerable margins:

- The domestic undergraduate fee-paying load was 1,289 Equivalent Full-Time Student Load (EFTSL) - eight per cent above the target of 1,193 EFTSL
- The domestic postgraduate fee-paying load was 1,904 EFTSL - 20 per cent above the target of 1,582 EFTSL
- The international onshore fee-paying load was 5,207 EFTSL - 15 per cent above the target of 4,529 EFTSL, reflecting strong growth in both the undergraduate and postgraduate coursework markets and a substantial increase in mid-year enrolments, which were 54 per cent above target.

The most significant increase in student enrolments was at the Melbourne Campus at Burwood. Courses in the Faculty of Business and Law and the Faculty of Science and Technology attracted large numbers of enrolments. Demand for generalist degrees in Commerce, Education, Nursing and Arts continued to grow and provide a substantial proportion of overall enrolments, while Environmental Science at the Warrnambool Campus also showed improved demand in 2008.

The new graduate entry Bachelor of Medicine Bachelor of Surgery course commenced with a full intake of 120 students who came from a variety of backgrounds. Priority was given to applicants from rural and remote areas and to applicants with prior clinical experience in an allied health area. The program aims to address the acute shortage of doctors in rural and regional areas.

A key initiative of 2008 was the introduction of a trimester timetable as part of Deakin's commitment to flexible education (see also the Academic Support section of this Report). The new timetable has three 12-week trimesters, enabling students to fast-track their studies, potentially completing a three-year degree in two calendar years, or spread their study load over three trimesters.



A significant focus in 2008 was the promotion of a culture of excellence in teaching and learning, particularly through the work of the Institute of Teaching and Learning (ITL).

Flexible education at Deakin is a distinctive approach to teaching, learning and the student experience. While maintaining sound and consistent academic standards, it provides, where appropriate, choices in:

- The **time** (including flexible entry and exit points) at which study occurs
- The **pace** at which learning proceeds
- The **place** (both physical and virtual) in which study is conducted
- The **content** that is studied
- The **learning style** adopted by the learner
- The forms of **assessment** employed
- The option to **collaborate** with others and learn **independently**
- How teaching is **staffed**; and
- The **mix** of the above adopted in any given course or unit.

During 2008 the University continued to implement the recommendations from the 2007 external review of teaching and learning. A key element of this was the approval of the Teaching and Learning Plan 2008-2012, which was officially launched at Deakin's annual teaching and learning conference in June. The Teaching and Learning Plan articulates the actions that support the teaching and learning strategies in Deakin's Strategic Plan 2008-2012 and sets out the Deakin Principles of Teaching, Learning and the Student Experience.

A significant focus in 2008 was the promotion of a culture of excellence in teaching and learning, particularly through the work of the Institute of Teaching and Learning (ITL). During the year ITL reviewed its professional development program for academic staff, placing a much greater focus on face-to-face activities.

SCHOOL OF LIFE AND ENVIRONMENTAL SCIENCES STAFF AND STUDENTS UNDERTOOK A FIELD TRIP AT CAPE OTWAY IN JULY 2008



A key initiative in 2008 was to strengthen the relationship between the Faculties and ITL by creating four joint appointments to promote communication and collaboration.

INSTITUTE OF TEACHING AND LEARNING (ITL)

ITL's role is to offer support and opportunities for staff to enhance their capacity to be effective educators and to promote Deakin's principles of teaching and learning through:

- Induction and development
- Innovation and leadership
- Recognition and reward.

In 2008, ITL conducted:

- More than 30 workshops across all Campuses, which provided staff with an opportunity to explore strategies for teaching and learning and to practise various teaching technologies in a supportive environment
- 25 workshops tailored to the needs of Faculties and Schools
- 25 seminars on a range of topics, including Deakin's Principles of Teaching, Learning and the Student Experience; the assessment of graduate attributes; self and peer -assessment; student portfolios to aid assessment; the development of study guides; getting the most from student survey results; virtual worlds, including Second Life; and funding opportunities for scholarship in teaching and learning.

ITL also established nine communities of practice, including the Deakin Academic Development Forum, Social Software Group, eSims/Second Life Group, Casual Staff Teaching Forum, Course Leaders' Forum and the Teaching with DSO Group. These communities help disseminate good practice and enable staff to share experiences in both virtual and physical spaces.

ITL also fostered an informal program of interaction between academic staff to promote a collegial environment of scholarship.

PROMOTING EXCELLENCE IN TEACHING

Each Faculty has an Associate Dean (Teaching and Learning) who helps the Dean to drive an agenda of excellence in teaching. During 2008 Deakin's Associate Deans participated in an extensive professional development program.

The program included seminars and workshops on topics such as:

- Building a teaching and learning culture
- Strategic use of information

- From plans to outcomes
- Evidence-based best practice.

The program, which began in July, culminated in a field trip to the Australian Learning and Teaching Council (ALTC) to help improve understanding of the ALTC's role.

There were also three significant initiatives to assist new staff with teaching and learning:

- A full-day academic induction program was established. This provides new staff with an overview of teaching and learning at Deakin, as well as an introduction to the teaching and learning policy framework, the Graduate Certificate of Higher Education (GCHE), the online Learning Management System (Deakin Studies Online), the Library and the Knowledge Media Division. All new academic staff are required to attend the program.
- There was a significant revision of GCHE. Deakin requires all new academic staff up to the level of associate professor to complete this graduate certificate unless exempted on the basis of previous completion of a similar program. The GCHE is now recognised as the first component of the academic induction program.
- A major revision and extension of the professional development program for casual/sessional teaching staff was undertaken. In common with all universities, sessional staff conduct many of Deakin's tutorials and laboratory classes. It is therefore essential that sessional/casual staff receive appropriate induction and support.

Early in 2008 Deakin revised its internal awards program for teaching and learning, which recognises outstanding contributions by academic staff to teaching and the student experience. The program is now closely aligned with the ALTC Awards, sharing the same selection criteria and categories. Deakin's internal awards are also used to identify potential nominees for national awards.



AUSTRALIAN LEARNING AND TEACHING COUNCIL (ALTC) AWARDS


In 2008 five staff received a Citation for Outstanding Contribution to Student Learning from ALTC. In the past three years, Deakin has received 21 citations, ranking it 12th in Australia in this regard.

Dr Judy Nagy from the Faculty of Business and Law received one of the 21 ALTC National Awards for Teaching Excellence. Dr Nagy, who works in the discipline of Accounting, is the first accountant to receive a national ALTC teaching award since their establishment in 1997.

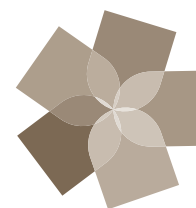
A key initiative in 2008 was to strengthen the relationship between the Faculties and ITL by creating four joint appointments to promote communication and collaboration. Each of the four appointees is a passionate and successful teacher who is highly respected within their Faculty.

Deakin also made significant progress in developing its scholarship in teaching, with a particular emphasis on flexible education. Professor Marcia Devlin was appointed Professor of Higher Education Research in April and, in conjunction with ITL, established the Higher Education Research Group (HERG). The aim of HERG is to provide a mechanism for interested academic staff to participate and collaborate in research, scholarship and consultancy in the field of higher education, including teaching and learning. HERG also provides a point of reference for academics seeking information about higher education research and relevant conferences. It offers guidance to those applying for research funding, mentoring and networking opportunities. Currently there are more than 100 academic staff participating in HERG.

In 2008 the University received two ALTC grants as a lead institution and one grant as a partner institution. The grants support work in subject coordination, teaching large class sizes and the use of eSimulation in professional education. Expected outcomes include publications, seminars and workshops. In addition, Deakin received a special grant from ALTC to support



DEAKIN'S 2008 OPEN DAY AT THE MELBOURNE CAMPUS AT BURWOOD



stronger collaboration between the two organisations. The funds are being used in the College of Distinguished Deakin Educators, which has specific activities related to ALTC. The College brings together the best teachers in the University. Eleven applications for ALTC grants were submitted in 2008 for the 2009 round of funding.

AWARD FOR EXCELLENCE IN CHEMICAL EDUCATION

Associate Professor Kieran Lim was awarded the Division of Chemical Education medal for 2008 from the Royal Australian Chemical Institute.

Deakin measures its performance in teaching and learning in a number of ways. Students are surveyed in every subject taught each trimester through the Student Evaluation of Teaching and Units (SETU) system. This data has been collected since 2003, with the results steadily improving over time. This has also flowed through to the national Course Experience Questionnaire and the Graduate Destination Survey. Deakin is now above the national average on the Good Teaching Scale and is continuing to improve its performance against its benchmark partners.

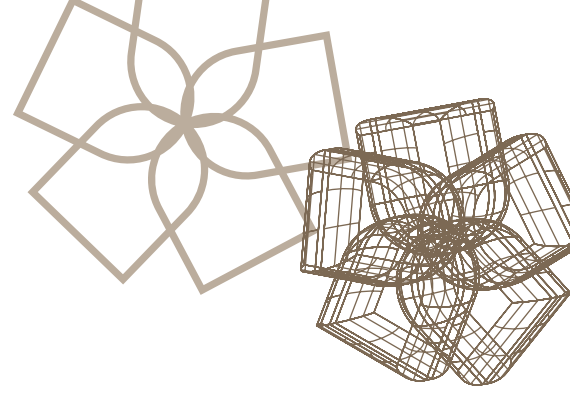
COURSE COMPLETIONS

| | 2007 | 2006 | 2005 |
|-----------------------------|--------------|--------------|--------------|
| Total | 7,617 | 7,788 | 8,041 |
| BY COURSE TYPE | | | |
| Higher Degree by Research | 137 | 118 | 121 |
| Higher Degree by Coursework | 1,385 | 1,457 | 1,543 |
| Other Postgraduate | 1,237 | 1,174 | 1,271 |
| Bachelor | 4,747 | 4,883 | 4,909 |
| Other Undergraduate | 111 | 156 | 197 |
| BY FACULTY | | | |
| Arts & Education | 2,337 | 2,333 | 2,398 |
| Business & Law | 2,856 | 3,037 | 3,211 |
| HMNBS | 1,385 | 1,283 | 1,114 |
| Science & Technology | 1,039 | 1,135 | 1,318 |
| BY GENDER | | | |
| Female | 4,492 | 4,499 | 4,597 |
| Male | 3,125 | 3,289 | 3,444 |



DEAKIN'S FIRST INTAKE OF MEDICAL SCHOOL STUDENTS COMMENCED IN FEBRUARY 2008

RESEARCH AND RESEARCH TRAINING



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

During 2008 Deakin committed to a new era of research expansion, with a key focus on 'step change' to concentrate its research effort, build its research culture, drive excellence in research and increase the number of research-active staff.

To generate the 'step change' necessary to achieve its ambitious research goal, Deakin developed a new organisational framework for research, placing a strong emphasis on growing existing research strengths, broadening the research base, building research that is nationally and internationally significant and delivering effective research partnerships.

Three Research Colleges were established in the areas of Frontier Science and Technology, Health and Wellbeing, and Governance and Society to raise the profile of Deakin's distinctive research strengths and clearly identify the areas where the University is contributing to Australia's research portfolio. The Colleges will act as catalysts for the growth of high quality research by providing a University-wide forum where research questions of national and international significance, such as climate change, ageing and corporate governance, can be discussed.

Research Institutes provide a focal point for co-located, collaborative research activity that facilitates multidisciplinary approaches. In 2008 the Institute for Technology Research and Innovation was established and plans were commenced for the Alfred Deakin Institute, which will be launched in 2009.

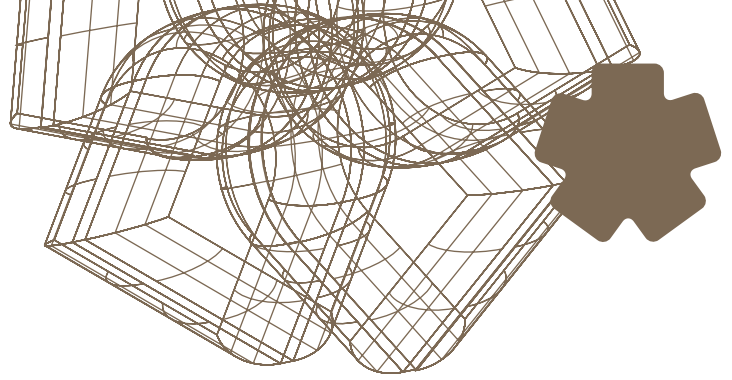
INSTITUTE FOR TECHNOLOGY RESEARCH AND INNOVATION (ITRI)

Based at the Geelong Campus at Waurn Ponds, ITRI draws together leading researchers from BioDeakin, the Intelligent Systems Group and the Centre for Material and Fibre Innovation. Deakin is distinctive in its readiness to work collaboratively with industry, aiming to be "a catalyst for positive change". Through ITRI, Deakin will develop partnerships at the regional, national and international levels that will challenge conventional ways of thinking about research.

Deakin sharpened its strategic research focus in 2008 through a number of synergistic partnerships with industry. Deakin also continued to invest in new facilities. In particular, it committed to the establishment of a new Proof of Concept facility at the Geelong Technology Precinct (GTP) at the Geelong Campus at Waurn Ponds. The GTP provides important global research opportunities for Deakin and international researchers, particularly in the areas of advanced materials, biotechnology and intelligent systems. It currently supports more than 40 industry partnerships. The Proof of Concept facility will allow research to be undertaken with industry partners from the concept stage through to commercialisation.

In March the Federal Minister for Innovation, Industry, Science and Research, Senator the Hon. Kim Carr announced that the GTP had been chosen as the location for Australia's Innovative Regions Innovation Centre (IRIC) as part of the Enterprise Connect Scheme. The IRIC will assist small and medium-sized enterprises with benchmarking, technical assistance, process improvements and sourcing new technology. The initiative underscores the importance of the precinct and the benefit it brings to the Geelong economy.

In September 2008 four new GTP facilities were officially opened by the Chief Executive Officer of the



Australian Research Council (ARC), Professor Margaret Sheil. Provided under the ARC Linkage, Infrastructure, Equipment and Facilities (LIEF) scheme, the facilities add to Deakin's reputation as a world leader in the research and development of lightweight, high-strength steel and other advanced materials. The new facilities are:

- Advanced Deformation Simulation Laboratory– \$825,000
- Real-time Observation of Thermal and Mechanical Response at the Nano-Level Facility– \$648,000
- Near Net Shaped Casting Alloy Development Facility– \$520,000
- Multidisciplinary Environmental Field Emission Gun Scanning Electron Microscope Facility– \$400,000.

BUSINESS/HIGHER EDUCATION ROUND TABLE (B-HERT)

Deakin's partnership with the City of Greater Geelong, the Geelong Regional Alliance G21, the Geelong Manufacturing Council and the Committee for Geelong was recognised by the annual Business/Higher Education Round Table (B-HERT) awards. The 'Partnering for a 21st Century Future for Geelong' partnership won the B-HERT Award for Outstanding Collaboration with a Regional Focus—Research and Development.

In January 2008 the first stage of the Clinical Research Facility was launched at the Melbourne Campus at Burwood. The Facility is the centrepiece of Deakin's innovative work in the area of health and wellbeing and provides a state-of-the-art, multi-purpose space within the School of Exercise and Nutrition Sciences that is capable of supporting both discrete discipline and multi-disciplinary activity. The proposed stage two of the facility will establish rehabilitation and exercise programming space to provide clinical opportunities for postgraduate students and staff. The facility strengthens Deakin's research portfolio, particularly with respect to health and wellbeing.

The significance of the University's research commitment to Health and Wellbeing was further demonstrated during the year when findings by Professor Boyd Swinburn were ranked seventh in a list of the 15 greatest nutrition discoveries since 1976 (developed by a group of nutrition experts and published in the European Journal of Clinical Nutrition). Professor Swinburn's work established that obesity is a normal response to an abnormal environment. It was the only research discovery from Australasia to be included in the list.

New research facilities are also a feature of Deakin's Medical School, which was opened in May 2008. The facilities will advance Deakin's research portfolio in public health.

CHALLENGE TO DESIGN A MODEL T FOR THE 21ST CENTURY

A highlight of the year was Deakin's success in the Ford Global Challenge to design a Model T car for the 21st Century. Deakin was not only the joint winner but was also the only Australian university invited to participate.

The design and presentation of Deakin's winning entry reflected the University's cutting-edge research in advanced materials and lightweight metals for the automotive and aerospace industries. The car, named T², was sufficiently lightweight to be powered by an environmentally-friendly compressed air engine.

Developing the next generation of researchers is a significant aspect of Deakin's strategy to take it into the top third of Australian universities in terms of research performance. In 2008 the Alfred Deakin Fellowships were established to support this goal and 12 Fellowships were awarded.

DR KYLIE BALL WINS TALL POPPY AWARD

During the year a number of Deakin's early-career researchers were recognised for their outstanding work, including Dr Kylie Ball who received the Victorian Tall Poppy Award from the Australian Institute of Policy and Science.

Dr Ball plays a leading role in keeping Deakin at the forefront of the fight against obesity. She leads a team that was awarded a \$2 million National Health and Medical Research Council (NHMRC) grant to support investigations into the causes of the increased risk of obesity among socio-economically disadvantaged women and children. The team is also looking at women and children who appear resilient to the risk of obesity.

During 2008 Deakin researchers were again successful in their application for a variety of grants through ARC, NHMRC and the Heart Foundation.

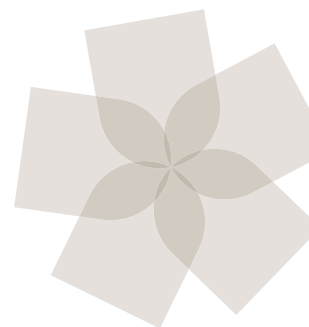



RESEARCH ACTIVITIES IN ONE OF DEAKIN'S HEALTH SCIENCE LABORATORIES

RESEARCH REVENUE

| | 2007 | 2006 | 2005 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Total Research Income | 24,853,763 | 21,696,965 | 21,914,208 |
| National Competitive Grants | 11,116,256 | 10,168,698 | 8,857,056 |
| Other Public Sector Funding | 5,163,049 | 4,115,837 | 5,401,336 |
| Industry and other Funding | 7,865,880 | 6,993,770 | 7,292,218 |
| Cooperative Research Centre Funding | 708,578 | 418,660 | 363,598 |

The provisional result for 2008 is estimated to be \$27,000,000, an increase of 9% on 2007 research income. Final results will be reported to DEEWR in June 2009.





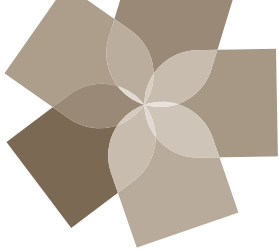
APPLIED EXERCISE RESEARCH IS
UNDERTAKEN IN THE SCHOOL OF EXERCISE
AND NUTRITION SCIENCES

RECOGNITION OF RESEARCH ACTIVITIES AT DEAKIN

In 2008 the research activities of Deakin's academic staff received substantial media coverage, reflecting the national and international significance of their work. In addition to the Ford Global Challenge, more than a dozen Deakin researchers featured in prominent ABC radio and television programs, such as *The Science Show* and *The New Inventors*.

For the third year, Deakin conducted a public forum in conjunction with Radio National's *Life Matters* program. Entitled "Yes, I Can't Read and Write, But It Is Not My Fault", the hour-long program featured successful children's author Andy Griffiths, as well as two leading Deakin academics in the area of children's literacy, Associate Professor Catherine Beavis and Dr Christopher Walsh.

Progress was made towards the establishment of an Institute of Research Training, which will support the University's postgraduate research students. In addition, targets for growth in research degree enrolments were set and appropriate scholarships established to support the planned increase in enrolments.



INTERNATIONALISATION

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

2008 was a very successful year in relation to internationalisation, with most Faculties exceeding their onshore international student enrolment targets and with record numbers attending the Deakin University English Language Institute (DUELI). Overall Deakin surpassed its onshore enrolment target for the year by almost 600 EFTSL. The majority of enrolments remained in the Faculty of Business and Law, with strong increases also in the Faculties of Science and Technology and Health, Medicine, Nursing and Behavioural Sciences. The increase in the number of international students recruited from local secondary schools was particularly pleasing.

The University launched a project to ensure that its curriculum and teaching and learning were appropriately internationalised to meet the needs of all students and also commenced a review of the services provided for international students.

Activities were undertaken to enhance Deakin's profile internationally, as well as in diplomatic and consular communities. Highlights included the opening of Deakin's office in Beijing and the hosting of major conferences in Bangalore and New Delhi.

To stimulate international recruitment and activities, a new full-time Pro Vice-Chancellor (International) was appointed in March. Towards the end of the year, Deakin was awarded the Governor of Victoria's Export Award for Education in recognition of its success in international engagement.

INTERNATIONAL STUDENT LOAD (EFTSL)
AS A PERCENTAGE OF TOTAL LOAD AT 31 AUGUST

| EFTSL | 2008 | 2007 | 2006 |
|--------------------|--------|--------|--------|
| International Load | 5,679 | 4,906 | 4,665 |
| Total Student Load | 25,480 | 23,230 | 21,896 |
| % | 22.3% | 21.1% | 21.3% |

Factors contributing to the increase in international student enrolments included the relocation of Deakin International (DI) and the Faculty of Business and Law to the new International Centre building, which is located on the Elgar Road side of the Melbourne Campus at Burwood. Enhanced procedures and promotional activity within DI and the Faculties, and a continuing strong relationship with the Melbourne Institute of Business and Technology (MIBT) also contributed to the strong outcome. New MIBT programs commenced in Melbourne and Geelong, providing pathways into Deakin courses, as well as improvements to the interface between the University and MIBT's program in Indonesia. The summer semester's international-commencing enrolments for 2008 (now trimester 3) increased by approximately 100 per cent as a result of the introduction of the trimester system for teaching (see Academic Support section of this report).

DUELI also enjoyed an exceptional year, achieving a total of 3,249 enrolments against a target of 2,210. Less satisfactory, however, were Deakin's enrolments in programs taught with offshore teaching partners. These totalled only 466 EFTSL against a target of 576. As this outcome was consistent with the trend of recent years, arrangements were made to discontinue a number of these partnerships.

Reflecting Deakin's commitment to provide a learning experience that encompasses international and intercultural perspectives, significant progress was made towards internationalising the curriculum. Examples of good practice were identified, reviews of courses and units were foreshadowed and international study experiences were expanded. It is expected that this process will be completed by the end of 2009.

INTERNATIONAL STUDENT SUPPORT

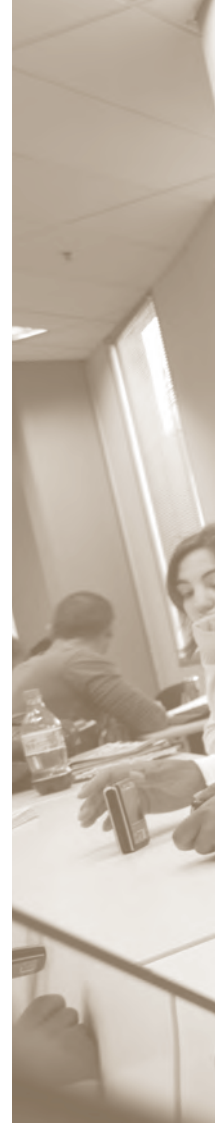
The support that Deakin provides to international students also received considerable attention. Initiatives included the introduction of programs that enable student participation in on-campus receptions for visiting ambassadorial and consular officials, a range of improvements in access to recreational facilities and the establishment of links between international students and local communities. In conjunction with Deakin University Students Association (DUSA), an 'International Week' was conducted in September with many intercultural activities on all Campuses. The popularity of this event ensures that it will be repeated in an expanded form in future years.

INTERNATIONAL PRESENCE

Deakin took a major step in the development of its relationship with China when it opened a Beijing office in December – an Australian university 'first'. The Australian Ambassador to China joined the Vice-Chancellor, Professor Sally Walker, as guest-of-honour at the formal ceremony to mark the occasion. Deakin's new Beijing office complements the University's other international offices in India and Indonesia.

Given India's growing importance and the opportunities it offers for research and other partnerships, Deakin held a series of conferences and events in New Delhi in December. This included the launch of DeakinPrime's Indian activities at the Australian High Commission; seminars on education and employment opportunities in Australia and on the internationalisation of education; and a conference, entitled Building Hi-Tech Futures, that was jointly hosted with The Economic Times and the Institute of Management Technology. The conference explored the use of partnerships to help meet India's skills shortages and to increase its research productivity. Notwithstanding that these events were conducted at a time of heightened tension in India, due to the terrorist attacks in Mumbai the previous week, they were exceptionally well attended and much appreciated.

Formal contacts with the diplomatic community in Australia increased significantly in 2008. The Pro Vice-Chancellor (International) visited nine key embassies in July and a program of reciprocal consular and ambassadorial visits to Deakin also commenced.



STUDENT RETENTION RATES BY CITIZENSHIP AND COURSE TYPE

| | 2007-2008 | | 2006-2007 | | 2005-2006 | |
|------------------------|-----------|-----|-----------|-----|-----------|-----|
| | UG | PGC | UG | PGC | UG | PGC |
| International Onshore | 86% | 80% | 88% | 81% | 89% | 84% |
| International Offshore | 93% | 72% | 87% | 72% | 86% | 67% |
| Domestic | 83% | 74% | 83% | 75% | 83% | 75% |

STUDENT PROGRESS RATES BY CITIZENSHIP AND COURSE TYPE

| | 2007 | | 2006 | | 2005 | |
|------------------------|------|-----|------|-----|------|-----|
| | UG | PGC | UG | PGC | UG | PGC |
| International Onshore | 81% | 83% | 80% | 85% | 83% | 87% |
| International Offshore | 92% | 84% | 91% | 83% | 91% | 83% |
| Domestic | 85% | 88% | 86% | 88% | 87% | 88% |



A number of important initiatives flowed from these contacts, in particular the establishment of the annual Korean Ambassador's Scholarship, which enables a Deakin student to undertake a study program at a Korean university. The University also hosted visits by numerous ministerial and university delegations from abroad. Representatives from the Faculties and Deakin International undertook reciprocal profile-raising and promotional visits to key countries as well.

Deakin's growing attractiveness to international students, apparent throughout 2008, and the comprehensive and energetic steps taken during the year to enhance its external profile and to expand international activity within the University, enable it to look to the future with confidence.

ALUMNI EVENTS

To accelerate the development of international alumni activities, another area of strategic focus for 2008, Deakin held alumni events in Beijing, Hong Kong, Jakarta, New Delhi, Kuala Lumpur, Penang, Seoul, Osaka, Shiga Prefecture (Japan), Colombo and Singapore. As well as informing graduates and their friends about recent developments at Deakin, these events allowed alumni to make valuable contacts with each other and with local dignitaries. In August a publication for current and past international students was launched. *The International Report* highlights news, events and the University's services for international students.

RURAL AND REGIONAL ENGAGEMENT



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

Deakin's commitment to rural and regional engagement is embodied in the development of mutually beneficial partnerships with local communities. The University places particular emphasis on partnerships that link to Deakin's existing strengths and strategic priorities.

Two Leaders' Groups – one for the Campuses in Geelong and one for the Campus at Warrnambool – guide the partnerships' development. The Leaders' Groups bring together prominent local residents who understand the strengths and needs of their communities. The partnerships enhance the University's research and teaching, and at the same time contribute to regional capacity building. Two partnerships, one in the area of health and community wellbeing and the other in the area of sustainability and the environment, celebrated 10 years of collaboration during 2008.

In 2008 Deakin continued to address community issues through its teaching, research and public fora initiatives. In March the Hon. Lisa Neville MP launched a new

Business Plan to support the partnership between Deakin's Faculty of Health, Medicine, Nursing and Behavioural Sciences and the Victorian Department of Human Services (Barwon-South West Region). The partnership undertakes education and research into community problems in both local and regional contexts. Following a review of its operation, the partnership will see its links expanded to include other organisations and other Faculties of the University. This expansion will help create new ways to foster positive change in the Barwon-South West Region.

ENHANCING EDUCATIONAL ACCESS

The 2008-2012 Strategic Plan identifies access to Deakin courses for students in regional, rural and remote locations as a priority activity. A significant body of evidence shows that rural and regional secondary school students are less likely to complete VCE and, if they do, are less likely to go on to University than their metropolitan counterparts. Deakin has been working closely with schools located near its Geelong and Warrnambool Campuses, as well as with Local Learning Networks and the G21 Education Pillar, to devise and support strategies that will improve educational opportunities for regional and remote students. Deakin is particularly committed to enhancing educational access for students who have not made university study their initial choice or who perceive it to be too expensive. In 2008 Deakin increased the number of scholarships available at its rural and regional Campuses, as well as the range of courses on offer. The University also worked closely with local businesses to increase work opportunities for students during their studies.

Deakin continued to work with regional TAFE institutions to develop and improve post-secondary opportunities and pathways to university. In November, a Memorandum of Understanding was signed between Deakin and three TAFE Institutes, two of which are in regional Victoria – the Gordon Institute and the South-West Institute of TAFE – and the third at Box Hill in metropolitan Melbourne. This was the first time that a single Memorandum of Understanding linked Deakin with multiple TAFE Colleges.

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

Deakin is represented on a number of bodies that examine education provision in the regions. The Warrnambool/Moyne Education Provision Committee was established in 2008 and has the task of planning the way in which the district will better meet the needs of 21st century learners. The Committee brings together representatives from district State primary and secondary schools, Deakin University, the South-West Institute of TAFE and local government and other agencies. It is currently involved in an education regeneration project as part of the State Government's *Building Futures* initiative.

Similar groups operate in the Colac Region and in the Corio-Norlane area of Geelong, with Deakin participating in each.

WARRNAMBOOL CAMPUS HOSTS SMART LIVING SUSTAINABLE LIFESTYLE EXPO

In November Deakin's Warrnambool Campus hosted a well-attended Smart Living – Sustainable Lifestyle Expo that was organised by the South-West Sustainability Partnership.

Formed in 1998, the partnership has 15 member organisations, including Deakin, the South-West Institute of TAFE, local municipal Councils, Water Boards, and a number of State Government departments and industry and environmental management agencies. It aims to build a culture of sustainability in relation to the management of the region's resources.

Deakin is also represented on a range of committees and working groups that seek to enhance the economic, social and environmental outcomes of south-central and south-western Victoria. Examples include the Corangamite and Glenelg–Hopkins Catchment Management Authority Committees, Western Coastal Board, Northern Futures Steering Committee and the Corio-Norlane Neighbourhood Renewal Project.

The Greater Green Triangle University Department of Rural Health, jointly run by Deakin and Flinders Universities, is another form of capacity building. As well as conducting its own research, the Department awards bursaries to support regional research by general practitioners, nurses and allied health workers. It also offers access to the Warrnambool Campus as a resource centre. There are currently eight active bursaries, three of which were awarded in 2008; another 22 have been completed since the program commenced in 2004.



DEAKIN STUDY RECOGNISED BY A GOLD MEDAL AT THE ASSOCIATION OF CONSULTING ENGINEERS AUSTRALIA ANNUAL AWARDS FOR EXCELLENCE

In December 2008 a pioneering, five-year study of the effects of land use change on south-west Victoria's water resources won a Gold Medal at the Annual Awards for Excellence conducted by the Association of Consulting Engineers Australia.

The study involved a consortium working in partnership with consultants Sinclair Knight Mertz. Members of the consortium included Deakin and a number of government water resource management agencies, agricultural and forest industry organisations and local government bodies.

The research provided a scientific basis for an ongoing policy debate about land use change and water resources, as well as a model for similar studies in Australia and overseas.

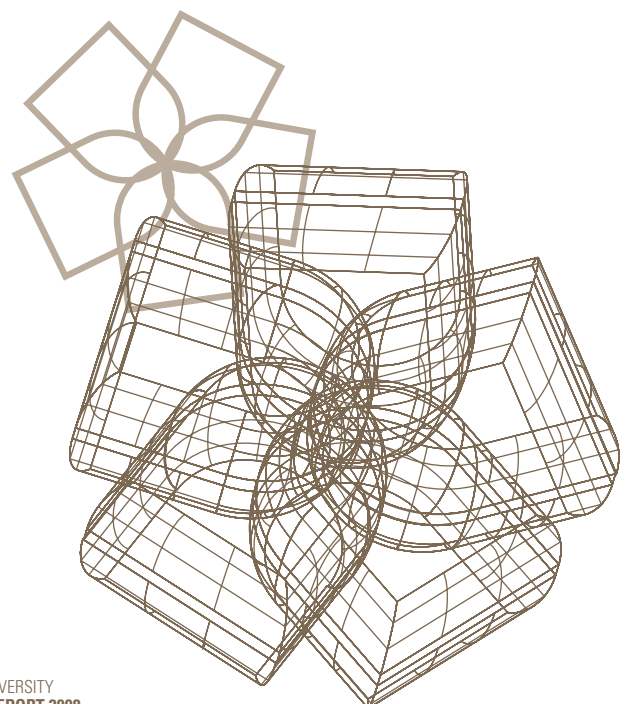
In December 2008 the Commonwealth Government awarded an \$8.21 million grant to support the 'Deakin at your Doorstep' project, which will enable considerable development of Deakin's program of engagement with rural and regional communities. The project involves the development of an Associate Degree program that will provide a pathway to higher education for people from rural and regional areas who would not otherwise gain a university place. It is expected that some of the students will go on to undertake full degree programs, while others will be better able to obtain employment. The program will be designed, developed and delivered from the Warrnambool Campus.

DEAKIN AT YOUR DOORSTEP PROJECT

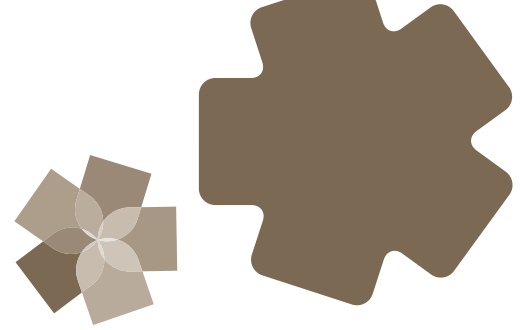
"Deakin University is delighted that the Federal Minister for Education, The Hon. Julia Gillard, has supported our 'Deakin at your Doorstep' project. The project is a demonstration of Deakin's commitment to rural and regional engagement. It will provide new pathways to higher education for rural and regional students who would not otherwise obtain a university place and it will be responsive to the needs of regional employers."

Professor Sally Walker,
Vice-Chancellor, Deakin University

Statistical information on the participation rate of students from rural and regional areas is provided in the Equity and Access section of this Report.



EQUITY AND ACCESS



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

One of Deakin's core commitments is to equity and access. During 2008 the University established an Equity and Diversity Unit which brings together responsibility for coordinating and managing both student and staff equity. The Unit enables a greater focus on staff equity issues and will provide the impetus that is needed for the University to achieve its Equity and Access goal.

In 2008 Deakin focused on improving participation for three of the groups that remain under-represented across the Australian higher education sector: students from low socio-economic status (SES) backgrounds, regional and remote students, and Indigenous students.

Major projects undertaken during 2008 by the then Student Equity Unit included:

- Preparation of a report on Deakin students' finances and the development of a set of strategies to:
 - facilitate immediate assistance for students in financial crisis
 - reduce the cost of books and computers, and
 - address the practical problems identified in the report that may impact on low-SES students' participation in higher education
- Working in partnership with Faculties to identify how changes to the University's curriculum could assist in improving both the success and the retention of equity group students
- A revision of the publication *Can my wallet afford it?* to take account of national policy framework changes relating to the availability of scholarships and fee-paying places
- A research study conducted in the Faculty of Health, Medicine, Nursing and Behavioural Sciences to help increase the satisfaction and retention of Deakin's remote students
- Provision of advice to the Academic Board on the development of selection criteria that take into account the SES of potential entrants to Deakin's graduate-entry medical and surgery course
- Outreach activities, with a particular focus on early school interventions for secondary students at schools close to Deakin's rural and regional campuses to encourage them to aspire to attend university.

In partnership with the Unit, Faculties made considerable progress in defining the inherent requirements of each undergraduate course offered by the University to assist prospective students with disabilities to make informed choices about their future studies.

In general, these outreach and recruitment initiatives were successful and contributed to the very large increase in the number of applicants for Deakin's Special Entry and Access Scheme (SEAS) between 2007 and 2008. Deakin received 5,505 school-leaver SEAS applications in 2008, compared with 4,285 applications in 2007 – an increase of 28 per cent. A total of 1,129 offers were made in 2008 compared with 1,077 in 2007 – an increase of 5 per cent.

EQUITY GROUP STUDENTS AS A PERCENTAGE OF DOMESTIC STUDENT COURSE ENROLMENTS, 2003 - 2007¹

| Equity Group | DEAKIN | | | STATE | NATIONAL |
|---------------------------------------|--------|-------|-------|-------|----------|
| | 2007 | 2006 | 2005 | 2007 | 2007 |
| Aboriginal and Torres Strait Islander | 1.6% | 1.6% | 1.4% | 0.6% | 1.3% |
| Non-English speaking background | 2.4% | 2.2% | 2.1% | 4.0% | 3.8% |
| Low socio-economic background | 12.5% | 12.3% | 12.5% | 12.3% | 15.0% |
| Students with disability | 2.6% | 2.2% | 2.2% | 3.6% | 4.1% |
| Students from regional areas | 20.8% | 20.7% | 21.3% | 17.2% | 18.1% |
| Students from remote areas | 0.7% | 0.7% | 0.7% | 0.3% | 1.1% |

The access and participation trends for low-SES and rural and regional equity groups also improved in 2008². For low-SES students of all ages, the access rate increased from 12.4 per cent in 2007 to an estimated 14.2 per cent in 2008. The participation ratio, which is the ratio of low-SES to high-SES students enrolled at Deakin, rose from 0.34 in 2007 to an estimated 0.38 in 2008. Regional participation also increased. The access percentage for regional students improved from 19.2 per cent in 2007 to an estimated 21.5 per cent in 2008 and the participation ratio, which is the ratio of the participation rate for total regional enrolments to the population share in Victoria of regional people aged 15-64, grew from 0.84 to an estimated 0.89 over the same period. The trend for remote students was not as positive, with both access rates and participation ratios declining.

Commencing Indigenous student enrolments increased between 2007 and 2008, returning intake levels to around the numbers recorded in 2006. The Institute of Koorie Education (IKE) continued to enrol the largest number of higher education Indigenous students of any university in Victoria.

INDIGENOUS ENROLMENTS AT DEAKIN UNIVERSITY

| Commencing Status | 2008 | 2007 | 2006 |
|-------------------|------|------|------|
| Commencing | 186 | 167 | 185 |
| Returning | 289 | 277 | 236 |
| Total | 475 | 444 | 421 |

INDIGENOUS STUDENT COMPLETIONS

| Completion Year | 2007 | 2006 | 2005 |
|--|------|------|------|
| Indigenous student completions (persons) | 33 | 22 | 32 |

A key target in 2008 was to reduce the high rate of deferrals by students enrolling at the Warrnambool Campus and also to increase the proportion of deferred students who return to study. Direct communication was undertaken with all students who deferred their places in 2008 via a personal letter or telephone call. Based on the results of a pilot study in 2007, the University expects good take-up rates for the deferred places in the 2009 admissions cycle.

Deakin submitted its report to the Equal Opportunity for Women in the Workplace Agency (EOWWA). The University was advised by EOWWA that, due to the excellent assessments of performance in previous submissions, it would be granted exemption from reporting to the Agency for the next three years.

1. Figures have been taken from the 2008 Institutional Assessment Framework Portfolio

2. 2008 percentages are provisional. Final figures are reported to DEEWR later in 2009

PEOPLE, CULTURE AND CHANGE

The 'Top Third' program, launched in 2008, aims to advance Deakin to the top third of Australian universities.

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

In 2008 the University undertook a process of workplace reform focused on improving its efficiency, effectiveness, productivity and performance. These reforms involved reviewing human resources practices, examining ways to optimise organisational structures and staffing profiles, improving organisational performance and changing the organisational culture. Significant progress was made in all of these areas and very solid foundations were laid in relation to the longer-term objective of building strength and capacity in Deakin's workforce.

The workforce continued to increase, reflecting Deakin's overall growth and development. The University closely monitors its student-to-staff ratios by discipline and its academic-to-general staff ratio against national averages.

The 'Top Third' program, launched in 2008, aims to advance Deakin to the top third of Australian universities based on a range of performance measures, including for teaching, research and the wellbeing, morale and development of staff and students. Deakin has secured Federal Government funding to support the program over the next two years.

The program commenced with the conduct of a staff survey in August to measure views about staff wellbeing, teaching and research. The results of the survey will be used to inform action plans across all areas of the University. Work will continue during 2009 and beyond as Deakin pursues its 'top third' performance.

The review of academic workload models across the University continued in 2008 and established a common set of principles for workload management and a set of exemplars of academic activity. The principles are based on the premise that all academic staff will have a dynamic and full workload with varying amounts of teaching, research and service activity depending on their category of appointment, stage of career and level of research activity. The review is ongoing and its focus in 2009 will be on ensuring that workload models reflect the academic workload principles and that workload allocation is closely aligned with Faculty goals.

STAFF (PERSONS) AS AT 31 DECEMBER 2007 AND 2008¹

| | Academic | General | Male | Female | Total 2008 | Total 2007 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Geelong Campus at Waurin Ponds | 313 | 508 | 364 | 457 | 821 | 792 |
| Geelong Waterfront Campus | 107 | 350 | 196 | 261 | 457 | 409 |
| Melbourne Campus at Burwood ² | 601 | 611 | 438 | 774 | 1,212 | 1,093 |
| Warrnambool Campus | 61 | 74 | 55 | 80 | 135 | 145 |
| Total | 1,082 | 1,543 | 1,053 | 1,572 | 2,625 | 2,439 |
| DeakinPrime | | 82 | 29 | 60 | 89 | 82 |
| Callista Software Services | | 88 | 70 | 27 | 97 | 88 |

1. Excludes Casual staff head count figures. Includes staff on unpaid leave as at 31 December.

2. Figures for Melbourne Campus at Burwood include staff previously located at Melbourne Campus at Toorak in 2007.

PROFESSIONAL DEVELOPMENT

Another strategic focus for 2008 was the provision of opportunities for professional growth, leadership and staff development in an environment that values and rewards innovation and excellence. As mentioned in the Teaching and Learning section, considerable work was undertaken in implementing a new approach to academic professional development – one that fosters a connected community of researchers, teachers and learners. The aim is to achieve greater flexibility; more timely delivery of resources, particularly on-line; greater relevance to needs; more programs offered face-to-face; and to provide an environment in which Deakin's best educators and researchers can engage positively with the University community. A number of new programs were developed to support and develop specific academic leadership groups, with the initial focus on Associate Deans and Heads of Schools. In addition, a formal research mentoring program for academic mid-career research staff was introduced in 2008 to support staff in building their research capability.

A major review of centrally-funded staff development programs was completed during the year. These programs centre largely on providing support for managers and supervisors in handling performance management, team building and career development for staff – areas that have been identified as critical to Deakin's goal of bringing about workplace reform. The review resulted in changes to the programs to align them better with the University's needs and its strategic directions.

OHS PERFORMANCE INDICATORS

| | Lost time injury frequency rate | WorkCover frequency rate | Average lost time rate | Days lost per 100 full time equivalence <12 months | WorkCover costs per full time equivalence <12 months | Premium costs per full time equivalence | WorkCover premium rate as % of remuneration |
|------|---------------------------------|--------------------------|------------------------|--|--|---|---|
| 2008 | 2.70 | 4.68 | 71.6 | 31.8 | \$100.65 | \$309 | 0.36% |
| 2007 | 2.98 | 6.48 | 48.5 | 24.6 | \$82.85 | \$415 | 0.49% |
| 2006 | 2.53 | 5.08 | 27.5 | 11.7 | \$43.15 | \$412 | 0.52% |

Notes

1. 2008 figures are for the 12 months from 1/12/07 to 30/11/08
2. The latest year's figures are subject to correction due to reports received in 2009 for events in 2008

Deakin's strategic focus on recruiting and retaining high calibre staff through the provision of attractive employment conditions and a stimulating, nurturing and flexible work environment was rewarded in 2008. A number of exciting new appointments were made, including a new Pro-Vice-Chancellor (Development), two new Deans, a Director, Quality Improvement and a Chair of Higher Education Research.

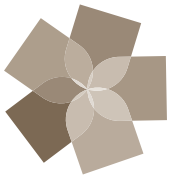
HEALTH AND SAFETY

Deakin is committed to providing a safe and healthy working environment for all staff, students, contractors and visitors. The aim is to create a positive culture in relation to health and safety issues, and promote them as standard components of the University's management systems. An extensive review of the relevant policies and procedures was undertaken in 2008 to provide a simpler, more accessible framework for staff and students.

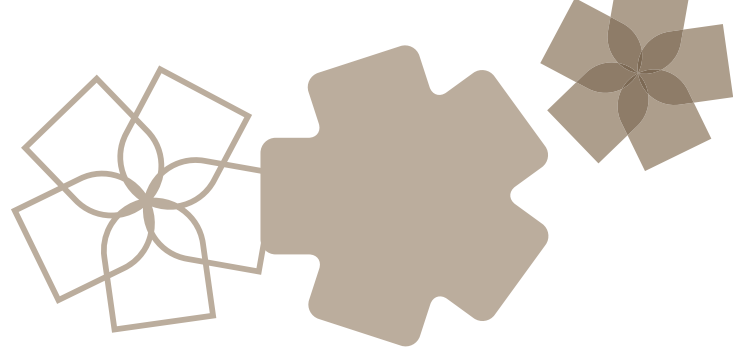
In recent years Deakin's health and safety performance has compared favourably with those of the 28 universities against which it benchmarks itself. Indeed, it has one of the lowest lost-time-injury rates of these universities.

The University takes all reasonable steps to prevent harassment and discrimination by having relevant policies and procedures in place. These require that:

- Staff undertake appropriate training
- Managers and supervisors receive specific briefings and assistance
- Trained staff are available to deal with any claims that may be made.



ACADEMIC SUPPORT



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

Academic Support comprises the services provided by Deakin's centrally or Faculty-based administrative and support units to underpin the core university activities of teaching, research and internationalisation.

Led by Academic Support teams across the University, a major initiative of 2008 was the introduction of a new trimester-based structure for the academic year. The purpose of the three equal trimesters is to increase the flexibility of study options for students and to provide more even, yet flexible work patterns for academic staff. Three equal student intakes each year will also enable the University to make greater use of its physical facilities and to cater for additional international students.

Academic Support units successfully managed all the necessary changes to a range of student-related administrative and support processes to ensure that the new trimester model was operational within a short timeframe. While the new trimester approach was not mandatory in 2008, Faculties were encouraged to provide a greater range of units for study in trimester 3, which commenced in November. The new structure has proved to be extremely attractive to students.

NEW LEARNING SPACES

In 2008 work commenced on new physical and virtual learning spaces at the Melbourne Campus at Burwood and at the Geelong Campus at Waurn Ponds to support the University's goals for Teaching and Learning. When complete, they will provide added flexibility in the way students learn, whether on-campus or off-campus. The work involves transforming traditional library study areas into a more relaxed environment, with information technology services delivered to students' computer desktops in the new spaces. The project has required a significant re-arrangement of library information resources and a re-engineering of the way library services are provided to students. The new learning spaces at Burwood will open in the first quarter of 2009 and at Waurn Ponds towards the end of 2009.

STUDENT TRANSITION PROGRAM

During 2008 Academic Support's central services established collaborative partnerships with Faculties and DUSA to deliver an improved, year-long Transition Program for new students. The program facilitates the successful transfer of students to higher education and makes their experience of starting university studies more enjoyable and rewarding. Successful transition improves the probability of academic success and helps with the retention of first-year students in their courses in the longer term. A Working Group of the Academic Board steered the development of the new Program and provided advice to the transition team in the Division of Student Life on its academic, support and social components.

The quality of the new transition program and the approach taken in its development have been recognised nationally by the Australian Learning and Teaching Committee Senior Teaching Fellow, Professor Sally Kift, who has cited the program in her work as an example of excellent practice in the area of student engagement.

UNDERGRADUATE STUDENT RETENTION RATES

| Course type group | 2007 | 2006 | 2005 |
|-------------------|------|------|------|
| Undergraduate | 84% | 84% | 84% |

UNDERGRADUATE STUDENT PROGRESS RATES

| Course type group | 2007 | 2006 | 2005 |
|-------------------|------|------|------|
| Undergraduate | 85% | 85% | 86% |

The Transition Program is part of a comprehensive re-focusing of teaching and learning at Deakin, which resulted from the Review of Teaching and Learning conducted in 2007. The University aims to ensure that every student has the highest quality and most satisfying student experience. In this regard, one of the key achievements of 2008 was the development of a Student Charter, which articulates the main characteristics of the Deakin student experience through a set of expectations and responsibilities. The Charter was approved by the Academic Board in August. It encourages staff to teach and assist students in a more student-centred way by focussing on the characteristics of the student experience.

THE STUDENT CHARTER – THE DEAKIN UNIVERSITY STUDENT EXPERIENCE

Student expectations:

- To be treated as an individual
- To have their rights respected
- To be well prepared for employment and continuous learning
- To be stimulated by a vibrant learning environment and supported by responsive academic, professional and campus services
- To be engaged as a member of the University community, on campus and beyond.

Student responsibilities:

- To positively shape their educational experience
- To prepare diligently for qualifications, employment and continuous learning
- To engage with the University environment
- To show and earn respect in relating with others in the University and wider community.

With this in mind, the course rules for programs with large enrolments were also reviewed to make them more easily understood by students and their advisors. In a number of courses, changes were made to eliminate any redundant or ambiguous rules, to increase the flexibility of entry, to simplify progression rules, and to clarify areas of choice of subjects and pathways through the course. These changes are expected to reduce the number of student complaints arising from confusion about course requirements or entry pathways.

DIGITAL RESEARCH REPOSITORY

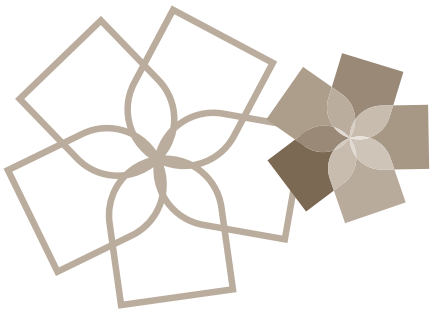
Academic Support services continue to help advance the research goals of the University. The Library and the Knowledge Media Division, together with the Research Services Division, have made major contributions to the development and implementation of a Digital Research Repository, which contains data on the nature and characteristics of every research publication produced by members of Deakin's academic community over the past three years.

The Repository will be the basis of the University's submission of information to the Government's Excellent Research in Australia (ERA) initiative. It has been populated with the publications data relevant to ERA clusters 1 and 2, which will be the first groups assessed for research quality by the Government in 2009. The completion of the Repository's first phase of implementation has meant that the University is well prepared for the ERA audit process.

INTERNATIONAL STUDENT SUPPORT

As part of its commitment to internationalisation, Deakin undertook a review of its administrative and support processes in 2008 to ensure compliance with the revised Education Services for Overseas Students Act (ESOS) and the National Code of Practice for the provision of services to international students. As a result, some processes were changed, particularly those related to the identification of students who are at risk of poor academic performance, to ensure that Deakin's practices are equivalent to the best in the Australian higher education sector.





WEB DEVELOPMENT

The University's website was significantly redeveloped and improved during 2008 to reflect the priority students place on access to on-line information about courses and services, and to provide a greater emphasis on web use in the marketing and recruitment of both domestic and international students. The website redevelopment also helped achieve the University's strategic goal for Communication, Marketing and Positioning by providing a strong, visual portal for visitors that reflects the progressive image of the University.

IMPROVED SYSTEMS AND PROCESSES

Various projects associated with infrastructure and resource management within Deakin were also advanced during 2008. These included the continuous improvement of the enrolment planning process, undertaken jointly with Faculties and through the Course and Enrolment Planning Working Party, and a review of the resource allocation methodology used in the University's budget process for 2009-2011.

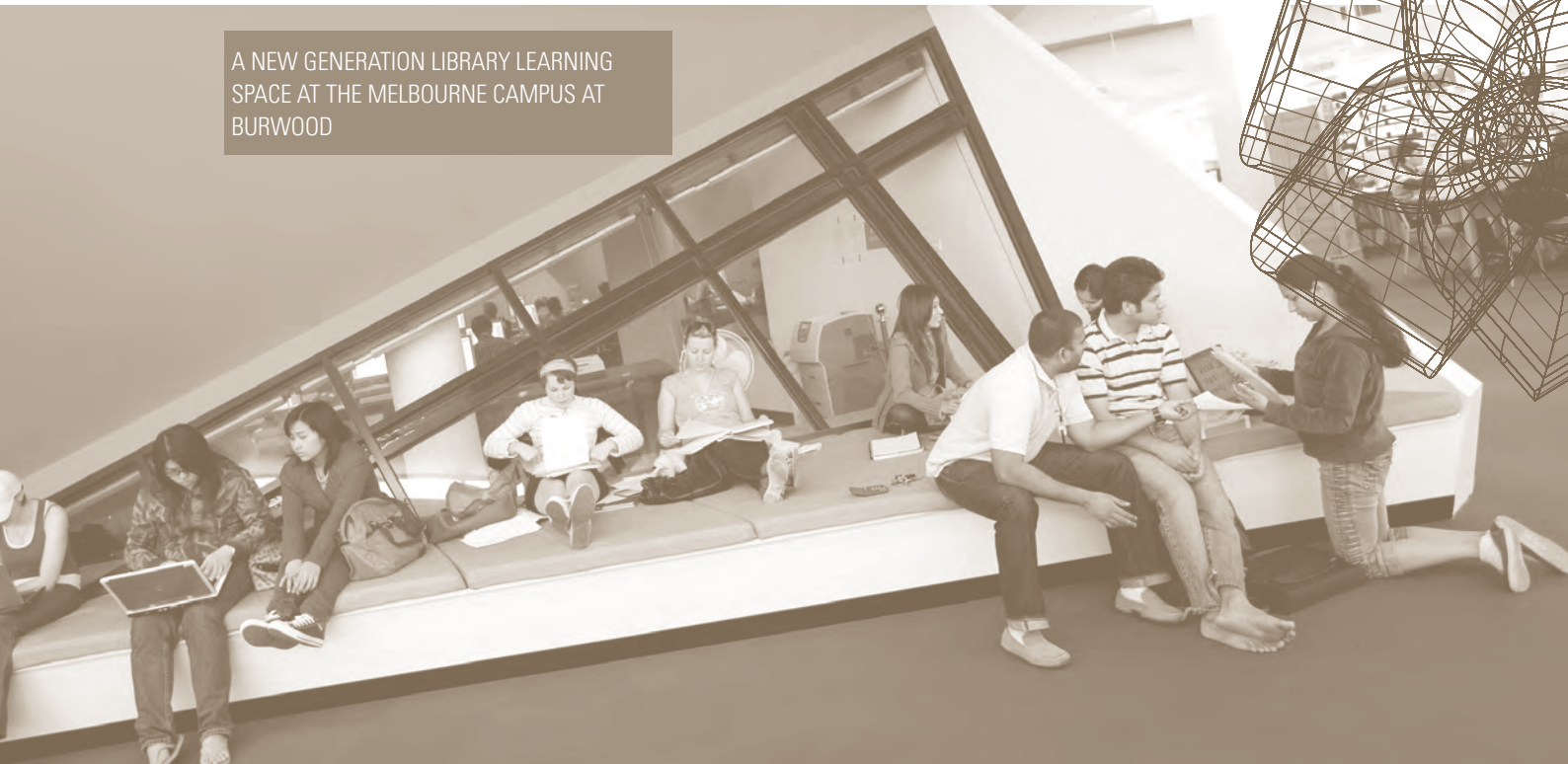
In addition, a range of information technology initiatives were successfully progressed. The University completed work on the final major phase of the Customer Relations Management system, which has been under way for the

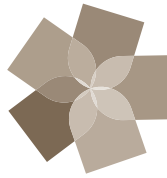
past two years. The system now assists the recruitment of international and domestic students by both providing information and allowing market analysis of enquiries, applications and offers of places to prospective students. It also enables efficient and effective management of accounts and contacts with potential partners of the University, and documents and handles enquiries from existing students.

Good progress was also made on the further development of Deakin's data warehouse. The data available in the warehouse was extended considerably to include staff and financial information, thus allowing the calculation of various cross-application performance measures and indicators to facilitate the effective monitoring of progress against the targets in the Strategic Plan, and the impact of resource allocation outcomes made in the budget process.

In addition, improved efficiency and effectiveness in Academic Support services was achieved through considerable business re-engineering of student administration and library processes. This has led to major improvements in response times for student admissions, the award of scholarships and the assessment and payment of fees.

A NEW GENERATION LIBRARY LEARNING SPACE AT THE MELBOURNE CAMPUS AT BURWOOD





COMMUNICATION, MARKETING AND POSITIONING

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

The pursuit of this goal has been driven by a range of strategies aimed at strengthening and maintaining a distinctive 'Deakin' brand – one that clearly differentiates Deakin from other Australian universities and, in doing so, raises awareness of its unique research and teaching profile.

In 2008 the University's promotional activities were focused on the recruitment of students. These marketing efforts were rewarded by a significant increase in Deakin's popularity with prospective students.

Final results from the Victorian Tertiary Admissions Centre (VTAC) for applicants seeking entry to undergraduate courses in 2008 showed that the percentage of first preferences for a Deakin University course had risen to 15.3%. This was accompanied by an increase in first preferences for all Deakin Campuses.

Overall there was an increase of 5.5% in total preferences across all Campuses from 2007 to 2008. This compares favourably with a 3.1% decline in total preferences for university courses through VTAC over the same time period. Deakin ranked fourth amongst Victorian universities based on the number of first preferences in 2008.

Deakin's Primary Teaching and Nursing courses at the Melbourne Campus at Burwood were both ranked in the top 10 VTAC courses based on the number of first

preferences in 2008. Both courses received the highest number of first preferences for any course in their respective fields of study.

Deakin's strength in health, business and law was also reflected in first preference results, with a 35 per cent increase in first preferences for law, a 31 per cent increase for health sciences and a 31 per cent increase for management and commerce courses.

STRATEGIC PARTNERSHIPS

Deakin's commitment to strategic partnerships has meant continuing to work collaboratively with partner TAFE institutions to enhance the number of pathways into the University, as well as the number of students applying to come to Deakin (see the section on Rural and Regional Engagement). In 2008 the growth in applications for Deakin courses from students from the TAFE sector was above the average for the Victorian university sector as a whole.

The development of partnerships with the community gained further momentum during 2008 with the establishment of the Deakin Foundation. Chaired by the former Victorian Premier, the Hon. Steve Bracks, the Foundation will be the flagship of the University's efforts to deliver effective philanthropic partnerships over coming years. Its Board includes prominent citizens from business and industry.

There was also an expansion of Deakin's program of alumni, corporate and community engagement activities. New partnership agreements were signed with the Geelong Performing Arts Centre and the Department of Education and Early Childhood Development (Eastern Region). A Melbourne Community Leaders Group was also established, comprising business, community and educational leaders.

Fundraising was given a major boost in 2008, not only through the establishment of the Deakin Foundation, but also through the implementation of a Workplace Giving Program. Pleasing results were achieved, particularly in relation to support for scholarships and research.

Deakin's profile was enhanced by a series of significant events during the year. The Deakin Medical School at the Geelong Campus at Waurn Ponds was officially opened by the Prime Minister, the Hon. Kevin Rudd, on 1 May

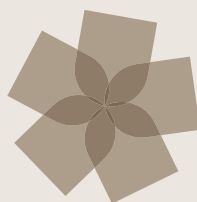
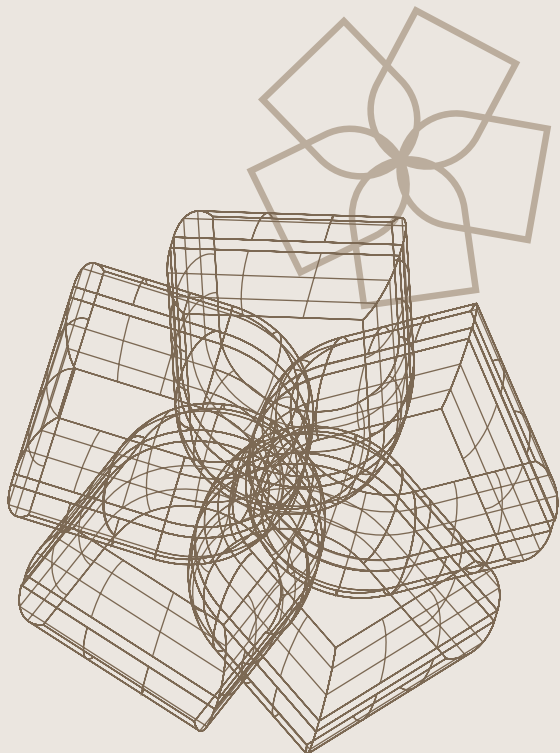
Overall there was an increase of 5.5% in total preferences across all Campuses from 2007 to 2008.

2008. The annual Brookes Oration in April drew a large, appreciative audience. It was delivered by the Chief Commissioner of Victoria Police, Ms Christine Nixon APM at the Melbourne Campus at Burwood. Ms Nixon's topic was 'Corporate Australia—Saving Lives and Reducing Crime'. The 2008 Richard Searby Oration was delivered in October by General Peter Cosgrove AC, MC (Retd). General Cosgrove spoke on 'A Soldier's Perspective on our Regional Relationships'.

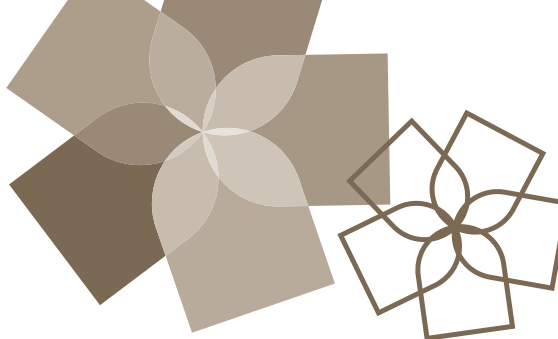
MEDIA PROFILE

Deakin received some very positive media coverage in 2008, with the University's academics regularly featured in local and national newspapers and on radio and TV. Much of the coverage related to research projects and results (see section on Research and Research Training), or involved the provision of expert commentary on local, national and global issues. One noteworthy example of the latter was the television interview about Muslim inclusion in Australia given by Fethi Mansouri from the Faculty of Arts and Education to SBS World News on 19 November 2008.

GENERAL PETER COSGROVE AC MC (RETD) DELIVERED THE 2008 RICHARD SEARBY ORATION AT THE CLEMENGER AUDITORIUM, NATIONAL GALLERY OF VICTORIA IN OCTOBER 2008



RESOURCES, FINANCE AND INFRASTRUCTURE



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

RESOURCES AND FINANCE

For 2008, the strategies in relation to resources and financing included:

- Enhancing the University's long-term growth and financial sustainability, through an improved business model and by pursuing new opportunities to increase and diversify revenue
- Developing a Strategic Asset Management Plan
- Embedding enterprise risk management across the University and improving internal financial control frameworks and related governance processes
- Improving the efficiency and effectiveness of resources and infrastructure support services.

Deakin delivered a surplus of \$81.6m, which was achieved through a combination of strong revenue performance and disciplined expenditure. The University earned \$557.2m in revenue which was considerably in excess of 2007 levels of \$460.8m. This included an increase in revenue from domestic and international fee-paying students of \$154.9m compared with \$125.7m for 2007, an increase of 23% per cent. Deakin's strong growth in enrolments, both in Commonwealth Supported Places and fee-paying enrolments, contributed to the strong financial performance.

During 2008 the Commonwealth Government confirmed that domestic fee-paying places for undergraduate

students would be phased out from 2009. As Deakin had forecast strong growth in this area, this change in policy carried a significant impact on the University's future income. Following negotiations with the Commonwealth Government, Deakin was awarded an additional 568 EFTSL in Commonwealth-supported load from 2009 as compensation for the policy change, plus a once off financial contribution of \$1.9m in 2009.

In 2008 a range of initiatives was undertaken as part of the Financial Management Improvement Project (FMIP), which is funded by a Workplace Productivity Grant from the Commonwealth Government. The focus of the FMIP is on the review and development of a robust financial management framework that aligns with the University's Strategic and Operational Plans. Outcomes for the year included:

- Further improvement to three-year financial planning and budget allocation methodologies, as part of a progressive move towards an integrated enterprise resource planning approach
- Development of draft 10-year Strategic Asset Management Plans for Property, Information Communications Technology (ICT) and Major Equipment to inform capital expenditure budgeting
- Review of Faculty allocation of resources and funds to Schools to establish a common set of principles, including consideration of an element of performance-based allocations
- Review of research and teaching funding and budget allocation issues
- Conceptual design of a business model, identifying high-level revenue and cost drivers of operations to support strategic financial planning
- Review of the capital bids process
- Development and improvement of cash flow forecasting capability
- Progressive improvements in the quality of internal financial management reporting.



PAYMENTS TO CONSULTANTS 2008

During the year the University engaged three consultancies costing more than \$100,000, totalling \$729,823. Details are as follows:

- JWT Specialised Communications - \$131,367 for Creative Developments for 2009 Marketing and Recruitment
- KPMG Australia - \$460,962 for services towards the Finance Process Review
- PricewaterhouseCoopers - \$137,494 for services towards the Financial Management Improvement Project.

Consultancies costing less than \$100,000 totalled 14 for the year with a combined cost of \$664,490.

PROPER USE OF FUNDS

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

COMPULSORY NON-ACADEMIC FEES

In late 2005 the Australian Government passed the *Higher Education Support (Abolition of Compulsory Up-Front Student Union Fees) Act 2005* (Cth) which abolished the collection of compulsory non-academic fees from 1 July 2006. No compulsory non-academic fees were collected for the period 2008.

INFRASTRUCTURE

With strong growth in enrolments and new teaching and research developments, Deakin committed to a major building program over the period 2009 to 2011, with projected expenditure of \$242.8m on capital works over the next 3 years.

During 2008 the Campus Planning Committee, which is a committee of Deakin University's Council, worked with external consultants to develop a Master Plan for the Geelong Campus at Waurn Ponds and to revise the Master Plan for the Melbourne Campus at Burwood.

ARCHITECTURE STUDENTS PREPARE MODELS IN "THE BARN", A FLEXIBLE TEACHING SPACE AT THE GEELONG WATERFRONT CAMPUS





Major capital works projects in 2008 included:

- The completion and opening of the International Centre and Business Building on the Elgar Road side of the Melbourne Campus at Burwood
- Ongoing work on the \$37 million redevelopment of the Dennys Lascelles Building at the Geelong Waterfront Campus. The building is one of the original woolstores in Geelong, located in a prime waterfront position. The redevelopment will greatly enhance the Campus and the attractiveness of the waterfront, contributing to the growing vibrancy of this area of the City of Geelong
- The completion of the refurbishment of the Science Building at the Geelong Campus at Waurm Ponds. This is the home of Deakin's Medical School and the new Bachelor of Medicine, Bachelor of Surgery graduate-entry degree program. The renovated building also provides new laboratories and teaching spaces for academic activities conducted within the Faculty of Science and Technology.

MAJOR CAPITAL WORKS

Projects approved in 2008:

- Refurbishment of the Building B gymnasium at the Melbourne Campus at Burwood
- Further development of the Geelong Technology Precinct (GTP) at the Geelong Campus at Waurm Ponds
- Improvements to library learning spaces at the Geelong Campus at Waurm Ponds
- Central campus improvements at the Geelong Campus at Waurm Ponds
- Development of new accommodation for the Institute of Teaching and Learning and fit-out of empty spaces in the Central Precinct at the Melbourne Campus at Burwood
- Refurbishment and extension of the Institute of Koorie Education building at the Geelong Campus at Waurm Ponds.

In addition to new buildings and refurbishments, significant improvements were made to facilities at all Campuses throughout the year.

Important planning was undertaken for longer-term investment in Information Communications Technology (ICT) to support Deakin's strategic direction and to improve the efficiency and delivery of the ICT services that underpin teaching and learning and research activities. In addition to the projects reported in the Academic Support section, other IT initiatives undertaken in 2008 included:

- Implementation of TRIM as the new University-wide records management system
- Replacement of various email and calendaring applications across the University with a single application, Microsoft Outlook/Exchange
- Implementation of an on-line system for examination paper submission and a process for Special Consideration
- Deployment of a further 41 video-conferencing units across the University in lecture theatres, teaching spaces and management and administrative areas
- The upgrading of Callista SMS, providing increased web-based, self-service functionality to students; improved efficiency of administrative activity; and improved compliance with DEEWR reporting requirements
- Completion of the phased roll-out of wireless infrastructure across all Campuses
- Upgrading of the Deakin Management Centre's technology infrastructure and equipment
- Commencement of a virtualisation program that will lead to the replacement of many existing discrete servers with a smaller number of larger, more efficient servers.

Significant improvements were made in Deakin's logistics and procurement capabilities. Ongoing participation in the Australian National Higher Education Procurement Benchmarking Program enabled the University to realise or identify savings and improvement opportunities



for travel, temporary staff, transactional banking and telecommunication. An on-line booking technology was also introduced to support optimum allocation of the central vehicle fleet. Furthermore, a focus on strategic procurement training and facilitation resulted in improved productivity in areas such as the supply of personal computers, the provision of internal auditing services, utilities provision, travel management services and capital works contracts.

ENVIRONMENTAL INITIATIVES

Deakin's environmental sustainability program gained momentum this year with the recruitment of an Environment Policy Officer and the establishment of the Environment Policy Subcommittee.

The primary focus for 2008 was to establish Deakin's long-term approach to the environment by developing an Environmental Sustainability Policy and an Environmental Management Plan. The plan is aimed at reducing the environmental impact of the University's operations with emphasis on seven priority areas:

- Energy and greenhouse gas emissions management
- Water conservation
- Storm water management
- Waste minimisation
- Sustainable built environment
- Bio-diversity
- Sustainable transport
- Environmental management systems and performance.

Deakin joined the State Government's TravelSmart program in 2007 and in 2008 made significant progress, including:

- Development of Deakin's Travel Plan, TravelSmart web page and maps
- Collection of baseline data on motor vehicle usage at the Melbourne Campus at Burwood
- Implementation of 'bike buddy' and car pooling programs.

In addition, Deakin addressed the issue of sustainable transport by:

- Trialling a daily bus service for staff between the Geelong Campuses and the Melbourne Campus at Burwood

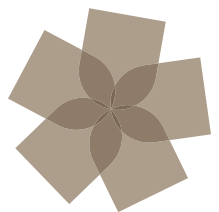
- Commencing implementation of a comprehensive video-conferencing plan designed to reduce the need for inter-campus travel
- Significantly increasing the number of more fuel-efficient four cylinder and LPG vehicles in the University's fleet
- Joining Greenfleet to offset the fleet's carbon emissions.

A number of environmentally-sensitive design elements were incorporated into the Master Plan for the Geelong Campus at Waurn Ponds, including capturing, retaining and recycling of all stormwater run-off for irrigation within an improved best-practice, water-sensitive, urban design system of wetland bio-filters and storage ponds.

Deakin's International Centre and Business Building on Elgar Road was recognised for the second year by the City of Whitehorse in its 'Building a Better City Design Awards' in three categories—Best New Commercial Institutional Building, Environmental Sustainability and Best Landscape Design.

The Environmental Sustainability Award focuses on buildings that 'use appropriate ecological principles, including construction materials that minimise waste and the incorporation of renewable energy'.

The Landscape Design award 'recognises well-designed landscape treatments that enhance the site, provide useable external spaces and are environmentally sensitive, while also taking into account the character of the streetscape'.



THE ORGANISATION

Establishment of the University

Deakin University was established under the *Deakin University Act 1974* (Vic). The responsible minister is the Victorian Minister for Skills and Workforce Participation. For funding purposes and some aspects of the University's operations, the responsible minister is the Commonwealth Minister for Education, Employment and Workplace Relations.

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

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

OBJECTIVES

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

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

DEAKIN UNIVERSITY COUNCIL

Interim Director, Internal Audit
Ms Carol Brown

Vice-Chancellor
Professor Sally Walker

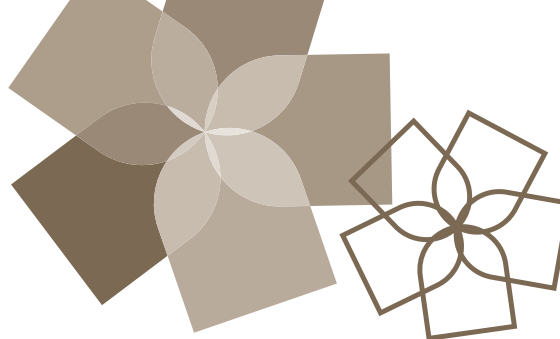
Chair, Academic Board
Prof Philomena Leung

Director, Quality Improvement

Director, Government Liaison
Mr Wayne Lewis

| | | | | | | | | |
|--|--|--|--|---|--|--|--|---|
| <p>CEO, DeakinPrime Mr Kean Selway DeakinPrime</p> | <p>Interim Pro Vice-Chancellor (Rural and Regional) Associate Professor John Sherwood</p> | <p>Deputy Vice-Chancellor (Research) * Professor David Stokes BioDeakin Geelong Technology Precinct Research Services Division</p> | <p>Deputy Vice-Chancellor (Academic) Professor John Rosenberg Institute of Koorie Education Institute of Teaching and Learning</p> | <p>Pro Vice- Chancellor (International) Professor Philip Clarke Deakin International</p> | <p>Vice-President and Council Secretary* Ms Lin Martin Division of Student Administration Division of Student Life Knowledge Media Division Library Planning Unit Student Equity Unit Governance Unit</p> | <p>Chief Operating Officer* Mr Graeme Dennehy Human Resources Services Division Information Technology Services Division Logistics Division Facilities Management Services Division Solicitor's Office Callista</p> | <p>Chief Financial Officer* Mr Andrew Walters Financial and Business Services Division Deakin Management Centre</p> | <p>Pro Vice- Chancellor (Development) Dr Irene Irvine Marketing Division Deakin University Art Galleries</p> |
| <p>Dean, Faculty of Arts and Education Professor Jennifer Radbourne School of Communication and Creative Arts School of History, Heritage and Society School of International and Political Studies School of Education</p> | <p>Interim Dean, Faculty of Business and Law Professor Barry Cooper School of Management and Marketing School of Accounting, Economics and Finance School of Information Systems Deakin Business School School of Law</p> | <p>Dean, Faculty of Health, Medicine, Nursing and Behavioural Sciences Professor John Catford School of Exercise and Nutrition Sciences School of Health and Social Development School of Nursing School of Medicine School of Psychology</p> | <p>Dean, Faculty of Science and Technology Professor Brian McGaw School of Architecture and Building School of Engineering and Information Technology School of Life and Environmental Sciences</p> | | | | | |

* Budget Management Group



SENIOR OFFICERS

CHANCELLOR

Mr D.M. Morgan BCom Melb.

The Chancellor is the titular and ceremonial head of the University and the chair of the University's governing body, the Deakin University Council.

VICE-CHANCELLOR

Professor S.A. Walker LLB(Hons), LLM Melb.

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

CHAIR OF ACADEMIC BOARD

Professor P. Leung BA (Hons) (Acc), HDip(Acc), HKPU, MAcc PhD Glasgow, RMIT, FCPA, FCCA, CA, MIIA

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

VICE-PRESIDENT AND COUNCIL SECRETARY

Ms L.M. Martin (absent from 2 August to 2 November 2008 on secondment to Commonwealth Government Review of Higher Education)

BSc(Hons), MSc, DipCompSc Adel., GAICD

ACTING VICE-PRESIDENT AND COUNCIL SECRETARY

Ms F. Hronopoulos (12 May to 28 May 2008, 4 August to 31 October 2008)

The Vice-President and Council Secretary is responsible to the Vice-Chancellor for the academic support and information services of the University, including Student Administration, Student Support, the Library and Knowledge Media Services. This position is also responsible for the University Planning, Governance and Equity and Diversity Units and assumes the role of Council Secretary.

CHIEF FINANCIAL OFFICER

Mr A. Walters BCom Natal, B.Compt(Hons) S.Af, Global Executive Development Program Gordon Institute of Business Science, South Africa, CA Zimbabwe

The Chief Financial Officer is responsible to the Vice-Chancellor for the financial operations of the University delivered through the Financial and Business Services Division. This position is also responsible for risk management and the University's insurance portfolio.

CHIEF OPERATING OFFICER

Mr G. Dennehy BEng(Hons) UTS, CPEng, FCDA

The Chief Operating Officer is responsible to the Vice-Chancellor for the University's corporate services relating to Human Resources, Logistics, Facilities Management and Information and Communication Technology. This position is also responsible for the University's Solicitor's office and the University's controlled entities.

DEPUTY VICE-CHANCELLOR (ACADEMIC)

Professor J. Rosenberg BSc(CompSc), PhD Monash, FACS, FTSE, FAICD

The Deputy Vice-Chancellor (Academic) is responsible to the Vice-Chancellor for the development and enhancement of the academic activities of the University.

DEPUTY VICE-CHANCELLOR (RESEARCH)

Professor D.M. Stokes BSc, PhD, DipEd Melb., FEIANZ

The Deputy Vice-Chancellor (Research) is responsible to the Vice-Chancellor for the development and enhancement of research within the University.

PRO VICE-CHANCELLOR (DEVELOPMENT)

Dr I. Irvine BSc Glas., GDipAdmin Canberra, DipEd PhD Melb.

The Pro Vice-Chancellor (Development) is responsible to the Vice-Chancellor for marketing and fundraising activities, including domestic student recruitment, the Deakin University Art Collection and Galleries, the Deakin Foundation, and business, government, alumni and community relations.

PRO VICE-CHANCELLOR (INTERNATIONAL)

Professor P.H. Clarke LLB W.Aust., LLM Auck.

The Pro Vice-Chancellor (International) is responsible to the Vice-Chancellor for development and oversight of international activities and internationalisation.

PRO VICE-CHANCELLOR (RURAL AND REGIONAL)

Professor R. Wallis (to 11 January 2008)

BSc (Hons), MSc, DipEd Monash, GDipEdStud C.Sturt, GCertMgt S.Qld., PhD PWU, MAICD

INTERIM PRO VICE-CHANCELLOR

(RURAL AND REGIONAL)

Associate Professor J. Sherwood

(from 12 January 2008)

BSc (Hons), PhD UNSW, Dip Env.Sci Macqu., Dip Ed. Canberra

The Pro Vice-Chancellor (Rural and Regional) is responsible to the Vice-Chancellor for the strengthening of Deakin's work in partnership with local regional communities, governments, industry, business and the professions.

CHIEF EXECUTIVE OFFICER, DEAKINPRIME

Mr K.J. Selway BBus(Mktg) Chisholm, GDipMgt Victoria UT, FAICD
The Chief Executive Officer of DeakinPrime is responsible for the University's educational and commercial services to the professions, industry and government.

DEAN, FACULTY OF ARTS AND EDUCATION

Professor J.E. Beaumont (to 30 April 2008)
BA (Hons) Adel., PhD Lond.

INTERIM DEAN, FACULTY OF ARTS AND EDUCATION

Professor D. Lowe (from 1 May to 31 August 2008)
BA (Hons) Monash, PhD Cambridge

DEAN, FACULTY OF ARTS AND EDUCATION

Professor J. Radbourne (from 1 September 2008)
CertT. K'gaiCAE, BA, MA, PhD Qld

DEAN, FACULTY OF BUSINESS AND LAW

(to 27 March 2008)

Professor P.H. Clarke LLB W.Aust., LLM Auck.

INTERIM DEAN, FACULTY OF BUSINESS AND LAW

Professor B. Cooper (from 28 March 2008)
BEd, BCom, MEd. Melb., PhD RMIT

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

Professor J.C. Catford MA Camb., MSc Lond., MBB Chir Camb., DCH, DM S'ton., FFPHM, FRCP, FAFPHM, FIPAA, FAICD

INTERIM DEAN, FACULTY OF SCIENCE AND TECHNOLOGY

Professor C.N. Gray (to 30 April 2008)
BA(Hons) Lanc., MSc Leeds., PhD Brad., CIH

DEAN, FACULTY OF SCIENCE AND TECHNOLOGY

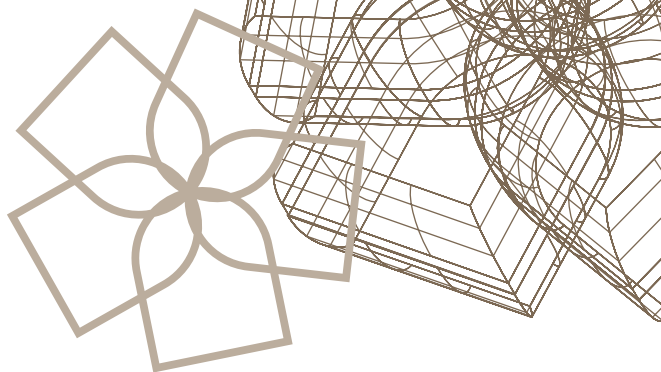
Professor B. McGaw (from 1 May 2008)

BSc(Hons) Nott., PhD CNAAC, CBiol, MIBiol, CChem, FRSC, CSci.

Deans of Faculties, subject to the general superintendence of the Vice-Chancellor, are responsible to the Council for the academic leadership and general administration of their Faculties.

DEAKIN UNIVERSITY SENIOR EXECUTIVE: FROM LEFT TO RIGHT (BACK ROW) PROF DAVID STOKES, MS LIN MARTIN, MR GRAEME DENNEHY, MR ANDREW WALTERS, PROF PHILIP CLARKE, PROF JOHN ROSENBERG, (FRONT ROW) PROF SALLY WALKER, MR KEAN SELWAY. DR IRENE IRVINE (NOT PICTURED) WAS A MEMBER OF THE SENIOR EXECUTIVE IN 2008





COUNCIL MEMBERS' REPORT

MEMBERS

Set out below are the names, together with qualifications and experience, method of appointment, term of office and years served on Council, of persons who held office as members of the Deakin University Council during the year 2008.

MEMBERS EX-OFFICIO

THE CHANCELLOR



Mr D.M. Morgan BCom Melb.

Term of office

1 January 2006 - 31 December 2011

Years on Council 10

Company director; Board member, Australian Trade Commission (Austrade); Chair, Austrade Board Audit Committee; Board member, Victorian Centre for Advanced Materials Manufacturing; Chair, National Motor Vehicle Theft Reduction Council; the Geelong Economic Development Board; and G21 – Geelong Region Alliance Ltd.

THE VICE-CHANCELLOR



Professor S.A. Walker

LLB(Hons), LLM Melb.

Term of office

3 January 2003 - January 2012

Years on Council 6

Vice-Chancellor and President of Deakin University. Previously, Senior Deputy Vice-Chancellor; Hearn Professor of Law; President of the Academic Board; Pro-Vice-Chancellor (University of Melbourne). Associate to Justice Aickin, High Court of Australia (1978/79); Solicitor (1979); Associate Partner, Gillotts Solicitors (1980).

THE CHAIR OF ACADEMIC BOARD



Professor P.W. Leung

BA Hons (Acc), HDip(Acc), HKPU, MAcc Glasgow, PhD RMIT, FCPA, FCCA, CA, MIA

Term of office

1 January 2008 - 31 December 2009

Years on Council 1

Chair in Accounting at Deakin University from March 2004. Previously auditor with Peat, Marwick, Mitchell (KPMG). Previously held senior academic positions at Hong Kong Polytechnic University, Victoria University of Technology and RMIT.



The members of the Deakin University Council present their report on the consolidated entity consisting of Deakin University and the entities it controlled at the end of, or during, the year ended 31 December 2008.

MEMBERS APPOINTED BY THE GOVERNOR IN COUNCIL



Ms W. Allen

Term of office

21 May 2008 - 31 December 2008

Years on Council 0.5

Partnership Broker, Department of Planning and Community Development. Previously Regional Manager, Barwon South Western Region Community Development Group. Member of the Bellarine Community Health Board of Management and the Management Committee for the Corio Bay Rowing Club.



Ms H.F. Bender OAM

BCom Melb, DipTravel & Tourism RMIT

Term of office

21 May 2008 - 31 December 2010

Years on Council 0.5

Director and Proprietor, Pendent Pty Ltd, trading as Allabout Tours and Travel; Chair, Barwon Health Foundation; Deputy Chair, Committee for Geelong; member, Geelong Grammar School Council; member, Geelong Major Events Committee.



Ms J. Crowe

BA, DipSS, GradDipEdAd Melb., DipEd State College of Victoria-Hawthorn, GradDipApS(Psych) Phillip Institute of Technology

Term of office

28 March 2006 - 31 December 2008

Years on Council 2.75

Principal, Melbourne Girls' College; former Principal, Warrnambool College. Previously held senior positions in the TAFE sector and at an international school. Qualified as a social worker and previously worked in areas of intellectual disability, community services and health.



Ms J.M. Lightowlers*

BA DipEd W.Aust., LLB(Hons) LLM Melb.

Term of office

1 January 2007 - 31 December 2009

Years on Council 5

Solicitor; partner, Francis Abourizk Lightowlers; admitted to practice in Queensland, New South Wales, Tasmania and Victoria; qualified mediator. Specialises in intellectual property, corporate governance and fiduciary obligations, among other areas. Board member, International Network for Acid Prevention (INAP) Limited.



Mr J.G. Nicol* LLB Melb.

Term of office

1 January 2007 - 31 December 2009

Years on Council 3.5

Partner in Warrnambool firm of solicitors, practising in the area of commercial law, succession planning and estate administration. Appointed Notary Public in 1985. President of the Western District Law Association. Councillor, City of Warrnambool, 1988-1992 and 1996-2004; Mayor, City of Warrnambool, 2001-2003. Various regional board roles.

A MEMBER APPOINTED BY THE MINISTER



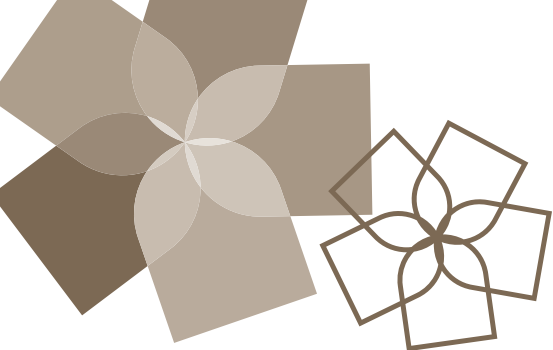
Mr G. Hywood BEc Monash

Term of office

17 April 2008 - 31 December 2010

Years on Council 0.5

Executive Director, Tourism Victoria; Deputy Secretary (Brand, Communications and Tourism), Department of Innovation, Industry and Regional Development (held in conjunction with the position at Tourism Victoria). Previously Executive Director Policy and Cabinet, Department of Premier and Cabinet; extensive communications background as editor-in-chief of the *Australian Financial Review*, the *Sydney Morning Herald*, the *Sun Herald* and *The Age*.



MEMBERS APPOINTED BY COUNCIL



Mr M.J. Dowling B^{Ec} Monash, FCA, KSJ

Term of office 1 January 2006 - 31 December 2008

Years on Council 5.5

Chartered accountant. Senior partner in large accounting firm for 20 years. Corporate consulting business since 1996. Chair, GMHBA Limited; former Chair, Victorian Regional Channels Authority. Extensive involvement with Geelong business and community. Past president, Geelong Chamber of Commerce.



Ms M.L. Edmond B^{Arch} Melb., LFAIA

Term of office 1 January 2008 - 31 December 2010

Years on Council 10

Architect specialising in institutional architecture, urban design, dispute resolution and design teaching. Member of various associations including Australian Institute of Architects, the National Trust of Victoria and the National Gallery of Victoria.



Mr R.M. Kus

B^{Com} Deakin, Grad^{Cert}FraudInvest La Trobe, ICAA, IPA, AICD

Term of office

17 January 2008 - 31 December 2009

Years on Council 1

Chartered accountant, with experience in forensic accounting, financial investigation, insolvency/corporate restructuring and expert witness engagements. Currently Consulting Director at LECG Limited, a global expert services firm. Former partner within the Forensic Services Group at PricewaterhouseCoopers. Board member Australian Centre for International Commercial Arbitration (ACICA).



Mr A.J. Kloeden

B^{Sc} (For) Hons ANU, M^{Sc}(BusStud) Lond., FAICD

Term of office 1 January 2006 - 31 December 2008

Years on Council 12

Currently Chair of Serco Group Pty Ltd; formerly Chief Executive Officer of Serco Asia Pacific; Managing Director of the Woolmark Company and Chief Executive Officer of Melbourne IT. Leadership and change management roles with leading Australian companies in retail and wholesale industries.



Mr P. Meehan B^{Bus} RMIT, FCA, FCPA

Term of office 20 February 2007 - 31 December 2009

Years on Council 2

Chief Financial Officer, Australia Post; Board member and trustee of the Australia Post Superannuation Scheme. Formerly Group Finance Manager, National Mutual Holdings (now AXA). Extensive experience in senior finance and administration roles.



Dr P.C. Turner*

BA(Hons) W.Aust., LITTM Paris, PhD Syd., AMusA, MACE

Term of office

1 January 2008 - 31 December 2010

Years on Council 13

Principal, Geelong College. Senior teaching and administrative experience in independent schools in Sydney and Adelaide. Tutor and research scholar in French studies, universities of Western Australia, Paris and Sydney. Serving on and chairing a number of committees for the New South Wales Board of Studies and the Association of Independent Schools. Previously, Council member, Marcus Oldham College and Trustee, Geelong Performing Arts Centre.

A MEMBER ELECTED BY AND FROM THE PROFESSORS



Professor G. Stokes

BA(Hons), DipEd. Adel., PhD Flin.

Term of office

1 January 2008 - 31 December 2009

Years on Council 3

Professor of Politics, School of International and Political Studies, Faculty of Arts and Education. Research interests include democratic theory and practice, Australian political thought, and indigenous politics. Convenor of the Institute for Citizenship and Globalisation in the Faculty of Arts, 2001-2004. Member, Academic Board, member University Joint Committee on Research, 2002-2003. Previously, government advisor and public servant.

A MEMBER ELECTED BY AND FROM THE ACADEMIC STAFF



Mr N.T. Millen

BA(Hons), La Trobe, MSocSci (Applied) Qld, TPTC Coburg

Term of office

6 February 2008 - 31 December 2009

Years on Council 3

Senior Lecturer, School of History, Heritage and Society, Faculty of Arts and Education. Research interests: sociology of health and illness, with emphasis on the politicisation of illness in public health policy and chronic illness and stigma. Has served on many Deakin Faculty and University committees, including Academic Board, the Faculty of Arts Board, Vice-Chancellor's Staff Consultative Committee and 2003-2008 Enterprise Bargaining Implementation Committee.

A MEMBER ELECTED BY AND FROM THE GENERAL STAFF



Mr J.A. E. Butterworth

Term of office

1 January 2008 - 31 December 2008

Years on Council 1

Information Technology and Multi-Media Support Officer for the Faculty of Arts and Education at Deakin University, and member of the Staff Liaison Committee. Lengthy career in education in the field of information technology. In 2007, awarded a scholarship to attend the MACWORLD Conference and Expo in San Francisco. Previously held positions at Geelong Grammar School and Kardinia International College.

MEMBERS ELECTED BY AND FROM THE STUDENTS



Mr Z. Smith

Term of office

1 January 2008 - 31 December 2008

Years on Council 1

Law student at Deakin University. Research Officer with the Forestry and Furnishing Products Division of the Construction, Forestry, Mining and Energy Union. In 2008, Vice President Undergraduate of the Deakin University Student Association and a member of the University's Transition Planning Group.



Mr J. Thevaraj BBus (Edith Cowan)

Term of office 1 January 2008 - 31 December 2008

Years on Council 1

International student from Sri Lanka, undertaking a Master of Professional Accounting / Master of Commerce degree. Student and passport membership of the professional bodies CIMA U.K. and CPA Australia respectively. ITSD student trainer at Deakin University. Previously a member of the Sri Lankan national hockey team and worked as a volunteer for numerous international sporting events.

MEETINGS OF MEMBERS

The number of meetings of the Deakin University Council and of each standing committee of Council held during the year ended 31 December 2008, and the number of meetings attended by each member, were as follows.

| | Council | | Standing Committees of Council | | | | | | | | | | | |
|--|---------|---|--------------------------------|---|-----------------|---|-----------------------|---|------------------------------|---|-------------|---|---------------------------------|---|
| | A | B | Audit and Risk ¹ | | Campus Planning | | Chancellor's Advisory | | Finance and Business Affairs | | Legislation | | University Appeals ² | |
| Number of meetings held during the year | 8 | | 4 | | 6 | | 7 | | 7 | | 6 | | | |
| | A | B | A | B | A | B | A | B | A | B | A | B | A | B |
| Mr D.M. Morgan | 8 | 7 | | | | | 7 | 6 | | | | | | |
| Ms W. Allen | 5 | 4 | | | | | | | | | | | | |
| Ms H.F. Bender | 5 | 4 | | | | | | | | | | | | |
| Mr J.A.E. Butterworth | 8 | 5 | | | 6 | 4 | | | | | | | | |
| Ms J.A. Crowe | 8 | 8 | | | 6 | 4 | | | 7 | 3 | | | | |
| Mr M.J. Dowling | 8 | 5 | 4 | 4 | | | | | 7 | 6 | | | | |
| Ms M.L. Edmond | 8 | 7 | | | 6 | 6 | | | | | | | | |
| Mr G. Hywood | 5 | 3 | | | | | | | | | | | | |
| Mr A.J. Kloeden | 8 | 5 | | | | | | | 7 | 5 | | | | |
| Mr R.M. Kus | 8 | 6 | 4 | 4 | | | | | | | | | | |
| Professor P.W. Leung | 8 | 8 | | | | | 7 | 7 | 7 | 5 | | | | |
| Ms J.M. Lightowlers | 8 | 8 | | | | | 7 | 6 | | | 6 | 6 | – | – |
| Mr P. Meehan | 8 | 6 | 4 | 4 | | | | | | | | | | |
| Mr N.T. Millen | 8 | 8 | | | | | | | 7 | 7 | | | | |
| Mr J.G. Nicol | 8 | 8 | 4 | 4 | | | 7 | 6 | 7 | 7 | | | – | – |
| Mr Z.A. Smith | 8 | 7 | | | 6 | 3 | | | | | 5 | 0 | – | – |
| Professor G.M. Stokes | 8 | 6 | | | | | | | | | | | – | – |
| Mr J. Thevaraj | 8 | 6 | | | | | | | 7 | 4 | | | | |
| Dr P.C. Turner | 8 | 8 | | | 6 | 3 | 7 | 7 | | | | | | |
| Professor S.A. Walker | 8 | 8 | | | | | 7 | 6 | 7 | 5 | | | | |
| Mr I.S. Crawford | | | 4 | 2 | | | | | | | | | | |
| Mr G. Dennehy | | | | | 6 | 5 | | | | | 6 | 5 | | |
| Ms F. Hronopoulos | | | | | | | 1 | 1 | | | 2 | 2 | | |
| Assoc. Professor B. Marshall | | | | | | | | | | | 5 | 5 | | |
| Ms L.M. Martin | | | | | | | 5 | 5 | | | 4 | 4 | | |
| Professor A. Rees | | | | | | | | | | | 6 | 5 | | |
| Professor J. Rosenberg | | | | | 6 | 6 | | | | | | | | |
| Mr A. Walters | | | | | | | | | 7 | 6 | | | | |
| Professor D. Smith | | | | | 6 | 5 | | | | | | | | |

A Meetings eligible to attend as a member

B Meetings attended as a member

1 The Vice-Chancellor does not exercise her right to membership of this Committee, but attends meetings at the request of the Chair. In 2008 she attended three of four meetings.

2 The University Appeals Committee was not required to meet during 2008.



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 2008 reporting period no significant changes occurred in the nature of the continuing principal activities of Deakin University.

Review of operations

A review of operations for the year 2008, of which this report forms a part, is set out on pages 13-64.

Significant changes in the state of affairs

No major changes or factors occurred during 2008 which have affected the University's operational objectives for the year. No events occurred subsequent to balance date which may have a significant effect on the operations in subsequent years.

Significant changes in financial position for the year ended 31 December 2008

The University's reported consolidated operating profit before tax for 2008 is \$81.8m, compared to \$49.1m for 2007.

Total revenue for the year was \$557.2m, \$96.4m above 2007. This included:

- an increase of \$29.3m for fee paying students, including \$5.9m relating to Trimester 3
- an increase of \$18.6m for the Higher Education Loan Programme Scheme (HELP), including \$1.4m relating to Trimester 3
- receipt of \$2.0m capital grant income for the Farmland Infrastructure Development
- receipt of \$9.8m in income from the Australian Government under its obligations to finance unfunded liabilities of the State Superannuation Fund
- an increase of \$2.6m resulting from sale proceeds from the Pigdons Road Land Development at Waurin Ponds.

Total expenses were \$475.4m, \$63.7m higher than 2007. This included:

- an increase of \$25.9m in staff costs, mainly due to the impact of scheduled salary increases and on-costs associated with the growth in enrolments
- an increase of \$7.1m in buildings and grounds maintenance
- an increase of \$4.3m in marketing costs to enhance enrolments
- an increase of \$1.3m in depreciation arising from a refinement to the Depreciation Policy for Research Assets
- an increase of \$9.8m in deferred employee benefits for superannuation.

Total assets have increased by \$128.7m from 2007. Cash and other financial assets were \$88.8m higher than 2007; capital assets, including property, plant and equipment and non-current assets classified as held for sale, were \$14.3m higher than 2007. Total liabilities increased by \$38.1m. The University's current ratio, a measure of its capacity to apply current assets to meet current liabilities, has fallen slightly from 1.39 to 1.32. No new borrowings were drawn down during the year. The University's reported consolidated operating profit before tax for 2008 is \$81.8m. When adjusted for major one-off items, the normal operating profit is \$48.2m, compared to a comparable figure of \$45.1m in 2007.

Environmental regulation

Deakin University is not subject to any particular environmental regulations, but it has a number of measures in place to support environmental sustainability. Information regarding these measures can be found on page 41.

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 and the Deakin Foundation. For the 2008 year, the premium for this insurance was \$22,910.

Proceedings on behalf of Deakin University

As at 31 December 2008, Deakin University was involved in the following litigation:

- *Gaye Alexandra Luck v Deakin University*, proceedings in the Federal Court instituted by a student seeking relief under the *Trade Practices Act 1974* (Cth).

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



Ms Jennifer M. Lightowlers
Acting Chancellor
Burwood

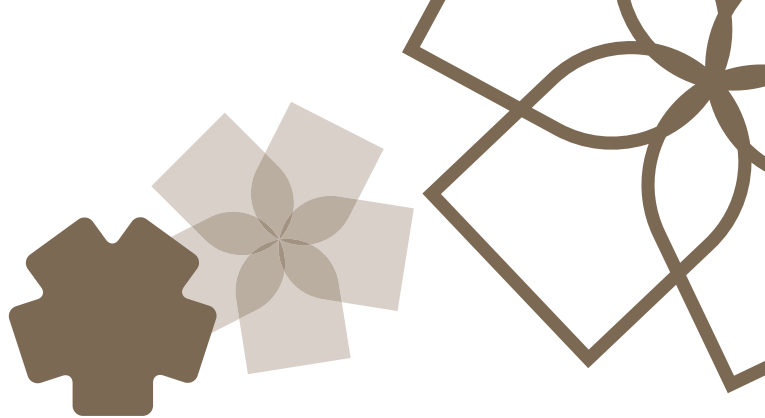
19 March 2009

FIVE-YEAR FINANCIAL SUMMARY (CONSOLIDATED)

FIVE-YEAR FINANCIAL SUMMARY (CONSOLIDATED)

| | 2008 \$000 | 2007 \$000 | 2006 \$000 | 2005 \$000 | 2004 \$000 |
|---|---------------|---------------|---------------|---------------|---------------|
| Operating income | | | | | |
| Commonwealth Government grants | 187,270 | 170,227 | 166,137 | 140,396 | 116,007 |
| HECS-HELP | 99,185 | 80,601 | 76,101 | 70,965 | 61,977 |
| State government grants | 11,042 | 1,323 | 5,310 | 4,924 | 6,798 |
| Other | 259,713 | 208,639 | 200,864 | 220,111 | 211,040 |
| Total operating income | 557,210 | 460,790 | 448,412 | 436,396 | 395,822 |
| Operating expenses | 475,378 | 411,716 | 390,608 | 408,174 | 384,775 |
| Operating result before income tax | 81,832 | 49,074 | 57,804 | 28,222 | 11,047 |
| BALANCE SHEET INFORMATION | | | | | |
| Current assets | | | | | |
| Cash assets | 115,693 | 44,472 | 28,956 | 15,858 | 34,332 |
| Receivables | 61,231 | 31,624 | 31,408 | 18,591 | 20,824 |
| Other financial assets | 44,098 | 75,060 | 50,224 | 43,660 | 34,266 |
| Deferred government contribution for superannuation | 13,734 | 13,617 | 12,276 | 12,275 | 12,610 |
| Non-current assets classified as held for sale | - | 27,730 | 27,730 | - | - |
| Other | 416 | 1,479 | 815 | 879 | 1,420 |
| | 235,172 | 193,982 | 151,409 | 91,263 | 103,452 |
| Non-current assets | | | | | |
| Other financial assets | 50,860 | 2,299 | 1,683 | 1,074 | 6,017 |
| Property, plant and equipment | 750,265 | 709,563 | 642,082 | 630,966 | 600,449 |
| Deferred government contribution for superannuation | 130,724 | 133,832 | 147,931 | 156,274 | 139,622 |
| Other | 3,333 | 2,000 | 1,000 | 944 | 2,598 |
| | 935,182 | 847,694 | 792,696 | 789,258 | 748,686 |
| Liabilities | | | | | |
| Payables | 128,337 | 88,949 | 67,324 | 44,976 | 44,233 |
| Borrowings | 14,587 | 17,286 | 19,794 | 22,082 | 27,889 |
| Provision for employee entitlements | 44,841 | 40,435 | 38,465 | 39,609 | 36,356 |
| Deferred employee benefits for superannuation | 144,458 | 147,449 | 160,207 | 168,549 | 152,232 |
| Other | 70 | 56 | 21 | 1 | 142 |
| | 332,293 | 294,175 | 285,811 | 275,217 | 260,852 |
| Net assets | 838,061 | 747,501 | 658,294 | 605,304 | 591,286 |
| Total equity | 838,061 | 747,501 | 658,294 | 605,304 | 591,286 |

UNIVERSITY GOVERNANCE



Deakin University is committed to best practice governance principles. This commitment is reflected throughout the University's operations, permeating all areas of planning and decision making.

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

DEAKIN UNIVERSITY COUNCIL

www.deakin.edu.au/council/

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

- The strategic direction
- Appointment of the Vice-Chancellor and review of his/her performance
- Key policies, legislation and compliance
- Risk management
- Control and accountability
- Oversight of commercial activities and controlled entities
- Academic standards
- University culture
- Council's own affairs.

COMPOSITION, MEMBERSHIP AND TERMS OF OFFICE

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

Deakin University Council has a membership of 21 members. As at 31 December 2008 Council had 20 members and 1 vacancy.

The names, qualifications and experience of the members of Council who held office at the date of this report, the method of their appointment, term of office, years served

on Council and attendance at meetings are set out as part of the Council Members' Report on pages 46-51.

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

No elected or appointed member of Council may hold office for a period of more than 12 years (whether consecutive or not) unless Council specifically resolves 'that the person may continue to be a member beyond that period'. The Council also appoints Deputy Chancellors. Deputy Chancellors are appointed for a period of one year, and in this capacity, they are members of the Chancellor's Advisory, Human Resources Advisory, Honorary Degrees, Nominations and Senior Salaries committees.

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

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

CHANCELLOR AND DEPUTY CHANCELLORS

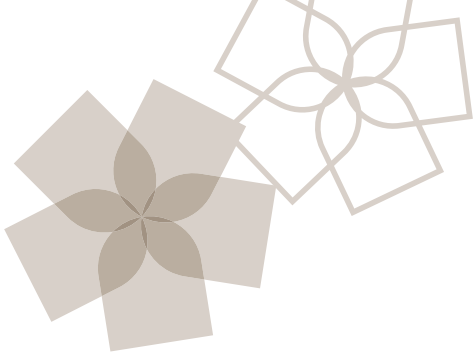
Council elects the Chancellor of the University for a term of three years or less.

The Chancellor, or in the absence of the Chancellor a Deputy Chancellor, presides at meetings of Council.

The Chancellor is a member, *ex-officio*, of every University Faculty, board and committee established by resolution of Council, except that established to search for a new Chancellor. The Chancellor may also preside at any meeting of these bodies.

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

The Chancellor confers degrees of the University on Council's behalf and has authority to act on behalf of



Council in relation to matters which the Chancellor's Advisory Committee (a standing committee of Council) determines cannot wait until the next meeting of Council.

THE ROLES AND RESPONSIBILITIES OF COUNCIL MEMBERS

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

CONFLICTS OF INTEREST

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

Guidelines on the disclosure by Council members of potential conflicts of interest and for disclosure of recent transactions with the University are approved and periodically reviewed by Council. It is the responsibility of all members to ensure that they comply with the relevant provisions in the Act and with these guidelines. Members of Council and members of committees of Council are required to declare a potential conflict of interest either before the commencement of a meeting at which matters that a member considers may be in conflict with their own interests are due to be discussed or voted upon, or during the meeting, at the point at which the potential conflict of interest becomes known to the member. If the chairperson perceives a potential conflict of interest of which a member may be unaware, the chairperson raises the matter with that individual.

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

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

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

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

COUNCIL PERFORMANCE REVIEW

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

Council periodically receives a report of progress until all actions have been implemented. The last performance review was conducted in February 2008, with the next review scheduled for 2010.

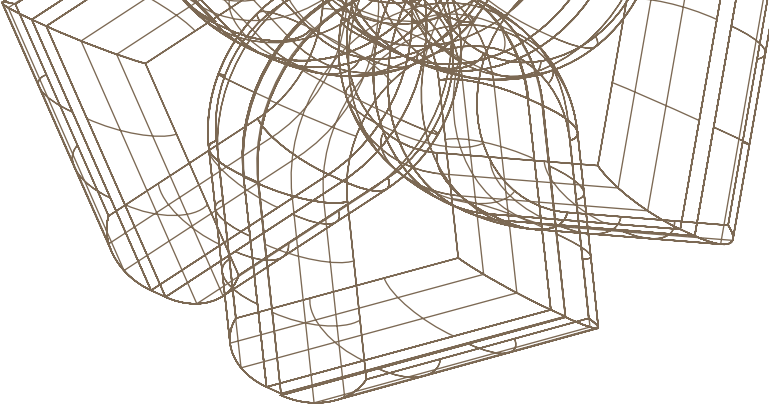
COMMITTEES OF COUNCIL

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

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

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

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



year by the Chancellor's Advisory Committee. At its last meeting in each year, each standing committee of Council (with the exception of the University Appeals Committee) reviews the extent to which it has fulfilled the obligations set out in its schedule of business for that year. Each committee reports to Council, via the Chancellor's Advisory Committee, on the outcome of that review and on any action that arises from it as appropriate.

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

AUDIT AND RISK COMMITTEE

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

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

Members of the Audit and Risk Committee at 31 December 2008 were Mr J.G. Nicol (Chair), Mr I.S. Crawford, Mr M.J. Dowling, Mr R.M. Kus and Mr P.J. Meehan.

The Committee met four times during 2008.

CAMPUS PLANNING COMMITTEE

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

The Committee advises and recommends to Council on major and long-term campus planning and building matters, which are to be in accordance with the University's Strategic Plan, and on the development and implementation of the Capital Management Plan. The

Committee also reviews and approves relevant policy.

Members of the Campus Planning Committee at 31 December 2008 were Ms M.L. Edmond (Chair), Mr J. Butterworth, Ms J.A. Crowe, Mr G. Dennehy, Professor J. Rosenberg, Professor D. Smith, Mr Z.A. Smith and Dr P.C. Turner.

The Committee met five times during 2008.

CHANCELLOR'S ADVISORY COMMITTEE

The Chancellor's Advisory Committee comprises seven members: the Chancellor; the Deputy Chancellors; the Vice-Chancellor; the Chair of the Academic Board; and the Vice-President and Council Secretary.

When acting as the Nominations Committee, the Committee's membership is augmented by a student member of Council. When acting as the Honorary Degrees Committee, membership is augmented by the Deputy Chair of Academic Board, another academic nominated by the Board and the professor elected to Council. When acting as the Senior Salaries Committee, membership is restricted to the Chancellor, the Deputy Chancellors and the Vice-Chancellor; when acting as the Senior Salaries Subcommittee, the composition is limited to the Chancellor and the Deputy Chancellors. When acting as the Human Resources Advisory Committee, membership comprises the Chancellor, the Vice-Chancellor, the Deputy Chancellors, the Chair of the Academic Board and the Chief Operating Officer.

Responsibilities of the Chancellor's Advisory Committee include:

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

Members of the Chancellor's Advisory Committee at 31 December 2008 were Mr D.M. Morgan (Chair), Professor P. Leung, Ms J.M. Lightowlers, Ms L.M. Martin, Mr J.G. Nicol, Dr P.C. Turner and Professor S.A. Walker.

The Committee met seven times during 2008.

FINANCE AND BUSINESS AFFAIRS COMMITTEE

The Finance and Business Affairs Committee comprises 10 members: the Chancellor or nominee; four members appointed by Council, two being external members of Council, one a member of Council elected by staff and one a member of Council elected by students; two members appointed by Council who are not required to be members of Council but one of whom at least must have substantial private sector financial management experience; the Vice-Chancellor or nominee; the Chief Financial Officer or nominee; and the Chair of Academic Board or nominee. The Vice-President and Council Secretary and the Chief Operating Officer may attend meetings of the Finance and Business Affairs Committee with rights of audience and debate.

The responsibilities of the Finance and Business Affairs Committee include:

- Advising Council on financial, investment and asset management matters including the University's annual Budget, Capital Management Plan and other pertinent plans
- Reviewing, approving and reporting to Council on relevant policies
- Reviewing the financial performance of University companies and major commercial activities
- Receiving budgets and financial accounts of student associations pursuant to service level agreements or other agreements
- Approving material variations to approved University expenditure programs
- Advising Council on the University's proposed business ventures as a means of increasing non-government income.

Members of the Committee at 31 December 2008 were Mr M.J. Dowling (Chair), Ms J.A. Crowe, Mr A.J. Kloeden, Professor P. Leung, Mr N.T. Millen, Mr J.G. Nicol, Mr J. Thevaraj, Professor S.A. Walker and Mr A. Walters, with one vacancy.

The Committee met seven times during 2008.

The Finance and Business Affairs Committee has the following subcommittees:

- the Investment Advisory Committee, which is responsible for providing advice to the Finance and Business Affairs Committee on investment policy and strategy
- the Student Loan Fund Committee, established pursuant to Regulation 10.1(1), which is responsible for

developing policy and administering the Student Loan Fund, and reporting to the Finance and Business Affairs Committee on its administration, including the status of outstanding loans.

LEGISLATION COMMITTEE

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

The Committee is responsible for advising and recommending to Council on any matter pertaining to the *Deakin University Act 1974* and University statutes and regulations.

Members of the Committee at 31 December 2008 were Ms J.M. Lightowlers (Chair), Mr G. Dennehy, Associate Professor B. Marshall, Ms L.M. Martin, Professor A. Rees and Mr Z.A. Smith, with two vacancies.

The Committee met six times during 2008.

UNIVERSITY APPEALS COMMITTEE

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

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

Members of the Committee at 31 December 2008 were Ms J.M. Lightowlers (Chair), Mr J.G. Nicol, Mr Z.A. Smith and Professor G. Stokes.

The Committee was not required to meet in 2008.

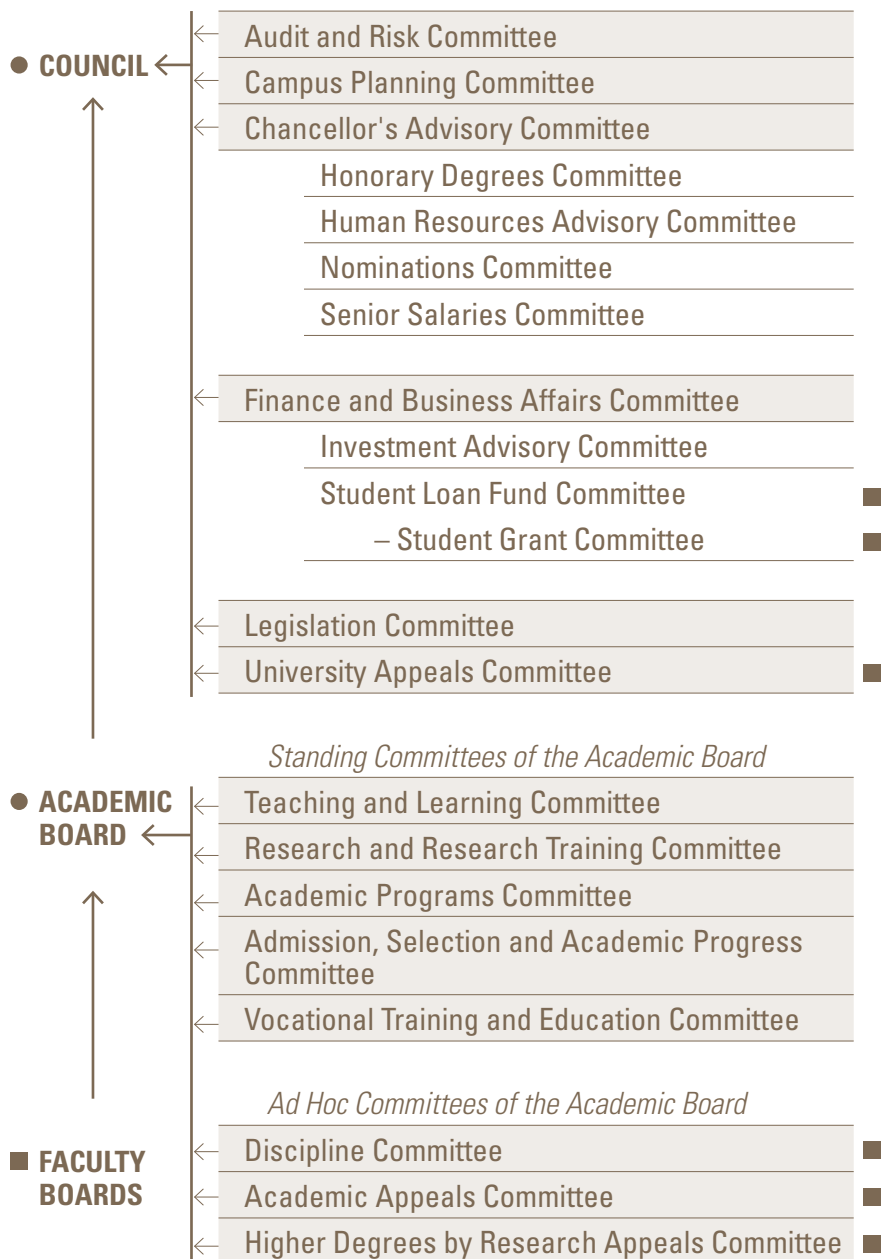
DEAKIN FOUNDATION

The Deakin Foundation was established on 25 August 2008 to assist and support the achievement of the strategic goals of Deakin University through philanthropic fundraising. Deakin Foundation Limited, a company limited by guarantee, was incorporated on 21 July 2008. The primary purpose of the company is to act as trustee of the Deakin Foundation. Deakin University is the sole member of the company and the beneficiary under the Trust Deed.

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

The Directors are appointed by the member or members of the company, to represent the interests of the members. In 2008 the Deakin Foundation Board consisted of the following members: The Hon. S. Bracks (Chairperson), Mr A. Brookes, Dr F. Costa OAM, Mr A. Fairley, Mr P. Handbury, Dr H. Mitchell AO, Mr D. M. Morgan, Ms K. Plant, Mr D. Somers OAM and Professor S.A. Walker.

UNIVERSITY COMMITTEE STRUCTURE COMMITTEES REPORTING TO COUNCIL AND THE ACADEMIC BOARD



■ Established as required by internal legislation

● Established as required by external legislation



RISK MANAGEMENT

Deakin University is committed to effectively managing risk. It uses methods that will enable the University to minimise losses and maximise opportunities in line with best practice and the Australian/New Zealand Standard on Risk Management (AS/NZS 4360:2004), through the adoption of appropriate risk treatments. The risk management program utilises a systematic method of establishing the context of risks and identifying, analysing, evaluating, optimising, treating, monitoring and communicating risks associated with each activity, function or process.

Council, through its Audit and Risk Committee, ensures that an appropriate framework of University-wide risk management is effectively maintained in accordance with the University's risk management policies, procedures and associated internal controls, and oversees the controls associated with the more critical risks facing the University. The Vice-Chancellor takes advice on risk management from the Planning and Resources Committee through its Risk and Compliance Management Subcommittee.

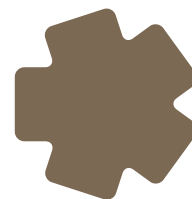
The risk management program is applied by all Faculties and other areas including controlled entities, with the objective of identifying potential threats, optimising the allocation of resources and enhancing decision making and the planning process. The program requires the University and each Faculty and other area to document and review annually a listing of all risks pertaining to its specific strategic and operational activities, including current controls and proposed risk treatment plans. These risk registers are subjected to an annual quality review by members of the Risk and Compliance Management Subcommittee and the Internal Audit Unit, to ensure that risks are identified and assessed appropriately, controls are maintained and managed effectively and that where warranted, further risk treatments are adopted.

The risk registers inform the placement of the University's insurance program—through the development of an annual insurable risk profile—and are considered during the development of the Annual Internal Audit plan. Where required, items identified during internal or external audits and reviews are captured into the University's risk registers.

During 2008 the key outcomes of the risk management program included:

- Reiteration of the University's risk and compliance policy suite
- Upgrade to the University's risk and compliance management database—RiskManager
- Establishment of risk registers for all Senior Executive portfolios
- Expansion of generic risk register statements for common risks across Faculties and Other Areas
- Increased linkages with the University Solicitor's Office to improve the consideration of risk in relation to agreements, contracts and grants
- Focus on risk management within the portfolio of the Deputy Vice-Chancellor (Research) through the development of specific risk registers and tailored risk assessment tools for the Research Services Division and researchers
- Significant improvements to risk management reports presented to both the Risk and Compliance Management Subcommittee and the Audit and Risk Committee
- Development of a five-year implementation plan to embed a culture that supports the identification and management of risks to assist the achievement of strategic goals
- The 2008 iteration of the University risk register confirmed by the Audit and Risk Committee of Council in July.

Deakin University requires all commercial ventures to manage risk appropriately. Through the Audit and Risk Committee, the University completes an assessment of risk arising from its controlled and associated entities. The 2008 risk assessment is detailed on pages 59-60.



UNIVERSITY WHOLLY OWNED CONTROLLED ENTITIES

| Entity name | Principal objects | Level of risk (very high, high, medium, low, very low) |
|---|---|--|
| Callista Software Services Pty Ltd | Development, maintenance and support of the Callista student administration and management system to Australian Universities and TAFEs. | Low |
| Canopi Network Pty Ltd | Arrangement of the licensing and development of the Callista student administration and management system. | Low |
| Deakin Foundation Ltd and Deakin Foundation Trust | Provision of a focus for philanthropic giving to Deakin University. | Low |
| Deakin Nominees Pty Ltd | Holding company for non-core assets (as trustee for Deakin University). | Low |
| Unilink Limited | Provision of staffing services to Deakin University. | Very low |

UNIVERSITY ASSOCIATED ENTITIES PART OWNERSHIPS, PARTNERSHIPS OR JOINT VENTURES

| Entity name | Principal objects | Level of risk (very high, high, medium, low, very low) |
|---|---|--|
| AARNet Pty Ltd (Australia's Research and Education Network) | Provision of high-capacity, cost-effective internet services [through fibre optics] to education and research communities and their partners. [Deakin University interest - shareholder] | Very low |
| Cooperative Research Centre for Advanced Automotive Technology (Auto CRC) | Provision of new design, engineering and manufacturing methodologies to improve manufacturing flexibility and efficiency and development of new material systems and improved vehicle safety. [Deakin University interest - member] | Very low |
| Education Australia Ltd | Investment in IDP Education Pty Ltd [IDP NewCo] which focuses on recruitment of overseas students for Australian universities. [Deakin University interest - shareholder] | Very low |
| PowerDX Australia Pty Ltd | Commercial development of research which enables remote monitoring of electricity distribution insulators. [Deakin University interest - shareholder] | Low |
| Victorian Aboriginal Education Association Incorporated (VAEAI) | To develop processes for the involvement of Victorian Koorie community members in decision making regarding education and training provision for Koorie students. [Deakin University interest - member] | Very low |

| Entity name | Principal objects | Level of risk (very high, high, medium, low, very low) |
|--|--|--|
| Victorian Centre for Advanced Materials Manufacturing (V-CAMM) Limited | Administration of a Victorian Government STI grant jointly awarded to Deakin University, Monash University and CSIRO in 2002. Research focuses on forming and pressing technologies of light metal alloys, materials characterisation and advanced materials including environmentally friendly plastics and composites. [Deakin University interest - member] | Very low |
| Victorian Education Research Network (VERNet) Pty Ltd | Design, deployment and management of an advanced optic fibre network to meet the bandwidth needs of the Victorian research and education sectors. A company limited by shares with ten shareholders: the nine Victorian universities and the CSIRO. [Deakin University interest - shareholder] | Very low |
| Victorian Partnership of Advanced Computing (VPAC) | Facilitation of access to high performance computing facilities provided by national and state funding through a consortium of all Victorian universities. [Deakin University interest - member] | Low |
| WaterEd Australia Pty Ltd | Establishment of an international centre of excellence in water resources management, training, education, research and consulting through a Commonwealth grant funded company comprising of Deakin University, University of Adelaide, Flinders University, University of South Australia, Newcastle University, Central Queensland University (and others). [Deakin University interest - shareholder] | Low |

LEGISLATIVE AND PROCEDURAL COMPLIANCE MATTERS

STATUTES

Statutes revoked, made or amended by Council and approved by the Minister during 2008.

| | | |
|--------------|---|--------------------|
| Statute 5.1 | Admission to Courses | Revoked |
| Statute 5.1 | Admission Selection and Enrolment | Made |
| Statute 5.2 | Academic Awards | Revoked and Remade |
| Statute 5.3 | Higher Doctorates | Revoked |
| Statute 5.3 | Assessment and Academic Progress | Made |
| Statute 5.4 | Honorary Degrees | Revoked |
| Statute 5.5 | Assessment and Academic Progress | Revoked |
| Statute 6.1 | Fees and Charges | Revoked |
| Statute 6.1 | University Property, Facilities, Fees and Charges | Made |
| Statute 8.1 | The Seal of the University | Revoked and Remade |
| Statute 13.1 | Copyrights Inventions and Patents | Revoked |
| Statute 13.1 | Intellectual Property | Made |
| Statute 12.1 | Administration of Trusts and Other Property | Revoked |
| Statute 14.1 | Control of University Buildings, Grounds and Other Property | Revoked |
| Statute 15.1 | The Library | Revoked |
| Statute 16.1 | Information Technology Services | Revoked |

Current legislation can be viewed on the University's electronic information portal The Guide. Revoked legislation is held in the University safe.

COMPLIANCE

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

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

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

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

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

The University's obligations under the ESOS Act and the National Code 2007 are included in the University's compliance program. A University-wide audit of compliance with these obligations was undertaken in 2007. The findings of that audit led to the development of a staff reference manual. Web resources based on the manual are under development and will be made

available to the University community in 2009. These resources and the accompanying information campaign across the University's Campuses will ensure that all Faculties, Divisions and other areas are aware of their responsibilities under the Act and the revised National Code. An ESOS Consultative Group, comprising staff from all Faculties and key Divisions was also formed in 2007, meets quarterly, and serves as the cross-University vehicle for continuous improvement in this area.

COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT 1982 (VIC)

Requests for access to documents are made to the Manager, Freedom of Information, Mr Graeme Dennehy. During 2008 the University received six requests for access to documents under the *Freedom of Information Act 1982*. Of these, three were requests for personal documents and three were requests for non-personal documents. Details of the University's response to each application are as follows.

- 1 No search for documents was undertaken. It was clear from the request that the documents sought were exempt from disclosure as they pertained to the personal affairs of a third party.
- 2 The request was referred to another agency having possession and control of documents falling within the scope of the request.
- 3 Access was initially refused by the Manager, Freedom of Information as the documents were exempt from disclosure. The specific document requested was an internal working document containing personal information about third parties, and contained information obtained in confidence. On appeal to the Principal Officer, the applicant requested access with exempt material deleted. The Principal Officer determined that access should be given to one document with exempt material deleted.
- 4 The request for access was refused for failure by the applicant to clarify the scope of the request.
- 5 No documents were found falling within the scope of the request.
- 6 The request was not finalised by the end of 2008.

COMPLIANCE WITH NATIONAL COMPETITION POLICY AND COMPETITIVE NEUTRALITY

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

Advice to staff in relation to trade practices legislation and issues is readily available on *The Guide*, the repository on the University's website for University policy, procedures, legislation and other information, and also through the University's compliance program and from the University Solicitor's Office.

The University provides staff training in trade practices and competitive neutrality.

COMPLIANCE WITH THE WHISTLEBLOWERS PROTECTION ACT 2001 (VIC)

The University's procedure for reporting disclosures under the Act may be viewed at <http://theguide.deakin.edu.au/>.

No disclosures under the Act were made to, or referred by the Ombudsman to, the University in 2008.

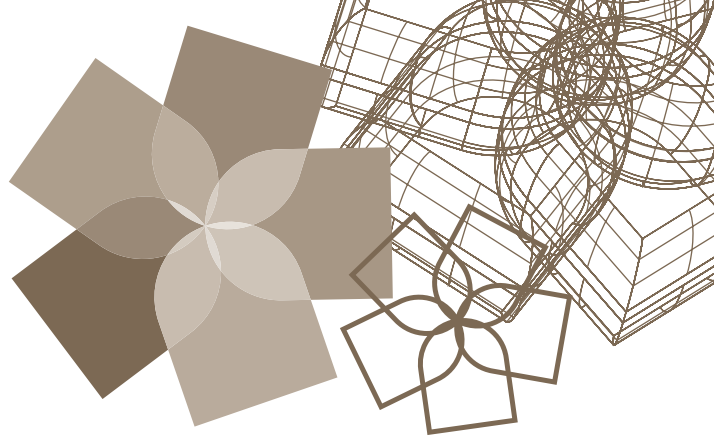
The Ombudsman's jurisdiction under the Whistleblowers Protection Act 2001 (Vic) is distinct from his general jurisdiction under the Ombudsman Act 1973 (Vic) (see page 63, 'Complaints made to and investigated by the Ombudsman').

INTERNAL GRIEVANCE AND COMPLAINT PROCEDURES

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

Complaints are initially handled, where possible, within the local area responsible for the service or process in question, and students and staff are informed of their right to refer their complaint to relevant external bodies once they have exhausted internal procedures.

In 2008, Deakin University complied with Protocol 7 of the National Governance Protocols and has codified and published the University's internal complaints procedures, along with information regarding the procedure for submitting complaints to the Victorian Ombudsman or



equivalent agency. The University's Complaints Handling enabling policy was approved in August 2004. The operational policies and procedures relating to student and staff complaints are established under this policy.

The Staff Complaints procedure details the appropriate steps to be taken in specific cases of dispute resolution, staff grievances, harassment and discrimination, prevention of workplace bullying and privacy. There is also the mechanism to lodge a protected disclosure under the *Whistleblowers Protection Act 2001* (Vic). In addition to these procedures, staff can seek a review in relation to decisions on probation, job evaluation, academic staff redundancy and incremental progression. Academic staff can also request a reconsideration of an academic promotion outcome on the basis of procedural irregularity.

Following a review of the University's student complaints handling system in 2007, the University's Student Complaints Handling policy and procedure were redrafted to simplify and clarify the principles and processes involved in handling student complaints. These documents were approved and came into effect in February 2008. The revised Student Complaints operational policy articulates the key principles underpinning the University's complaints handling processes, namely that they:

- Be accessible, fair and equitable
- Be carried out with transparency and consistency
- Encourage informal resolution of complaints in the first instance
- Allow complaints to be handled in a timely and responsive manner
- Observe the principles of natural justice
- Be conducted without reprisals or disadvantage as a result of a student making a complaint in good faith
- Respect privacy and confidentiality for all parties, unless the use of the information is authorised by law
- Allow for review from an internal higher body, or an appropriate external agency when the student is not satisfied with the proposed outcome.

The Student Complaints procedure outlines the types of grounds for complaint and details the complaint resolution process in terms of three stages, from early conciliation and informal resolution through to formal resolution and then appeal. Timelines, sources of advice and support and other action that may be taken,

record keeping requirements and avenues for appeal (including the Ombudsman) are also detailed. The Student Complaints policy and procedure are supported by a central student complaints register and a student complaints website maintained by the Office of the Vice-President and Council Secretary.

COMPLAINTS MADE TO AND INVESTIGATED BY THE OMBUDSMAN

The *Ombudsman Act 1973* (Vic) provides that the Victorian Ombudsman may conduct an investigation as a consequence of a complaint made to him about the administrative action of a public statutory body such as Deakin University.

In 2008 two student complaints were referred to Deakin from the Victorian Ombudsman. The Ombudsman was satisfied that the University had correctly adhered to policies and procedures in both cases.

COMPLIANCE WITH THE BUILDING ACT 1993 (VIC)

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

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

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

Works carried out by external consultants or contractors are not exempt from the ten-year liability cap. Works performed wholly by University staff are covered by the University's professional indemnity insurance, up to a limit of \$15m in respect of any one claim.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary or in a company with which Deakin University has significant commercial dealings
- Details of publications produced by Deakin University about itself, including Annual Reports, and how these can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by Deakin University
- Details of any major external reviews carried out on Deakin University
- Details of any major research and development activities undertaken by Deakin University
- Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- Details of major promotional, public relations and marketing activities undertaken by Deakin University to develop community awareness of the University and its services
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within Deakin University and details of time lost through industrial accidents and disputes
- A list of major committees sponsored by Deakin University, the purposes of each committee and the extent to which the purposes have been achieved.

Enquiries regarding any of the above should be addressed to:

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

DETAILS AVAILABLE TO THE PUBLIC ON THE UNIVERSITY'S WEBSITE

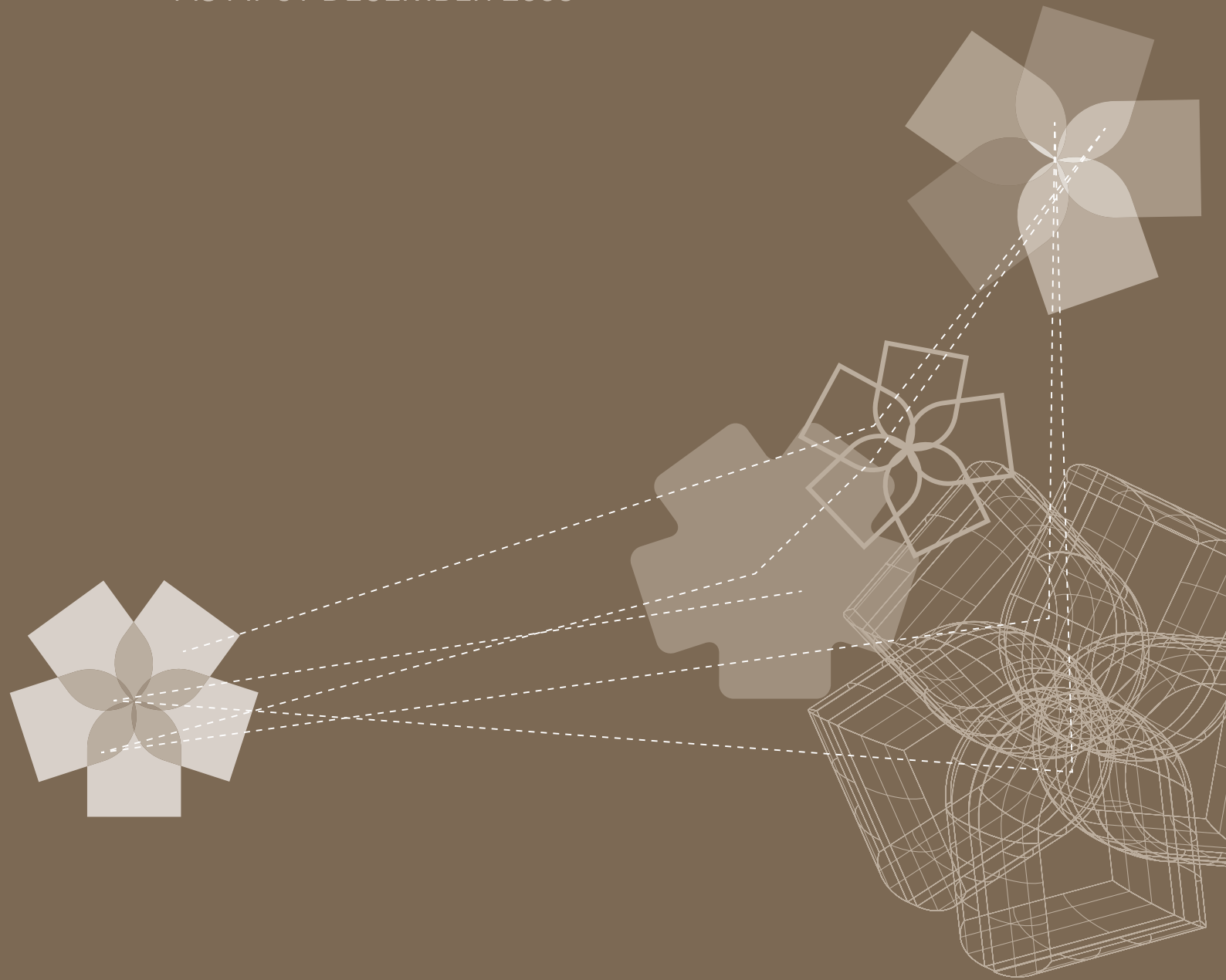
Deakin University's website provides information about:

- The University
- Courses
- Research
- Teaching and learning
- Campuses
- Online and off campus learning
- Faculties, Schools, Institutes and Research Centres
- Administrative Divisions and Units
- Employment
- Legislation; policies, procedures and rules; information on University committees; plans, guidelines and other information; and University forms
- University Publications.

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

Deakin University's Annual Reports can be accessed at: <http://www.deakin.edu.au/executive/vpais/governance/governance/annualreport/annual-report.php>

**AUDITED FINANCIAL
STATEMENTS**
AS AT 31 DECEMBER 2008



INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Income from continuing operations | 2 | 557,210 | 460,790 | 548,904 | 451,199 |
| Expenses from continuing operations | | | | | |
| Employee benefits expense | 2 | (280,720) | (254,450) | (271,409) | (246,408) |
| Depreciation and amortisation expense | 2 | (36,208) | (35,562) | (36,122) | (35,541) |
| Other expenses from continuing operations | 2 | (156,627) | (120,334) | (156,159) | (121,019) |
| Finance costs | 2 | (1,823) | (1,370) | (1,823) | (1,370) |
| Operating result from continuing operations before income tax | | 81,832 | 49,074 | 83,391 | 46,861 |
| Income tax expense | | (222) | (57) | - | - |
| Net operating result for the year | | 81,610 | 49,017 | 83,391 | 46,861 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Total equity at the beginning of the financial year | | 747,501 | 658,294 | 741,677 | 654,626 |
| Impairment on building charged against asset revaluation reserve | 14 | 20,153 | 8,542 | 20,153 | 8,542 |
| Gain on revaluation of land and buildings | 14 | - | 31,154 | - | 31,154 |
| Gain on revaluation of art collection | 14 | - | 494 | - | 494 |
| Decrease on revaluation of investments | 14 | (11,203) | - | (11,203) | - |
| Net income (expense) recognised directly in equity | | 8,950 | 40,190 | 8,950 | 40,190 |
| Net operating result for the year | | 81,610 | 49,017 | 83,391 | 46,861 |
| Total recognised income and expense for the year | | 90,560 | 89,207 | 92,341 | 87,051 |
| Total equity at the end of the financial year | | 838,061 | 747,501 | 834,018 | 741,677 |

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

BALANCE SHEETS

AS AT 31 DECEMBER 2008

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 3 | 115,693 | 44,472 | 115,692 | 42,222 |
| Receivables | 4 | 74,965 | 45,241 | 73,778 | 44,328 |
| Inventories | 5 | 416 | 1,479 | 416 | 1,479 |
| Non-current assets classified as held for sale | 6 | - | 27,730 | - | 27,730 |
| Other financial assets | 7 | 44,098 | 75,060 | 41,598 | 75,060 |
| TOTAL CURRENT ASSETS | | 235,172 | 193,982 | 231,484 | 190,819 |
| NON-CURRENT ASSETS | | | | | |
| Receivables | 4 | 130,724 | 133,832 | 130,724 | 133,832 |
| Other financial assets | 7 | 50,860 | 2,299 | 53,860 | 5,399 |
| Property, plant and equipment | 8 | 750,265 | 709,563 | 749,428 | 709,513 |
| Intangible assets | 9 | 3,333 | 2,000 | 3,333 | 2,000 |
| TOTAL NON-CURRENT ASSETS | | 935,182 | 847,694 | 937,345 | 850,744 |
| TOTAL ASSETS | | 1,170,354 | 1,041,676 | 1,168,829 | 1,041,563 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 10 | 126,737 | 88,729 | 131,748 | 96,436 |
| Borrowings | 11 | 2,159 | 2,702 | 2,158 | 2,702 |
| Provisions - employee benefits | 12 | 48,703 | 47,204 | 46,726 | 45,518 |
| Current tax liabilities | 13 | 70 | 56 | - | - |
| TOTAL CURRENT LIABILITIES | | 177,669 | 138,691 | 180,632 | 144,656 |
| NON-CURRENT LIABILITIES | | | | | |
| Trade and other payables | 10 | 1,600 | 220 | 1,600 | 220 |
| Borrowings | 11 | 12,428 | 14,584 | 12,428 | 14,584 |
| Provisions - employee benefits | 12 | 140,596 | 140,680 | 140,151 | 140,426 |
| TOTAL NON-CURRENT LIABILITIES | | 154,624 | 155,484 | 154,179 | 155,230 |
| TOTAL LIABILITIES | | 332,293 | 294,175 | 334,811 | 299,886 |
| NET ASSETS | | 838,061 | 747,501 | 834,018 | 741,677 |
| EQUITY | | | | | |
| Reserves | 14 | 137,017 | 127,413 | 137,017 | 127,413 |
| Retained surplus | 15 | 701,044 | 620,088 | 697,001 | 614,264 |
| TOTAL EQUITY | | 838,061 | 747,501 | 834,018 | 741,677 |

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

| Inflows/(outflows) | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Australian government grants | 2.1 | 294,741 | 256,336 | 294,741 | 256,336 |
| State government grants | | 9,083 | 4,476 | 9,083 | 4,476 |
| HECS-HELP - student payments | | 13,088 | 13,119 | 13,088 | 13,119 |
| Other research grants and contracts | | 14,850 | 9,975 | 14,242 | 9,556 |
| Fees and charges | | 180,957 | 148,842 | 179,018 | 148,047 |
| Dividends received | | 1,244 | 466 | 1,356 | 466 |
| Interest received | | 11,848 | 12,332 | 11,727 | 12,157 |
| Other income | | 41,144 | 44,839 | 31,095 | 35,265 |
| Payments to employees | | (278,110) | (244,278) | (269,382) | (237,208) |
| Payments to suppliers (inclusive of goods & services tax) | | (161,113) | (141,942) | (161,522) | (138,058) |
| Interest paid | | (1,880) | (1,422) | (1,880) | (1,422) |
| Income tax paid | | (208) | (22) | - | - |
| Goods and services tax recovered | | 5,787 | 6,404 | 6,692 | 7,203 |
| Net cash provided by operating activities | 16 | 131,431 | 109,125 | 128,258 | 109,937 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sale of property, plant and equipment | | 1,614 | 3,652 | 1,614 | 3,652 |
| Proceeds from sale of non-current asset held for sale | | 32,200 | - | 32,200 | - |
| Proceeds from sale of financial assets | | 71,393 | 30 | 73,393 | 30 |
| Payments for property, plant & equipment | | (57,886) | (65,312) | (57,014) | (65,294) |
| Payments for intangible assets | | - | (1,000) | - | (1,000) |
| Payments for financial assets | | (104,832) | (28,471) | (102,281) | (28,430) |
| Net cash outflow from investing activities | | (57,511) | (91,101) | (52,088) | (91,042) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Repayment of borrowings | | (2,700) | (2,498) | (2,700) | (2,498) |
| Net cash outflow from financing activities | | (2,700) | (2,498) | (2,700) | (2,498) |
| Net increase in cash and cash equivalents | | 71,220 | 15,526 | 73,470 | 16,397 |
| Cash and cash equivalents at the beginning of the financial year | | 44,472 | 28,946 | 42,222 | 25,825 |
| Cash and cash equivalents at the end of the financial year | 16 | 115,692 | 44,472 | 115,692 | 42,222 |

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

Compliance with IFRS

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

Historical cost convention

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

New Accounting Standards and Interpretations

AASB 101 Presentation of Financial Statements has been revised, amending the name and disclosure requirements of the three primary statements to Statement of Comprehensive Income (previously Income Statement), Statement of Financial Position (previously Balance Sheet) and Statement of Cash Flows (previously Cash Flow Statement). These changes do not affect any of the amounts recognised in the financial statements. The revised standard is effective for annual reporting periods beginning on or after 1 January 2009.

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.

(a) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Deakin University as at 31 December 2008 and the results of all subsidiaries for the year then ended. A list of the subsidiaries is included in note 22. Deakin University and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

(b) REVENUE RECOGNITION

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

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

(c) FINANCE COSTS

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

(d) LEASES

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

(e) INCOME TAX

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

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

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

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

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

(f) FOREIGN CURRENCY TRANSACTIONS

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

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

(g) CASH AND CASH EQUIVALENTS

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

(h) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables and other debtors are due for settlement no more than 30 days from end of month and 60 days for land development.

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

(i) INVENTORIES

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

(j) NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the sale is expected to be completed within one year from date of classification.

(k) INVESTMENTS AND OTHER FINANCIAL ASSETS

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

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

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

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

(ii) Available-for-sale financial assets

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

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

(iii) Loans and receivables

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

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

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities. The fair values of quoted investments are based on current bid prices. If the market for a financial asset or unlisted security is not active, the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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

(I) PROPERTY, PLANT AND EQUIPMENT

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

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

Major depreciation periods are:

| | |
|-------------------------------|-----------------|
| Freehold buildings | 2 to 65 years |
| Leasehold improvements | 3 to 5 years |
| Equipment and Furniture | |
| – Computer equipment | 3 to 4 years |
| – Plant and equipment - other | 3 to 10 years |
| Motor vehicles | 6.5 to 10 years |
| Library holdings | 10 years |

The depreciation rates applied are consistent with the prior year.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves (in respect of those assets) to retained earnings.

Impairment of assets

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

(m) INTANGIBLE ASSETS

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

(n) 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.

(o) BORROWINGS

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

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

(p) PROVISION - EMPLOYEE BENEFITS

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

Provisions which are not expected to be settled within twelve months are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT]

unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 10 years of continuous service.

(q) DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION

AASB119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2008. As there is no net impact on the balance sheet or income statement from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2008) outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial statements based on estimates prepared 6 months in arrears.

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Employment and Workplace Relations (DEEWR), the effects of the unfunded superannuation liabilities of Deakin University were recorded in the income statement and the balance sheet for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements. The unfunded liabilities recorded in the balance sheet under provisions have been determined by Dr David Knox, FIAA and relate to the estimates of net liabilities at 30 June 2008. The methodology for measurement of the net liabilities uses discount rates based on the government bond rate and assumed salary increases of 4%, pension indexation of 3.5% pa for 2008/2009, 3.0% pa for 2009/2010 and 2.5% pa thereafter, and an assumed investment return on Fund assets of 8.0% (net of fees). An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the Deakin University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the balance sheet 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.

(r) EQUITY

Equity represents the residual interest in the net assets of the University. The State Government holds the equity interest in the University on behalf of the community.

Equity consists of the Asset Revaluation Reserve, Endowment Fund Reserve and Retained Surplus.

(s) GOODS AND SERVICES TAX (GST)

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

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.

(t) ROUNDING OF AMOUNTS

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

(u) COMPARATIVE FIGURES

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

2 OPERATING RESULT

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Income from continuing operations | | | | | |
| Australian government financial assistance | | | | | |
| - Australian Government grants | 2.1 | 187,270 | 170,227 | 187,270 | 170,227 |
| - HECS-HELP - Australian government payments | 2.1 | 86,916 | 67,411 | 86,916 | 67,411 |
| State Government financial assistance | 2.2 | 11,042 | 1,323 | 11,042 | 1,323 |
| HECS-HELP - Student payments | | 12,269 | 13,190 | 12,269 | 13,190 |
| Fees and charges | 2.3 | 191,848 | 158,530 | 191,848 | 158,530 |
| Investment revenue | 2.4 | 14,218 | 12,697 | 14,076 | 12,534 |
| Other investment income | 2.4 | - | 30 | 1,900 | 30 |
| Royalties | | 7,362 | 5,616 | 7,362 | 5,616 |
| Consultancy and contract research | 2.5 | 14,084 | 11,991 | 13,539 | 11,615 |
| Other revenue | 2.6 | 35,192 | 32,533 | 25,673 | 23,481 |
| Subtotal | | 560,201 | 473,548 | 551,895 | 463,957 |
| Deferred government superannuation contributions | | (2,991) | (12,758) | (2,991) | (12,758) |
| Total income | | 557,210 | 460,790 | 548,904 | 451,199 |
| Expenses from continuing operations | | | | | |
| Employee benefits and on costs | 2.7 | 280,720 | 254,450 | 271,409 | 246,408 |
| Depreciation and amortisation | 2.8 | 36,208 | 35,562 | 36,122 | 35,541 |
| Finance costs | | 1,823 | 1,370 | 1,823 | 1,370 |
| Repairs and maintenance | 2.9 | 23,168 | 17,097 | 23,114 | 16,884 |
| Impairment of assets | 2.10 | 627 | 624 | 627 | 624 |
| Investment losses | 2.4 | 4,637 | 3,019 | 4,586 | 4,001 |
| Other expenses | 2.11 | 131,186 | 112,352 | 130,823 | 112,268 |
| Subtotal | | 478,369 | 424,474 | 468,504 | 417,096 |
| Deferred employee benefits for superannuation | | (2,991) | (12,758) | (2,991) | (12,758) |
| Total expenses | | 475,378 | 411,716 | 465,513 | 404,338 |
| Operating result before income tax | | 81,832 | 49,074 | 83,391 | 46,861 |
| Income tax expense | | (222) | (57) | - | - |
| Operating result from continuing operations | | 81,610 | 49,017 | 83,391 | 46,861 |

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

| NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Commonwealth Grants Scheme and Other Grants | | | | |
| | 126,317 | 109,826 | 126,317 | 109,826 |
| | 1,173 | 1,155 | 1,173 | 1,155 |
| | 390 | 354 | 390 | 354 |
| | 188 | 167 | 188 | 167 |
| | 1,619 | 1,563 | 1,619 | 1,563 |
| | 1,674 | 1,421 | 1,674 | 1,421 |
| | 1,717 | 500 | 1,717 | 500 |
| | 1,300 | 2,122 | 1,300 | 2,122 |
| | 1,623 | - | 1,623 | - |
| | 803 | - | 803 | - |
| | 2,583 | - | 2,583 | - |
| | 13,450 | 13,300 | 13,450 | 13,300 |
| 24.1 | 152,837 | 130,408 | 152,837 | 130,408 |
| Higher Education Loan Programs | | | | |
| | 86,916 | 67,411 | 86,916 | 67,411 |
| | 21,278 | 21,550 | 21,278 | 21,550 |
| 24.2 | 108,194 | 88,961 | 108,194 | 88,961 |
| Scholarships | | | | |
| | 1,620 | 1,627 | 1,620 | 1,627 |
| | 1,503 | 1,206 | 1,503 | 1,206 |
| | 1,336 | 1,225 | 1,336 | 1,225 |
| | 139 | - | 139 | - |
| | 288 | 299 | 288 | 299 |
| 24.3 | 4,886 | 4,357 | 4,886 | 4,357 |
| DIISR - Research | | | | |
| | 4,273 | 4,410 | 4,273 | 4,410 |
| | 2,194 | 2,270 | 2,194 | 2,270 |
| | 9,454 | 9,271 | 9,454 | 9,271 |
| | 85 | 88 | 85 | 88 |
| | 315 | 167 | 315 | 167 |
| | 135 | 66 | 135 | 66 |
| 24.4 | 16,456 | 16,272 | 16,456 | 16,272 |
| Better Universities Renewal Funding | 24.7 | - | 13,782 | - |
| Total DEEWR | 296,155 | 239,998 | 296,155 | 239,998 |

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

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Australian Research Council Discovery | | | | | |
| Projects | | 2,256 | 2,386 | 2,256 | 2,386 |
| Fellowships | | 329 | 323 | 329 | 323 |
| | 24.5 | 2,585 | 2,709 | 2,585 | 2,709 |
| Linkages | | | | | |
| International Researcher Exchange | | 24 | 52 | 24 | 52 |
| Infrastructure | | 1,025 | 520 | 1,025 | 520 |
| Projects | | 1,747 | 1,932 | 1,747 | 1,932 |
| | 24.6 | 2,796 | 2,504 | 2,796 | 2,504 |
| Other Australian Government financial assistance | | | | | |
| Capital grant for Alfred Deakin Institute | | - | 4,000 | - | 4,000 |
| Other | | 7,710 | 9,977 | 7,710 | 9,977 |
| | | 7,710 | 13,977 | 7,710 | 13,977 |
| Total Australian Government financial assistance | | | | | |
| | | 309,246 | 259,188 | 309,246 | 259,188 |
| Reconciliation | | | | | |
| Australian Government grants | 2 | 187,270 | 170,227 | 187,270 | 170,227 |
| HECS-HELP - Australian Government payments | 2 | 86,916 | 67,411 | 86,916 | 67,411 |
| | | 274,186 | 237,638 | 274,186 | 237,638 |
| Other Australian Government loan programs (FEE - HELP) | 4 | 21,278 | 21,550 | 21,278 | 21,550 |
| Better Universities Renewal Funding | 10 | 13,782 | - | 13,782 | - |
| | | 309,246 | 259,188 | 309,246 | 259,188 |
| Australian Government grants received - cash basis | | | | | |
| Commonwealth Grants Scheme and other DEEWR grants | 24.1 | 147,144 | 129,090 | 147,144 | 129,090 |
| Higher Education Loan Programs | 24.2 | 99,417 | 87,769 | 99,417 | 87,769 |
| Scholarships | 24.3 | 4,886 | 4,357 | 4,886 | 4,357 |
| DIISR research | 24.4 | 16,456 | 16,272 | 16,456 | 16,272 |
| Better Universities Renewal Funding | 24.7 | 13,782 | - | 13,782 | - |
| ARC grants - Discovery | 24.5 | 2,585 | 2,709 | 2,585 | 2,709 |
| ARC grants - Linkages | 24.6 | 2,796 | 2,504 | 2,796 | 2,504 |
| Other Australian Government grants | | 7,693 | 13,528 | 7,693 | 13,528 |
| | | 294,759 | 256,229 | 294,759 | 256,229 |
| OS-HELP (net) | | (18) | 107 | (18) | 107 |
| | | 294,741 | 256,336 | 294,741 | 256,336 |
| Total Australia Government funding received - cash basis | | | | | |

2.2 STATE GOVERNMENT FINANCIAL ASSISTANCE

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|----------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| State government grants were received from the following agencies during the reporting period: | | | | | |
| Catchment Management Authority | | 339 | 457 | 339 | 457 |
| Department of Education and Early Childhood Development | | 1,247 | 294 | 1,247 | 294 |
| Department of Innovation, Industry & Regional Development | | 5,952 | 53 | 5,952 | 53 |
| Department of Justice | | 126 | 35 | 126 | 35 |
| Department of Primary Industries | | 234 | 218 | 234 | 218 |
| Department of Human Services | | 1,041 | 791 | 1,041 | 791 |
| Department of Treasury and Finance | | 29 | 61 | 29 | 61 |
| Department of Sustainability and Environment | | 897 | - | 897 | - |
| Department of Planning and Community Development | | 9 | 24 | 9 | 24 |
| Beyond Blue | | 368 | 95 | 368 | 95 |
| Country Fire Authority | | 142 | - | 142 | - |
| Dental Health Services | | - | 15 | - | 15 |
| Multimedia Victoria | | 50 | 50 | 50 | 50 |
| Parks Victoria | | 46 | 36 | 46 | 36 |
| South East Water | | 235 | 250 | 235 | 250 |
| Vic Health | | 669 | 1,216 | 669 | 1,216 |
| Victoria Police | | 114 | 48 | 114 | 48 |
| Other | | 156 | 127 | 156 | 127 |
| Income in advance | | (612) | (2,447) | (612) | (2,447) |
| Total State Government financial assistance | 2 | 11,042 | 1,323 | 11,042 | 1,323 |

2.3 FEES AND CHARGES

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Course fees and charges | | | | | |
| Fee-paying overseas students | | 97,543 | 80,522 | 97,543 | 80,522 |
| Fee-paying domestic undergraduate students | | 20,764 | 16,935 | 20,764 | 16,935 |
| Fee-paying domestic postgraduate students | | 29,664 | 23,943 | 29,664 | 23,943 |
| Fee-paying domestic non-award students | | 7,010 | 4,293 | 7,010 | 4,293 |
| | | 154,981 | 125,693 | 154,981 | 125,693 |
| Other non-course fees and charges | | | | | |
| Student accommodation fees | | 6,333 | 6,511 | 6,333 | 6,511 |
| Rental income | | 1,820 | 2,004 | 1,820 | 2,004 |
| Educational materials fees | | 8,810 | 7,102 | 8,810 | 7,102 |
| Examination fees | | 6,441 | 4,554 | 6,441 | 4,554 |
| Course delivery fees | | 7,636 | 7,466 | 7,636 | 7,466 |
| Parking fees | | 2,295 | 2,256 | 2,295 | 2,256 |
| Other fees | | 3,532 | 2,944 | 3,532 | 2,944 |
| | | 36,867 | 32,837 | 36,867 | 32,837 |
| Total fees and charges | 2 | 191,848 | 158,530 | 191,848 | 158,530 |

2.4 INVESTMENT REVENUE AND INCOME

| | | | | | |
|---|---|---------------|---------------|---------------|---------------|
| Interest and distributions from managed funds | | 12,974 | 12,231 | 12,720 | 12,068 |
| Dividends | | 1,244 | 466 | 1,356 | 466 |
| Investment revenue | 2 | 14,218 | 12,697 | 14,076 | 12,534 |
| Profit on sale of financial assets available for sale | | - | 30 | 1,900 | 30 |
| Other investment income | 2 | - | 30 | 1,900 | 30 |
| Provision for diminution in value of financial assets available for sale - subsidiaries | 7 | - | - | - | 1,023 |
| Provision for diminution in value of financial assets available for sale - unlisted equity securities | 7 | 80 | 440 | 80 | 440 |
| Loss on sale of financial assets at fair value through profit and loss | | 3,466 | - | 3,466 | - |
| Change in fair value of financial assets at fair value through profit and loss | 7 | 1,091 | 2,579 | 1,040 | 2,538 |
| Other investment losses | 2 | 4,637 | 3,019 | 4,586 | 4,001 |
| Net investment income | | 9,581 | 9,708 | 11,390 | 8,563 |

2.5 CONSULTANCY AND CONTRACT RESEARCH

| | | | | | |
|--|---|---------------|---------------|---------------|---------------|
| Consultancy | | 3,057 | 2,954 | 2,512 | 2,578 |
| Research | | 11,027 | 9,037 | 11,027 | 9,037 |
| Total consultancy and contract research | 2 | 14,084 | 11,991 | 13,539 | 11,615 |

2.6 OTHER REVENUE

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Sales and commercial income | | 21,670 | 21,491 | 12,150 | 12,404 |
| Donations and bequests | | 1,085 | 1,119 | 1,084 | 1,119 |
| Scholarship and prizes | | 421 | 737 | 421 | 737 |
| Subscriptions | | 53 | 45 | 53 | 45 |
| Training and conference income | | 3,367 | 3,469 | 3,367 | 3,469 |
| Gain on disposal of property, plant and equipment | | - | 1,047 | - | 1,047 |
| Profit on sale of non-current asset held for sale | | 4,015 | - | 4,015 | - |
| Other | | 4,581 | 4,625 | 4,583 | 4,660 |
| Total other revenue | 2 | 35,192 | 32,533 | 25,673 | 23,481 |

2.7 EMPLOYEE BENEFITS AND ON-COSTS

| | | | | | |
|---|---|----------------|-----------------|----------------|-----------------|
| Academic | | | | | |
| Salaries | | 99,865 | 89,553 | 99,865 | 89,553 |
| Contributions to superannuation and pension schemes: | | | | | |
| - Emerging cost | | 6,695 | 5,757 | 6,695 | 5,757 |
| - Funded | | 14,804 | 13,561 | 14,804 | 13,561 |
| - Non-funded | | (19) | 13 | (19) | 13 |
| Payroll tax | | 6,269 | 5,290 | 6,269 | 5,290 |
| Worker's compensation | | 571 | 550 | 571 | 550 |
| Long service leave | | 2,295 | (915) | 2,295 | (915) |
| Annual leave | | (217) | 462 | (217) | 462 |
| Other | | 2,814 | 1,753 | 2,814 | 1,753 |
| | | 133,077 | 116,024 | 133,077 | 116,024 |
| Non-academic | | | | | |
| Salaries | | 107,679 | 100,562 | 99,873 | 93,631 |
| Contributions to superannuation and pension schemes: | | | | | |
| - Emerging cost | | 6,695 | 7,476 | 6,695 | 7,476 |
| - Funded | | 15,224 | 14,029 | 14,524 | 13,447 |
| - Non-funded | | (19) | 14 | (19) | 14 |
| Payroll tax | | 6,799 | 5,641 | 6,404 | 5,298 |
| Worker's compensation | | 534 | 401 | 508 | 381 |
| Long service leave | | 2,441 | 1,325 | 2,295 | 1,308 |
| Annual leave | | (78) | 1,082 | (218) | 975 |
| Other | | 8,368 | 7,896 | 8,270 | 7,854 |
| | | 147,643 | 138,426 | 138,332 | 130,384 |
| Total academic and non-academic employee benefits and on-costs | 2 | 280,720 | 254,450 | 271,409 | 246,408 |
| Deferred Government employee benefits for superannuation | | (2,991) | (12,758) | (2,991) | (12,758) |
| Total employee benefits and on-costs | | 277,729 | 241,692 | 268,418 | 233,650 |

2.8 DEPRECIATION AND AMORTISATION

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Depreciation | | | | | |
| Buildings | | 12,501 | 10,259 | 12,501 | 10,259 |
| Leasehold improvements | | 202 | 716 | 181 | 716 |
| Equipment and furniture | | 14,576 | 16,108 | 14,511 | 16,087 |
| Motor vehicles | | 1,255 | 1,342 | 1,255 | 1,342 |
| Library Holdings | | 7,007 | 7,137 | 7,007 | 7,137 |
| | | 35,541 | 35,562 | 35,455 | 35,541 |
| Amortisation | | | | | |
| Amortisation - intangible assets | | 667 | - | 667 | - |
| | | 667 | - | 667 | - |
| Total depreciation and amortisation | 2 | 36,208 | 35,562 | 36,122 | 35,541 |

2.9 REPAIRS AND MAINTENANCE

| | | | | | |
|---|---|---------------|---------------|---------------|---------------|
| Buildings and grounds - maintenance and repairs | | 9,215 | 9,057 | 9,215 | 9,057 |
| Buildings and grounds - refurbishment and alterations | | 11,168 | 4,951 | 11,120 | 4,743 |
| Equipment - maintenance and repairs | | 2,562 | 2,806 | 2,559 | 2,804 |
| Motor vehicles - maintenance and repairs | | 223 | 283 | 220 | 280 |
| Total repairs and maintenance | 2 | 23,168 | 17,097 | 23,114 | 16,884 |

2.10 IMPAIRMENT OF ASSETS

| | | | | | |
|--|---|------------|------------|------------|------------|
| Movement in provision for impaired receivables | | 627 | 624 | 627 | 624 |
| Total impairment of assets | 2 | 627 | 624 | 627 | 624 |

2.11 OTHER EXPENSES

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|----------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Advertising, marketing and promotional expenses | | 13,444 | 9,196 | 13,333 | 9,019 |
| Communication costs | | 5,552 | 4,298 | 5,303 | 4,032 |
| Consultants and contractors | | 4,728 | 5,415 | 4,555 | 5,265 |
| Contributions to learning institutions | | 3,892 | 1,930 | 3,892 | 1,930 |
| Copying, printing, stationery and consumables | | 7,513 | 6,722 | 7,494 | 6,707 |
| Course materials | | 539 | 348 | 539 | 348 |
| Direct project costs | | 9,708 | 9,982 | 9,708 | 9,982 |
| Equipment costs | | 5,875 | 6,209 | 5,798 | 6,950 |
| Library expenses | | 5,912 | 5,076 | 5,911 | 5,075 |
| Loss on disposed property, plant and equipment | | 344 | 5 | 344 | - |
| Non-capitalised equipment | | 5,781 | 3,416 | 5,758 | 3,419 |
| Operating lease rentals | | 7,405 | 7,127 | 6,982 | 6,703 |
| Rates and energy costs | | 4,159 | 3,587 | 4,135 | 3,568 |
| Scholarships, grants and prizes | | 13,135 | 12,231 | 13,135 | 12,231 |
| Staffing and related costs | | 17,371 | 13,296 | 16,808 | 12,637 |
| Student expenses | | 13,818 | 13,042 | 13,818 | 13,042 |
| Other | | 12,010 | 10,472 | 13,310 | 11,360 |
| Total other expenses | 2 | 131,186 | 112,352 | 130,823 | 112,268 |

3 CASH AND CASH EQUIVALENTS

| | | | | | |
|-------------------------|-----------|----------------|---------------|----------------|---------------|
| Cash at bank | | 7,162 | 3,677 | 7,161 | 3,677 |
| Cash on hand | | 50 | 53 | 50 | 52 |
| Bank deposits - on call | | 5,481 | - | 5,481 | - |
| Managed fund | | - | 40,742 | - | 38,493 |
| Bank term deposits | | 103,000 | - | 103,000 | - |
| | 23 | 115,693 | 44,472 | 115,692 | 42,222 |

4 RECEIVABLES

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CURRENT | | | | | |
| Student fees | | 7,608 | 7,193 | 7,608 | 7,193 |
| Provision for impaired receivables | | (635) | (635) | (635) | (635) |
| | | 6,973 | 6,558 | 6,973 | 6,558 |
| Trade debtors - other | | 8,267 | 10,090 | 7,093 | 8,973 |
| Provision for impaired receivables | | (161) | (157) | (161) | (157) |
| | | 8,106 | 9,933 | 6,932 | 8,816 |
| | | 15,079 | 16,491 | 13,905 | 15,374 |
| Government grants receivable | 2.1 | 31,622 | 6,749 | 31,622 | 6,749 |
| Deferred government contribution for superannuation | 17 | 13,734 | 13,617 | 13,734 | 13,617 |
| Accrued income | | 1,258 | 26 | 1,125 | 26 |
| Prepayments | | 9,896 | 6,027 | 9,944 | 6,213 |
| GST recoverable | | 3,376 | 2,331 | 3,448 | 2,349 |
| | | 74,965 | 45,241 | 73,778 | 44,328 |
| NON-CURRENT | | | | | |
| Deferred government contribution for superannuation | 17 | 130,724 | 133,832 | 130,724 | 133,832 |
| | | 205,689 | 179,073 | 204,502 | 178,160 |

IMPAIRED RECEIVABLES

As at 31 December 2008 current receivables of the group with a nominal value of \$797k (2007: \$792k) were impaired. The amount of the provision was \$797k (2007: \$792k).

The individually impaired receivables relate to students and trade debtors who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

| | CONSOLIDATED | |
|---------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's |
| 3 to 6 months | - | - |
| Over 6 months | 797 | 792 |
| | 797 | 792 |

As at 31 December 2008, trade receivables of \$1,200k (2007: \$1,826k) were past due but not impaired. These relate to a number of trade debtors for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

| | CONSOLIDATED | |
|---------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's |
| 3 to 6 months | 1,200 | 1,826 |
| Over 6 months | - | - |
| | 1,200 | 1,826 |

4 RECEIVABLES [CONT]

MOVEMENTS IN THE PROVISION FOR IMPAIRED RECEIVABLES

| | CONSOLIDATED | |
|--|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's |
| At 1 January | 792 | 551 |
| Provision for impairment recognised during the year | 609 | 624 |
| Receivables written off during the year as uncollectible | (604) | (383) |
| At 31 December | 797 | 792 |

The creation and release of the provision for impaired receivables has been included in 'Impairment of Assets' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

FAIR VALUES AND CREDIT RISK

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

| | CARRYING AMOUNT | | FAIR VALUE | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Deferred government contribution for superannuation | 130,724 | 133,832 | 130,724 | 133,832 |

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

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

5 INVENTORIES

| | CONSOLIDATED | | UNIVERSITY | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Stock on hand at cost | 225 | 215 | 225 | 215 |
| Land held for resale | 160 | 1,264 | 160 | 1,264 |
| Work in progress - projects | 31 | - | 31 | - |
| | 416 | 1,479 | 416 | 1,479 |

6 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

| | | | | |
|----------------------------------|---|--------|---|--------|
| Land and buildings held for sale | - | 27,730 | - | 27,730 |
|----------------------------------|---|--------|---|--------|

7 OTHER FINANCIAL ASSETS

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CURRENT | | | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | | | |
| Managed funds - fixed interest, Australian listed and global equities | | 41,118 | 74,650 | 41,118 | 74,650 |
| Australian listed equities | | 480 | 410 | 480 | 410 |
| <i>Financial assets held-to-maturity</i> | | | | | |
| Term deposit | | 2,500 | - | - | - |
| | 23 | 44,098 | 75,060 | 41,598 | 75,060 |
| Changes in fair values of current other financial assets at market value are taken through the profit and loss and are recorded in unrealised gain or loss on other financial assets in the Income Statement (refer Note 2.4). | | | | | |
| NON-CURRENT | | | | | |
| <i>Financial assets available for sale</i> | | | | | |
| Managed funds - fixed interest, Australian listed and global equities | | 48,561 | - | 48,561 | - |
| Shares in subsidiaries - at cost | 22 | - | - | 11,000 | 13,096 |
| Provision for diminution in value of investments in subsidiaries | | - | - | (8,000) | (9,996) |
| Unlisted equity securities - at cost | | 2,889 | 2,809 | 2,889 | 2,809 |
| Provision for diminution in value of unlisted equity securities | | (590) | (510) | (590) | (510) |
| | | 50,860 | 2,299 | 53,860 | 5,399 |
| | | 94,958 | 77,359 | 95,458 | 80,459 |

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

8 PROPERTY, PLANT AND EQUIPMENT

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---------------------------------|----------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| LAND | | | | | |
| At independent valuation 2007 | 8(a) | 104,519 | 104,519 | 104,519 | 104,519 |
| At cost | | 333 | 333 | 333 | 333 |
| | | 104,852 | 104,852 | 104,852 | 104,852 |
| BUILDINGS | | | | | |
| At independent valuation 2007 | 8(a)/(d) | 464,379 | 466,668 | 464,379 | 466,668 |
| At cost | | 92,157 | 69,643 | 92,157 | 69,643 |
| Accumulated depreciation | | (13,378) | (904) | (13,378) | (904) |
| Provision for impairment | 14 | - | (20,153) | - | (20,153) |
| | | 543,158 | 515,254 | 543,158 | 515,254 |
| CONSTRUCTION IN PROGRESS | | | | | |
| Construction in progress | | 8,572 | 15,733 | 8,572 | 15,733 |
| LEASEHOLD IMPROVEMENTS | | | | | |
| At cost | | 3,331 | 2,951 | 2,951 | 2,951 |
| Accumulated amortisation | | (2,972) | (2,770) | (2,951) | (2,770) |
| | | 359 | 181 | - | 181 |
| EQUIPMENT AND FURNITURE | | | | | |
| At cost | | 115,182 | 81,681 | 114,472 | 81,456 |
| Accumulated depreciation | | (63,557) | (53,629) | (63,325) | (53,454) |
| | | 51,625 | 28,052 | 51,147 | 28,002 |
| MOTOR VEHICLES | | | | | |
| At cost | | 8,705 | 8,669 | 8,705 | 8,669 |
| Accumulated depreciation | | (2,328) | (2,273) | (2,328) | (2,273) |
| | | 6,377 | 6,396 | 6,377 | 6,396 |
| LIBRARY HOLDINGS | | | | | |
| At cost | | 67,493 | 64,942 | 67,493 | 64,942 |
| At independent valuation 2006 | 8(b) | 5,004 | 5,004 | 5,004 | 5,004 |
| Accumulated depreciation | | (43,734) | (36,864) | (43,734) | (36,864) |
| | | 28,763 | 33,082 | 28,763 | 33,082 |
| ART COLLECTION | | | | | |
| At independent valuation 2007 | 8(c) | 5,917 | 5,917 | 5,917 | 5,917 |
| At cost | | 642 | 96 | 642 | 96 |
| | | 6,559 | 6,013 | 6,559 | 6,013 |
| | | 750,265 | 709,563 | 749,428 | 709,513 |

8 PROPERTY, PLANT AND EQUIPMENT [CONT]

- (a) The land and buildings were valued by Craig Cunningham & Co (Real Estate) Pty Ltd at 30 November 2007. The valuation was on the basis of open market value of land and buildings concerned in their existing use.
- (b) The special collections of the library holdings were valued by Kenneth Hince Old & Fine Books Pty Ltd at 31 December 2006. It was based on the guidelines set out in the Department of Treasury and Finance document, *Victorian Government Policy: Revaluation of Non-Capital Physical Assets (April 2005)*.
Library's special collections are classified as a cultural asset and have been assessed on the fair value basis, as reflected by market evidence.
These valuations are in accordance with the University's policy of obtaining an independent valuation of non-current assets every three years or if there is a material movement in their values.
- (c) The art collection was valued by McWilliam & Associates Pty Ltd at 31 March 2007. The valuation was on the basis of replacement values.
- (d) A building (under Certificate of Title Volume 9145 Folio 537) with a carrying amount of \$95,681, is pledged to secure mortgage monies advanced by the Australian Government for the childcare centre at Warrnambool Campus.

MOVEMENTS IN CARRYING AMOUNTS

| | Balance at beginning of year | Additions | Disposals | Depreciation expense | Revaluation/ transfers & impairment | Carrying amount at end of year |
|--------------------------|------------------------------------|---------------|--------------|-------------------------|---|--------------------------------------|
| | \$000's | \$000's | \$000's | \$000's | \$000's | \$000's |
| 2008 | | | | | | |
| Consolidated | | | | | | |
| Land | 104,852 | - | - | - | - | 104,852 |
| Buildings | 515,254 | - | 143 | 12,501 | 40,548 | 543,158 |
| Construction in progress | 15,733 | 37,800 | - | - | (44,961) | 8,572 |
| Leasehold improvements | 181 | 380 | - | 202 | - | 359 |
| Equipment and furniture | 28,052 | 13,782 | 199 | 14,576 | 24,566 | 51,625 |
| Motor vehicles | 6,396 | 2,776 | 1,540 | 1,255 | - | 6,377 |
| Library holdings | 33,082 | 2,762 | 74 | 7,007 | - | 28,763 |
| Artworks | 6,013 | 546 | - | - | - | 6,559 |
| | 709,563 | 58,046 | 1,956 | 35,541 | 20,153 | 750,265 |
| University | | | | | | |
| Land | 104,852 | - | - | - | - | 104,852 |
| Buildings | 515,254 | - | 143 | 12,501 | 40,548 | 543,158 |
| Construction in progress | 15,733 | 37,800 | - | - | (44,961) | 8,572 |
| Leasehold improvements | 181 | - | - | 181 | - | - |
| Equipment and furniture | 28,002 | 13,290 | 200 | 14,511 | 24,566 | 51,147 |
| Motor vehicles | 6,396 | 2,776 | 1,540 | 1,255 | - | 6,377 |
| Library holdings | 33,082 | 2,762 | 74 | 7,007 | - | 28,763 |
| Artworks | 6,013 | 546 | - | - | - | 6,559 |
| | 709,513 | 57,174 | 1,957 | 35,455 | 20,153 | 749,428 |

9 INTANGIBLE ASSETS

| | CONSOLIDATED | | UNIVERSITY | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Licence fees | 4,000 | 2,000 | 4,000 | 2,000 |
| Accumulated amortisation | (667) | - | (667) | - |
| | 3,333 | 2,000 | 3,333 | 2,000 |

| | Balance at beginning of year | Additions | Amortisation expense | Carrying amount at end of year |
|---------------------|------------------------------------|--------------|-------------------------|--------------------------------------|
| | \$000's | \$000's | \$000's | \$000's |
| 2008 | | | | |
| Consolidated | | | | |
| Licence fees | 2,000 | 2,000 | 667 | 3,333 |
| | 2,000 | 2,000 | 667 | 3,333 |
| University | | | | |
| Licence fees | 2,000 | 2,000 | 667 | 3,333 |
| | 2,000 | 2,000 | 667 | 3,333 |

10 TRADE AND OTHER PAYABLES

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CURRENT | | | | | |
| Creditors and accrued expenses | | 59,807 | 45,194 | 59,064 | 44,652 |
| Australian Government unspent financial assistance | 2.1 | 29,736 | 9,269 | 29,736 | 9,269 |
| OS-HELP liability to Australian Government | | 102 | 120 | 102 | 120 |
| Income received in advance | | 37,092 | 34,146 | 33,202 | 31,698 |
| Owing to subsidiaries | | - | - | 9,644 | 10,697 |
| | | 126,737 | 88,729 | 131,748 | 96,436 |
| NON-CURRENT | | | | | |
| Creditors and accrued expenses | | 1,600 | 220 | 1,600 | 220 |
| | 23 | 128,337 | 88,949 | 133,348 | 96,656 |

11 BORROWINGS

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|-------------------------------|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CURRENT | | | | | |
| Unsecured borrowings | | | | | |
| - Bank overdraft | 23 | 1 | - | - | - |
| - Bank loans | 23 | 2,149 | 2,693 | 2,149 | 2,693 |
| Secured by mortgage | | | | | |
| - Other | 23 | 9 | 9 | 9 | 9 |
| | | 2,159 | 2,702 | 2,158 | 2,702 |
| NON-CURRENT | | | | | |
| Unsecured borrowings | | | | | |
| - Bank loans | 23 | 12,376 | 14,524 | 12,376 | 14,524 |
| Secured by mortgage | | | | | |
| - Other | 23 | 52 | 60 | 52 | 60 |
| | | 12,428 | 14,584 | 12,428 | 14,584 |
| | | 14,587 | 17,286 | 14,586 | 17,286 |
| Maturity analysis | | | | | |
| 6 months or less | | 1,056 | 1,324 | 1,055 | 1,324 |
| 6 - 12 months | | 1,103 | 1,378 | 1,103 | 1,378 |
| 1 - 5 years | | 9,998 | 9,738 | 9,998 | 9,738 |
| over 5 years | | 2,430 | 4,846 | 2,430 | 4,846 |
| | | 14,587 | 17,286 | 14,586 | 17,286 |
| Financing arrangements | | | | | |
| Bank loan facilities | | | | | |
| Total facilities | | 74,525 | 77,217 | 74,525 | 77,217 |
| Used at balance date | | 14,525 | 17,217 | 14,525 | 17,217 |
| Unused at balance date | | 60,000 | 60,000 | 60,000 | 60,000 |

A building (under Certificate of Title Volume 9145 Folio 537) is pledged to secure mortgage monies of \$61,000 (2007: \$69,000) advanced by the Australian Government for the childcare centre at Warrnambool campus.

12 PROVISIONS - EMPLOYEE BENEFITS

| | NOTE | CONSOLIDATED | | UNIVERSITY | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| CURRENT | | | | | |
| Current provisions expected to be settled within 12 months | | | | | |
| - Annual leave | | 16,619 | 17,021 | 15,529 | 16,062 |
| - Long service leave | | 9,106 | 9,016 | 8,680 | 8,687 |
| - Deferred employee benefits for superannuation | 17 | 13,734 | 13,617 | 13,734 | 13,617 |
| | | 39,459 | 39,654 | 37,943 | 38,366 |
| Current provisions expected to be settled after more than 12 months | | | | | |
| - Long service leave | | 9,244 | 7,550 | 8,783 | 7,152 |
| | | 9,244 | 7,550 | 8,783 | 7,152 |
| | | 48,703 | 47,204 | 46,726 | 45,518 |
| NON-CURRENT | | | | | |
| - Long service leave | | 9,622 | 6,547 | 9,177 | 6,293 |
| - Deferred employee benefits for superannuation | 17 | 130,724 | 133,832 | 130,724 | 133,832 |
| - Unfunded superannuation liability - SERB | | 250 | 301 | 250 | 301 |
| | | 140,596 | 140,680 | 140,151 | 140,426 |
| | | 189,299 | 187,884 | 186,877 | 185,944 |

| Movements in provisions | ANNUAL LEAVE | | LONG SERVICE LEAVE | |
|---|----------------------------|--------------------------------------|----------------------------|--------------------------------------|
| | Current \$000's | Non - Current \$000's | Current \$000's | Non - Current \$000's |
| Carrying amount at start of year | 17,021 | - | 16,566 | 6,547 |
| Additional provisions recognised / (amounts used) | (402) | - | 1,784 | 3,075 |
| Carrying amount at end of year | 16,619 | - | 18,350 | 9,622 |

| | DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION | | UNFUNDED SUPER - SERB |
|---|---|--------------------------------------|--------------------------------------|
| | Current \$000's | Non - Current \$000's | Non - Current \$000's |
| Carrying amount at start of year | 13,617 | 133,832 | 301 |
| Additional provisions recognised / (amounts used) | 117 | (3,108) | (51) |
| Carrying amount at end of year | 13,734 | 130,724 | 250 |

12 PROVISIONS - EMPLOYEE BENEFITS [CONT]

Annual Leave and Long Service Leave

All annual leave and unconditional vested long service leave (representing 10+ years of continuous service) is:

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

Long service leave representing less than 10 years of continuous service is:

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

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

| | Service Year | 2008 % | 2007 % |
|---------------------|-----------------|-----------|-----------|
| Wage inflation rate | | 5.00 | 4.50 |
| Discount rates | 17+ | - | - |
| | 16 | 2.88 | 6.59 |
| | 15 | 2.72 | 6.84 |
| | 14 | 3.06 | 6.88 |
| | 13 | 3.29 | 6.79 |
| | 12 | 3.42 | 6.70 |
| | 11 | 3.57 | 6.54 |
| | 10 | 3.62 | 6.46 |
| | 9 | 3.62 | 6.39 |
| | 8 | 3.87 | 6.36 |
| | 7 | 3.87 | 6.33 |
| | 6 | 3.99 | 6.30 |
| | 0-5 | 3.99 | 6.28 |

13 CURRENT TAX LIABILITIES

| | CONSOLIDATED | | UNIVERSITY | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Provision for income tax | 70 | 56 | - | - |

14 RESERVES

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Balance at beginning of year | 127,413 | 81,649 | 127,413 | 81,649 |
| Asset Revaluation Reserve | | | | |
| - Impairment charged to asset revaluation reserve | 20,153 | 8,542 | 20,153 | 8,542 |
| - Increase/(decrease) in asset valuation of non-current assets are: | | | | |
| - Land | - | 7,232 | - | 7,232 |
| - Buildings | - | 23,922 | - | 23,922 |
| - Art collection | - | 494 | - | 494 |
| - Investments - available for sale financial assets | (11,203) | - | (11,203) | - |
| Endowment fund reserve | 654 | 5,574 | 654 | 5,574 |
| Balance at end of year | 137,017 | 127,413 | 137,017 | 127,413 |

The impairment of \$20,153k charged to the Asset Revaluation Reserve in 2007 related to the Denny's Lascelles Building at the Geelong Waterfront Campus. This building was undergoing major renovations in 2007. The renovation work was completed during 2008. Accordingly, the related impairment has been reversed.

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

14 RESERVES [CONT]

MOVEMENTS IN CARRYING AMOUNTS - 2008

| | Balance at beginning of year | Transfer from Retained Surplus | Impairment | Increase/ (decrease) on revaluation | Carrying amount at end of year |
|---|------------------------------------|--------------------------------------|---------------|--|--------------------------------------|
| | \$000's | \$000's | \$000's | \$000's | \$000's |
| Consolidated | | | | | |
| Asset Revaluation Reserve | | | | | |
| - Land | 57,878 | - | - | - | 57,878 |
| - Buildings | 63,467 | - | 20,153 | - | 83,620 |
| - Artworks | 494 | - | - | - | 494 |
| - Investments - available for sale financial assets | - | - | - | (11,203) | (11,203) |
| Endowment Fund Reserve | 5,574 | 654 | - | - | 6,228 |
| | 127,413 | 654 | 20,153 | (11,203) | 137,017 |
| University | | | | | |
| Asset Revaluation Reserve | | | | | |
| - Land | 57,878 | - | - | - | 57,878 |
| - Buildings | 63,467 | - | 20,153 | - | 83,620 |
| - Artworks | 494 | - | - | - | 494 |
| - Investments - available for sale financial assets | - | - | - | (11,203) | (11,203) |
| Endowment Fund Reserve | 5,574 | 654 | - | - | 6,228 |
| | 127,413 | 654 | 20,153 | (11,203) | 137,017 |

15 RETAINED SURPLUS

| | CONSOLIDATED | | UNIVERSITY | |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Retained surplus at beginning of year | 620,088 | 576,645 | 614,264 | 572,977 |
| Net operating result for the year | 81,610 | 49,017 | 83,391 | 46,861 |
| Transfer to reserves | (654) | (5,574) | (654) | (5,574) |
| Retained surplus at end of year | 701,044 | 620,088 | 697,001 | 614,264 |

16 CASH FLOW STATEMENT

| | CONSOLIDATED | | UNIVERSITY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| RECONCILIATION OF CASH | | | | |
| Cash at bank and on hand | 7,212 | 3,730 | 7,211 | 3,729 |
| Bank deposits - on call | 5,481 | - | 5,481 | - |
| Managed fund | - | 40,742 | - | 38,493 |
| Bank term deposits | 103,000 | - | 103,000 | - |
| Bank overdraft | (1) | - | - | - |
| | 115,692 | 44,472 | 115,692 | 42,222 |
| RECONCILIATION OF OPERATING RESULT TO NET CASH | | | | |
| INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | | | |
| Net operating result for the year | 81,610 | 49,017 | 83,391 | 46,861 |
| Add non-cash items | | | | |
| Depreciation and amortisation | 36,208 | 35,562 | 36,122 | 35,541 |
| Donations for art works | (160) | - | (160) | - |
| Fair value loss/(gains) on other financial assets | 1,091 | 2,579 | 1,040 | 2,538 |
| <i>Less items classified as investing activities</i> | | | | |
| Loss/(profit) on disposal of property, plant and equipment | 344 | (1,042) | 344 | (1,047) |
| Loss/(profit) on sale of non-current asset held for sale | (4,015) | - | (4,015) | - |
| Provision for diminution of other financial assets | 80 | 440 | 80 | 440 |
| Provision for diminution of investments in subsidiaries | - | - | - | 1,023 |
| Loss/(profit) on sale of other financial assets | 3,466 | (30) | 1,566 | (30) |
| Decrease/(increase) in: | | | | |
| Current assets | | | | |
| Trade debtors | 1,412 | 873 | 1,469 | 860 |
| Government grants receivable | (24,873) | (2,081) | (24,873) | (2,081) |
| Accrued income | (1,232) | 1,683 | (1,099) | 1,671 |
| Prepayments | (3,869) | (591) | (3,731) | (172) |
| GST recoverable | (1,045) | (102) | (1,099) | (98) |
| Owing by other entities | - | 2 | - | 2 |
| Inventories | 608 | (664) | 608 | (664) |
| Non-current assets | | | | |
| Deferred government contribution for superannuation | 2,991 | 12,758 | 2,991 | 12,758 |
| Increase/(decrease) in: | | | | |
| Current liabilities | | | | |
| Creditors and accrued expenses | 33,060 | 16,210 | 32,860 | 15,980 |
| Income received in advance | 2,946 | 5,704 | 1,504 | 5,335 |
| Owing to subsidiaries | - | - | (1,053) | 3,131 |
| Current tax payable | 14 | 35 | - | - |
| Employee benefits | 1,499 | 3,397 | 1,208 | 2,584 |
| Non-current liabilities | | | | |
| Creditors and accrued expenses | 1,380 | (440) | 1,380 | (440) |
| Employee benefits | 2,958 | (1,439) | 2,767 | (1,509) |
| Deferred employee benefits for superannuation | (2,991) | (12,758) | (2,991) | (12,758) |
| Unfunded superannuation liability - SERB | (51) | 12 | (51) | 12 |
| Net cash provided by operating activities | 131,431 | 109,125 | 128,258 | 109,937 |
| NON-CASH INVESTING ACTIVITIES | | | | |
| During the year the University received donations for art works amounting to: | | | | |
| - Art works | 160 | - | 160 | - |
| | 160 | - | 160 | - |

17 SUPERANNUATION

UniSuper Defined Benefit Plan

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

As at 30 June 2008 the assets of the DBP in aggregate were estimated to be \$323 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBP.

As at 30 June 2008 the assets of the DBP in aggregate were estimated to be \$1,456 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits Pty Ltd using the actuarial demographic assumptions outlined in their report dated 13 July 2006, on the actuarial investigation of the DBP as at 31 December 2005. The financial assumptions used were:

| | Vested benefits | Accrued benefits |
|---|-----------------|------------------|
| Gross of tax investment return | 7.25% p.a. | 8.5% p.a. |
| Net of tax investment return | 6.75% p.a. | 8.0% p.a. |
| Consumer Price Index | 2.75% p.a. | 2.75% p.a. |
| Inflationary salary increases long term | 3.75% p.a. | 3.75% p.a. |
| Inflationary salary increases next one year. (Additional promotional salary increases are assumed to apply based on past experience) | 5.00% p.a. | 5.00% p.a. |

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

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

Deakin University has a number of present and former staff who are members of the Victorian State Superannuation Fund and in respect of whom defined benefits are payable on termination of employment. As at 30 June 2008, the Victorian State Superannuation Fund was carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the fund. The notional share of this public sector employee superannuation fund's unfunded liabilities attributable to Deakin University, as assessed by the fund as at 30 June 2008, amounted to \$144,458,000 (2007 - \$147,449,000). Unfunded liabilities are met by the Australian Government.

| | CONSOLIDATED | | UNIVERSITY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Amounts receivable from Australian Government | | | | |
| Receivable within 12 months | 13,734 | 13,617 | 13,734 | 13,617 |
| Receivable later than 12 months | 130,724 | 133,832 | 130,724 | 133,832 |
| Total | 144,458 | 147,449 | 144,458 | 147,449 |
| Unfunded superannuation liability | | | | |
| Payable within 12 months | 13,734 | 13,617 | 13,734 | 13,617 |
| Payable later than 12 months | 130,724 | 133,832 | 130,724 | 133,832 |
| Total | 144,458 | 147,449 | 144,458 | 147,449 |

18 COMMITMENTS

| | CONSOLIDATED | | UNIVERSITY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Capital commitments | | | | |
| At the reporting date the following contracts for capital expenditure had been entered into: | | | | |
| Within one year | 16,539 | 10,949 | 16,539 | 10,949 |
| Later than one year and not later than five years | 136 | 1,830 | 136 | 1,830 |
| Later than five years | - | - | - | - |
| | 16,675 | 12,779 | 16,675 | 12,779 |
| Operating leases | | | | |
| At the reporting date the following obligations under operating leases, which are not shown as liabilities, were in effect: | | | | |
| Within one year | 5,053 | 5,856 | 4,781 | 5,675 |
| Later than one year and not later than five years | 4,687 | 4,533 | 3,946 | 4,456 |
| | 9,740 | 10,389 | 8,727 | 10,131 |

19 CONTINGENCIES

There are no contingent liabilities and contingent assets at balance date.

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

NAME OF RESPONSIBLE PERSONS

University

For the purposes of the *Victorian Financial Management Act 1994*, the Victorian Minister of Skills and Workforce Participation, Hon. Jacinta Allan MP and members of the University Council are the responsible persons of the University. The relevant remuneration of the Minister is included in the financial statements of the Victorian Department of Premier and Cabinet. Members of the University Council received no remuneration for services rendered as members of Council. Council members during 2008 were Mr D.M. Morgan (Chancellor), Professor SA Walker (Vice-Chancellor and President), Mr A.J. Kloeden, Ms M.L. Edmond, Professor P.W. Leung, Mr M.J. Dowling, Ms J.M. Lightowlers, Mr J.G. Nicol, Ms W. Allen, Ms H.F. Bender OAM, Mr G. Hywood, Mr R.M. Kus, Mr J.A.E. Butterworth, Mr Z.A. Smith Ms J.A. Crowe, Professor G.M. Stokes, Mr N.T. Millen, Dr P.C. Turner, Mr P.J. Meehan and Mr J. Thevaraj.

Subsidiaries

Mr N.A. Osborne, Mr D.N. Edwards, AM, Mr L.D. Mackay, Dr M.D. Stokie, Mr J.H. Cauberg, Hon. S.P. Bracks, Mr A.D. Brookes, Dr F.A. Costa OAM, Mr A.E.J. Fairley, Mr P.G. Handbury, Dr H.C. Mitchell AO, Ms K.M. Plant, Mr D.P. Somers, OAM, and Mr N. Carr.

NAMES OF EXECUTIVE OFFICERS

University

Professor J.E. Beaumont, Professor J.C. Catford, Professor P.H. Clarke, Professor B.J. Cooper, Mr G.A. Dennehy, Dr I. Irvine, Ms L.M. Martin, Professor B.A. McGaw, Professor J. Radbourne, Professor J. Rosenberg, Professor D.M. Stokes, Mr K.J. Selway and Mr A. Walters.

Subsidiaries

Ms T.M. Price, Ms J.E. Scott, Mr M. Estcourt, Mr F.D. Shrimpton and Mr P. Langkamp.

20 KEY MANAGEMENT PERSONNEL DISCLOSURES [CONT]

| | CONSOLIDATED | | UNIVERSITY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| RESPONSIBLE PERSONS REMUNERATION | | | | |
| Remuneration received or due and receivable from the University and its subsidiaries by the responsible persons | | | | |
| Base remuneration | 1,394 | 1,142 | 1,189 | 1,127 |
| Bonuses | 126 | 98 | 104 | 98 |
| Termination payments | 41 | - | - | - |
| Total remuneration | 1,561 | 1,240 | 1,293 | 1,225 |

| Number of responsible persons whose remuneration from the University and its subsidiaries were within the following bands: | CONSOLIDATED | | UNIVERSITY | |
|--|--------------|------|------------|------|
| | 2008 | 2007 | 2008 | 2007 |
| Nil to \$9,999 | 26 | 16 | 15 | 16 |
| \$10,000 to \$19,999 | 1 | 1 | - | - |
| \$50,000 to \$59,999 | 2 | - | 1 | - |
| \$60,000 to \$69,999 | - | 1 | - | 1 |
| \$80,000 to \$89,999 | - | 1 | - | 1 |
| \$100,000 to \$109,999 | - | 1 | - | 1 |
| \$110,000 to \$119,999 | 1 | 1 | 1 | 1 |
| \$160,000 to \$169,999 | - | 1 | - | 1 |
| \$170,000 to \$179,999 | 1 | - | 1 | - |
| \$190,000 to \$199,999 | 1 | - | - | - |
| \$210,000 to \$219,999 | 1 | - | 1 | - |
| \$690,000 to \$699,999 | - | 1 | - | 1 |
| \$730,000 to \$739,999 | 1 | - | 1 | - |

20 KEY MANAGEMENT PERSONNEL DISCLOSURES [CONT]

| | CONSOLIDATED | | UNIVERSITY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 |
| Number of executive officers whose remuneration from the University and its subsidiaries were within the following bands: | | | | |
| \$110,000 to \$119,999 | - | 1 | - | 1 |
| \$120,000 to \$129,999 | - | 1 | - | - |
| \$130,000 to \$139,999 | | 1 | | 1 |
| \$140,000 to \$149,999 | - | 1 | - | 1 |
| \$150,000 to \$159,999 | 1 | - | 1 | - |
| \$160,000 to \$169,999 | 2 | - | 1 | - |
| \$180,000 to \$189,999 | 1 | 1 | - | - |
| \$190,000 to \$199,999 | 2 | 2 | 1 | - |
| \$200,000 to \$209,999 | 1 | - | - | - |
| \$210,000 to \$219,999 | - | 1 | - | 1 |
| \$220,000 to \$229,999 | - | 1 | - | 1 |
| \$240,000 to \$249,999 | 1 | 1 | 1 | 1 |
| \$250,000 to \$259,999 | - | 2 | - | 2 |
| \$270,000 to \$279,999 | 1 | - | 1 | - |
| \$280,000 to \$289,999 | - | 2 | - | 2 |
| \$290,000 to \$299,999 | - | 2 | - | 2 |
| \$300,000 to \$309,999 | 1 | - | 1 | - |
| \$320,000 to \$329,999 | 2 | - | 2 | - |
| \$330,000 to \$339,999 | 2 | 1 | 2 | 1 |
| \$360,000 to \$369,999 | 1 | 1 | 1 | 1 |
| \$370,000 to \$379,999 | 1 | - | 1 | - |
| \$440,000 to \$449,999 | 1 | 1 | - | - |
| Includes all non-cash benefits and payments to staff who have terminated employment with the University. | | | | |
| Remuneration received or due and receivable from the University and its controlled entities by executive officers whose remuneration exceeded \$100,000 | | | | |
| | CONSOLIDATED | | UNIVERSITY | |
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Base remuneration | 4,122 | 4,317 | 3,047 | 3,289 |
| Bonuses | 365 | 298 | 241 | 181 |
| Termination payments | 105 | - | 105 | - |
| Total remuneration | 4,592 | 4,615 | 3,393 | 3,470 |
| Executive Officers Compensation | | | | |
| Short term employee benefits | 4,487 | 4,583 | 3,288 | 3,438 |
| Other long term benefits | - | 32 | - | 32 |
| Termination benefits | 105 | - | 105 | - |
| | 4,592 | 4,615 | 3,393 | 3,470 |

20 KEY MANAGEMENT PERSONNEL DISCLOSURES [CONT]

Other transactions with key management personnel

A Councillor, Ms W. Allen, is Relationship Broker at the Department of Planning and Community Development. Deakin University provided a contribution to the Department for the Inner Western Edge Development.

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

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

Ms H.F. Bender OAM is also the Deputy Chair of the Committee for Geelong. Deakin University sponsored the Leaders for Geelong Program 2008/09.

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

21 REMUNERATION OF AUDITORS

| | CONSOLIDATED | |
|--|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's |
| Amounts received, or due and receivable, by the auditors for: Auditing the accounts and consolidated accounts of Deakin University and the accounts of each of its subsidiaries Auditor-General of Victoria | | |
| - Deakin University | 137 | 100 |
| - Subsidiaries | 40 | 32 |

22 SUBSIDIARIES

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

| Entity | Country of incorporation | Principal activity | Ownership interest | |
|--|-----------------------------|---|--------------------|------|
| | | | 2008 | 2007 |
| The Australian Professional Associations Service Company Pty Ltd | Australia | Non operating | 100% | 100% |
| Callista Software Services Pty Ltd | Australia | Computer software services | 100% | 100% |
| Canopi Network Pty Ltd | Australia | Ceased trading on 31 October 2008 | 0% | 100% |
| Unilink Limited | Australia | Provision of resource services to Deakin University | 100% | 100% |
| Deakin Nominees Pty Ltd | Australia | Trustee Company | 100% | 100% |
| Deakin Foundation Ltd | Australia | Trustee Company | 100% | n/a |
| Deakin Foundation | Australia | Philanthropic Trust | 100% | n/a |

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

22 SUBSIDIARIES [CONT]

Income Statement

| Entity | Total Revenue | | Total Expenditure | | Net Profit/(Loss) after Tax Expense | |
|--|-----------------|-----------------|-------------------|-----------------|-------------------------------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| The Australian Professional Associations Service Company Pty Ltd | 139 | 249 | 71 | 115 | (78) | 94 |
| Callista Software Services Pty Ltd | 11,818 | 11,409 | 11,502 | 10,512 | 316 | 897 |
| Canopi Network Pty Ltd | 2,652 | 9,925 | 2,589 | 9,910 | 56 | (2) |
| Unilink Limited | 8,770 | 7,213 | 8,770 | 7,213 | - | - |
| Deakin Foundation Ltd | - | - | - | - | - | - |
| Deakin Foundation | 1 | - | - | - | 1 | - |
| | 23,380 | 28,796 | 22,932 | 27,750 | 295 | 989 |

Balance Sheet

(A) ASSETS

| Entity | Note | Current Assets | | Non-Current Assets | | Total Assets | |
|--|------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|
| | | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| The Australian Professional Associations Service Company Pty Ltd | (a) | 3,834 | 3,951 | - | - | 3,834 | 3,951 |
| Callista Software Services Pty Ltd | (b) | 8,945 | 5,836 | 838 | 51 | 9,783 | 5,887 |
| Canopi Network Pty Ltd | (c) | - | 6,624 | - | - | - | 6,624 |
| Unilink Limited | (d) | 955 | 760 | - | - | 955 | 760 |
| Deakin Foundation Ltd | | - | - | - | - | - | - |
| Deakin Foundation | | 1 | - | - | - | 1 | - |
| | | 13,735 | 17,171 | 838 | 51 | 14,573 | 17,222 |

(B) LIABILITIES

| Entity | Current Liabilities | | Non-Current Liabilities | | Total Liabilities | |
|--|---------------------|-----------------|-------------------------|-----------------|-------------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| The Australian Professional Associations Service Company Pty Ltd | 4 | 44 | - | - | 4 | 44 |
| Callista Software Services Pty Ltd | 6,327 | 2,725 | 359 | 198 | 6,686 | 2,923 |
| Canopi Network Pty Ltd | - | 4,568 | - | 2,000 | - | 6,568 |
| Unilink Limited | 869 | 704 | 86 | 56 | 955 | 760 |
| Deakin Foundation Ltd | - | - | - | - | - | - |
| Deakin Foundation | - | - | - | - | - | - |
| | 7,200 | 8,041 | 445 | 2,254 | 7,645 | 10,295 |

22 SUBSIDIARIES [CONT]

(C) EQUITY AND BORROWINGS

| Entity | Equity | | Internal Borrowings | | External Borrowings | |
|--|-----------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| The Australian Professional Associations Service Company Pty Ltd | 3,830 | 3,907 | - | - | - | - |
| Callista Software Services Pty Ltd | 3,097 | 2,964 | - | - | 1 | - |
| Canopi Network Pty Ltd | - | 56 | - | - | - | - |
| Unilink Limited | - | - | - | - | - | - |
| Deakin Foundation Ltd | - | - | - | - | - | - |
| Deakin Foundation | 1 | - | - | - | - | - |
| | 6,928 | 6,927 | - | - | 1 | - |

(a) Current assets includes an amount owing by Deakin University of \$3,833,825 (2007 - \$3,951,367).

(b) Current assets includes an amount owing by Deakin University of \$4,855,036 (2007 - \$2,773,015).

(c) Current assets includes an amount owing by Deakin University of \$0 (2007 - \$3,213,339).

(d) Current assets includes an amount owing by Deakin University of \$955,184 (2007 - \$759,586).

The principal activity of Canopi Network Pty Ltd was to administer the Callista Services Agreement, a contract between Deakin University (as owner), Callista Software Services Pty Ltd (a related corporation) and the users of the Callista Student Management System. This activity has now been contracted to Callista Software Services Pty Ltd. As a result, the company ceased trading as of 31 October 2008.

23 FINANCIAL RISK MANAGEMENT

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

Foreign exchange risk

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

Interest rate risk

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

Price risk

Financial assets at fair value through profit or loss, in particular Australian and offshore equities, are subject to price risk, with frequent changes in share market valuations. Changes in fair value are recorded through the income statement as they occur. These investments are also monitored by the Investment Advisory Committee. The Committee regularly reviews

23 FINANCIAL RISK MANAGEMENT [CONT]

investment performance against established objectives, advises on proposed policy changes and monitors the asset allocation mix of the investment portfolio. The investment portfolio is constructed to diversify price risk across the various asset classes.

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 balance sheet. The Group minimises concentrations of credit risk in relation to trade accounts receivable, by undertaking transactions with a large number of customers within different industries. However, the majority of customers are concentrated in Australia.

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

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

Liquidity risk

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

Fair value estimation

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

| Consolidated | Total carrying amount as per the Balance Sheet | | Aggregate fair value | |
|--------------------------------------|--|-----------------|----------------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| FINANCIAL ASSETS | | | | |
| Cash at bank and on hand | 7,212 | 3,730 | 7,212 | 3,730 |
| Bank deposits - at call | 5,481 | - | 5,481 | - |
| Managed fund | - | 40,742 | - | 40,742 |
| Bank term deposits | 103,000 | - | 103,000 | - |
| Receivables - Trade Debtors | 15,079 | 16,491 | 15,079 | 16,491 |
| Receivables - Other Current | 49,990 | 22,723 | 49,990 | 22,723 |
| Receivables - Other Non-Current | 130,724 | 133,832 | 130,724 | 133,832 |
| Other financial assets - current | 44,098 | 75,060 | 44,098 | 75,060 |
| Other financial assets - non-current | 50,860 | 2,299 | 50,860 | 2,299 |
| Total financial assets | 406,444 | 294,877 | 406,444 | 294,877 |
| FINANCIAL LIABILITIES | | | | |
| Payables | 128,337 | 88,949 | 128,222 | 88,935 |
| Bank overdraft | 1 | - | 1 | - |
| Bank loans | 14,525 | 17,217 | 16,892 | 18,567 |
| Other | 61 | 69 | 55 | 62 |
| Total financial liabilities | 142,924 | 106,235 | 145,170 | 107,564 |

23 FINANCIAL RISK MANAGEMENT [CONT]

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

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

23 FINANCIAL RISK MANAGEMENT [CONT]

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 fall of 1% and fall or rise in equities markets of 10% is reasonably possible, as at the reporting date.

| Consolidated | INTEREST RATE RISK | | | | PRICE RISK | | | |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | -1% | | -10% | | -10% | | 10% | |
| | Result | Equity | Result | Equity | Result | Equity | Result | Equity |
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| (I) FINANCIAL ASSETS | | | | | | | | |
| Cash on hand | 50 | 53 | | | | | | |
| Cash at bank | 7,162 | 3,677 | (72) | (37) | | | | |
| Cash Equivalents - Managed fund | | 40,742 | | (407) | | | | |
| Bank deposits | 108,481 | | (1,085) | (1,085) | | | | |
| Receivables - Trade Debtors | 15,079 | 16,491 | | | | | | |
| Receivables - Other Current | 49,990 | 22,723 | | | | | | |
| Receivables - Other Non-Current | 130,724 | 133,832 | | | | | | |
| Financial assets at fair value through profit or loss | 41,598 | 75,060 | (311) | (333) | (1,048) | (4,175) | 1,048 | 4,175 |
| Financial assets held-to-maturity | 2,500 | | (25) | (25) | | | | |
| Other financial assets - non-current | 50,860 | 2,299 | | | | (4,856) | | 4,856 |
| Total financial assets | 406,444 | 294,877 | (1,493) | (777) | (1,048) | (4,175) | 1,048 | 4,175 |
| (II) FINANCIAL LIABILITIES | | | | | | | | |
| Payables | 128,337 | 88,949 | | | | | | |
| Bank overdraft | 1 | | | | | | | |
| Bank loans | 14,525 | 17,217 | | | | | | |
| Other | 61 | 69 | | | | | | |
| Total financial liabilities | 142,924 | 106,235 | - | - | - | - | - | - |
| Total Increase (Decrease) | | | (1,493) | (777) | (1,048) | (4,175) | 1,048 | 4,175 |

23 FINANCIAL RISK MANAGEMENT [CONT]

Liquidity risk

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

| Consolidated Financial instruments | Floating interest rate | | Fixed interest rate maturing in: | | | | Non-interest bearing | | Total carrying amount as per the balance sheet | | Weighted average effective interest rate or earnings rate | |
|---|------------------------|-----------------|----------------------------------|-------------------|--------------|-----------------|----------------------|-----------------|--|-----------------|---|--|
| | 2008 \$000's | 2007 \$000's | 1 year or less | over 1 to 5 years | Over 5 years | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | |
| (I) FINANCIAL ASSETS | | | | | | | | | | | | |
| Cash at bank and on hand | 7,162 | 3,677 | | | | 50 | 53 | 7,212 | 3,730 | 4.06% | 6.24% | |
| Bank deposits - at call | 5,481 | | | | | | | 5,481 | | 4.25% | | |
| Managed fund | | 40,742 | | | | | | | 40,742 | | 5.69% | |
| Bank term deposits | | | 103,000 | | | | | 103,000 | | 5.99% | | |
| Receivables - Trade Debtors | | | | | | 15,079 | 16,491 | 15,079 | 16,491 | | | |
| Receivables - Other Current | | | | | | 49,990 | 22,723 | 49,990 | 22,723 | | | |
| Receivables - Other Non-Current | | | | | | 130,724 | 133,832 | 130,724 | 133,832 | | | |
| Financial assets at fair value through profit or loss | 41,118 | 74,650 | | | | 480 | 410 | 41,598 | 75,060 | 2.63% | 10.66% | |
| Financial assets held-to-maturity | | | 2,500 | | | | | 2,500 | | 7.98% | | |
| Other financial assets - non-current | 48,561 | | | | | 2,299 | 2,299 | 50,860 | 2,299 | (23.09)% | | |
| Total financial assets | 102,322 | 119,069 | 105,500 | - | - | 198,622 | 175,808 | 406,444 | 294,877 | | | |
| (II) FINANCIAL LIABILITIES | | | | | | | | | | | | |
| Payables | | | | | | 128,337 | 88,949 | 128,337 | 88,949 | | | |
| Bank overdraft | 1 | | | | | | | 1 | | 10.35% | 10.80% | |
| Bank loans | | | 2,149 | 9,963 | 4,821 | | | 14,525 | 17,217 | 7.41% | 7.34% | |
| Other | | | | | | 61 | 69 | 61 | 69 | | | |
| Total financial liabilities | 1 | - | 2,149 | 9,963 | 4,821 | 128,398 | 89,018 | 142,924 | 106,235 | | | |

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

UNIVERSITY ONLY

| 24.1 DEEWR - CGS and Other DEEWR Grants | Commonwealth Grants Scheme | | Indigenous Support Program | | Equity Support Program | | Disability Support Program | | Workplace Reform Program | |
|---|-------------------------------|-----------------|-------------------------------|-----------------|---------------------------|-----------------|-------------------------------|-----------------|-----------------------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 120,732 | 109,826 | 1,173 | 1,155 | 390 | 354 | 188 | 167 | 1,619 | 1,563 |
| Net accrual adjustments | 5,585 | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 126,317 | 109,826 | 1,173 | 1,155 | 390 | 354 | 188 | 167 | 1,619 | 1,563 |
| Surplus / (deficit) from the previous year | - | - | 285 | - | - | - | - | - | - | - |
| Total revenue including accrual revenue | 126,317 | 109,826 | 1,458 | 1,155 | 390 | 354 | 188 | 167 | 1,619 | 1,563 |
| Less expenses including accrual expenses | (126,317) | (109,826) | (1,267) | (870) | (390) | (354) | - | (167) | (1,619) | (1,563) |
| Surplus / (deficit) for reporting period | - | - | 191 | 285 | - | - | 188 | - | - | - |

UNIVERSITY ONLY

| 24.1 DEEWR - CGS and Other DEEWR Grants [CONT] | Workplace Productivity Program | | Learning and Teaching Performance Fund | | Capital Development Pool | | Transitional Cost Program | |
|---|--------------------------------------|-----------------|--|-----------------|-----------------------------|-----------------|------------------------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 1,674 | 1,421 | 1,717 | 500 | 1,300 | 2,122 | 1,623 | - |
| Net accrual adjustments | - | - | - | - | - | - | - | - |
| Revenue for the period | 1,674 | 1,421 | 1,717 | 500 | 1,300 | 2,122 | 1,623 | - |
| Surplus / (deficit) from the previous year | 1,014 | 890 | - | - | - | - | - | - |
| Total revenue including accrual revenue | 2,688 | 2,311 | 1,717 | 500 | 1,300 | 2,122 | 1,623 | - |
| Less expenses including accrual expenses | (2,688) | (1,297) | (1,708) | (500) | (1,300) | (2,122) | (1,623) | - |
| Surplus / (deficit) for reporting period | - | 1,014 | 9 | - | - | - | - | - |

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

UNIVERSITY ONLY

| 24.1 DEEWR - CGS and Other DEEWR Grants [CONT] | Improving the Practical Component of Teacher Education Program | | Diversity and Structural Adjustment Fund | | Superannuation Program | | Total | |
|---|--|-----------------|--|-----------------|---------------------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 803 | - | 2,583 | - | 13,342 | 11,982 | 147,144 | 129,090 |
| Net accrual adjustments | - | - | - | - | 108 | 1,318 | 5,693 | 1,318 |
| Revenue for the period | 803 | - | 2,583 | - | 13,450 | 13,300 | 152,837 | 130,408 |
| Surplus / (deficit) from the previous year | - | - | - | - | - | - | 1,299 | 890 |
| Total revenue including accrual revenue | 803 | - | 2,583 | - | 13,450 | 13,300 | 154,136 | 131,298 |
| Less expenses including accrual expenses | (803) | - | - | - | (13,450) | (13,300) | (151,165) | (129,999) |
| Surplus / (deficit) for reporting period | - | - | 2,583 | - | - | - | 2,971 | 1,299 |

UNIVERSITY ONLY

| 24.2 Higher Education Loan Programs | "HECS - HELP (Australian Government payments only)" | | FEE - HELP | | Total | | OS-HELP | |
|---|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 78,139 | 66,219 | 21,278 | 21,550 | 99,417 | 87,769 | 500 | 662 |
| Net accrual adjustments | 8,777 | 1,192 | - | - | 8,777 | 1,192 | - | - |
| Revenue for the period | 86,916 | 67,411 | 21,278 | 21,550 | 108,194 | 88,961 | 500 | 662 |
| Surplus / (deficit) from the previous year | - | - | (4,414) | (4,336) | (4,414) | (4,336) | 120 | 13 |
| Total revenue including accrual revenue | 86,916 | 67,411 | 16,864 | 17,214 | 103,780 | 84,625 | 620 | 675 |
| Less expenses including accrual expenses | (86,916) | (67,411) | (29,939) | (21,628) | (116,855) | (89,039) | (518) | (555) |
| Surplus / (deficit) for reporting period | - | - | (13,075) | (4,414) | (13,075) | (4,414) | 102 | 120 |

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

| | UNIVERSITY ONLY | | | | | | | | | | Total | |
|---|--------------------------------|--------------|--|--------------|--|--------------|---|--------------|--------------------------------|--------------|--------------|--------------|
| | Australian Postgraduate Awards | | International Postgraduate Research Scholarships | | Commonwealth Education Cost Scholarships | | Commonwealth Accommodation Scholarships | | Indigenous Access Scholarships | | | |
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 1,620 | 1,627 | 288 | 299 | 1,503 | 1,206 | 1,336 | 1,225 | 139 | - | 4,886 | 4,357 |
| Net accrual adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 1,620 | 1,627 | 288 | 299 | 1,503 | 1,206 | 1,336 | 1,225 | 139 | - | 4,886 | 4,357 |
| Surplus / (deficit) from the previous year | 451 | 337 | 36 | 61 | 17 | 42 | 6 | 59 | - | - | 510 | 499 |
| Total revenue including accrual revenue | 2,071 | 1,964 | 324 | 360 | 1,520 | 1,248 | 1,342 | 1,284 | 139 | - | 5,396 | 4,856 |
| Less expenses including accrual expenses | (1,531) | (1,513) | (343) | (324) | (1,427) | (1,231) | (1,275) | (1,278) | (139) | - | (4,715) | (4,346) |
| Surplus / (deficit) for reporting period | 540 | 451 | (19) | 36 | 93 | 17 | 67 | 6 | - | - | 681 | 510 |

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

| 24.4 DIISR Research | UNIVERSITY ONLY | | | | | |
|---|-----------------------------|-----------------|--------------------------------------|-----------------|--------------------------|-----------------|
| | Institutional Grants Scheme | | Research Infrastructure Block Grants | | Research Training Scheme | |
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 4,273 | 4,410 | 2,194 | 2,270 | 9,454 | 9,271 |
| Net accrual adjustments | - | - | - | - | - | - |
| Revenue for the period | 4,273 | 4,410 | 2,194 | 2,270 | 9,454 | 9,271 |
| Surplus / (deficit) from the previous year | - | - | 214 | 385 | - | - |
| Total revenue including accrual revenue | 4,273 | 4,410 | 2,408 | 2,655 | 9,454 | 9,271 |
| Less expenses including accrual expenses | (4,273) | (4,410) | (2,408) | (2,441) | (9,454) | (9,271) |
| Surplus / (deficit) for reporting period | - | - | - | 214 | - | - |

| 24.4 DIISR Research [CONT] | UNIVERSITY ONLY | | | | | | | |
|---|-----------------------------------|-----------------|---|-----------------|-----------------------------------|-----------------|-----------------|-----------------|
| | Implementation Assistance Program | | Australian Scheme for Higher Education Repositories | | Commercialisation Training Scheme | | Total | |
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 135 | 66 | 315 | 167 | 85 | 88 | 16,456 | 16,272 |
| Net accrual adjustments | - | - | - | - | - | - | - | - |
| Revenue for the period | 135 | 66 | 315 | 167 | 85 | 88 | 16,456 | 16,272 |
| Surplus / (deficit) from the previous year | - | - | 80 | - | 88 | - | 382 | 385 |
| Total revenue including accrual revenue | 135 | 66 | 395 | 167 | 173 | 88 | 16,838 | 16,657 |
| Less expenses including accrual expenses | (135) | (66) | (395) | (87) | (173) | - | (16,838) | (16,275) |
| Surplus / (deficit) for reporting period | - | - | - | 80 | - | 88 | - | 382 |

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

UNIVERSITY ONLY

| 24.5 Australian Research Council Grants | Projects | | Fellowships | | Total | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| (A) DISCOVERY Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 2,256 | 2,386 | 329 | 323 | 2,585 | 2,709 |
| Net accrual adjustments | - | - | - | - | - | - |
| Revenue for the period | 2,256 | 2,386 | 329 | 323 | 2,585 | 2,709 |
| Surplus / (deficit) from the previous year | 831 | 165 | - | 68 | 831 | 233 |
| Total revenue including accrual revenue | 3,087 | 2,551 | 329 | 391 | 3,416 | 2,942 |
| Less expenses including accrual expenses | (3,057) | (1,720) | (399) | (391) | (3,456) | (2,111) |
| Surplus / (deficit) for reporting period | 30 | 831 | (70) | - | (40) | 831 |

UNIVERSITY ONLY

| 24.6 Australian Research Council Grants | Infrastructure | | International Researcher Exchange | | Projects | | Total | |
|--|-----------------|-----------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's | 2008 \$000's | 2007 \$000's |
| (B) LINKAGES Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 1,025 | 520 | 24 | 52 | 1,747 | 1,932 | 2,796 | 2,504 |
| Net accrual adjustments | - | - | - | - | - | - | - | - |
| Revenue for the period | 1,025 | 520 | 24 | 52 | 1,747 | 1,932 | 2,796 | 2,504 |
| Surplus / (deficit) from the previous year | 862 | 1,197 | - | 52 | 590 | 693 | 1,452 | 1,942 |
| Total revenue including accrual revenue | 1,887 | 1,717 | 24 | 104 | 2,337 | 2,625 | 4,248 | 4,446 |
| Less expenses including accrual expenses | (993) | (855) | (8) | (104) | (1,795) | (2,035) | (2,796) | (2,994) |
| Surplus / (deficit) for reporting period | 894 | 862 | 16 | - | 542 | 590 | 1,452 | 1,452 |

24 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE [CONT]

24.7 Better Universities Renewal Funding

| | UNIVERSITY ONLY | |
|---|-----------------|-----------------|
| | 2008 \$000's | 2007 \$000's |
| Financial Assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs) | 13,782 | - |
| Net accrual adjustments | - | - |
| Revenue for the period | 13,782 | - |
| Surplus / (deficit) from the previous year | - | - |
| Total revenue including accrual revenue | 13,782 | - |
| Less expenses including accrual expenses | - | - |
| Surplus / (deficit) for reporting period | 13,782 | - |



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

CERTIFICATION

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

- (a) The attached financial statements and notes thereto present fairly the financial position as at 31 December 2008, and the financial performance for the year ended 31 December 2008 of the University and the consolidated group;
- (b) The attached financial statements and notes thereto comply with the Financial Management Act 1994 and with Australian Accounting Standards, AASB Interpretations, and the requirements of the Department of Education, Employment and Workplace Relations;
- (c) At the date of this certification there are reasonable grounds to believe that the University and the consolidated group will be able to pay its debts as and when they fall due; and
- (d) The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and Deakin University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

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

A handwritten signature in dark ink, appearing to read 'Jennifer M. Lightowlers'.

MS JENNIFER M. LIGHTOWLERS
Acting Chancellor

Date 19/3/09

Melbourne

A handwritten signature in dark ink, appearing to read 'Sally Walker'.

PROFESSOR SALLY A. WALKER
Vice-Chancellor and President

Date 19/3/2009

Melbourne

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

MR ANDREW WALTERS
Chief Financial Officer

Date 19/3/09

Melbourne

INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of Deakin University

The Financial Report

The accompanying financial report for the year ended 31 December 2008 of Deakin University which comprises the income statement, statement of changes in equity, balance sheet, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the supporting declaration has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the Deakin University and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 22 to the financial statements.

The Members of the Council's Responsibility for the Financial Report

The Members of the Council of Deakin University are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of Deakin University for the year ended 31 December 2008. The Members of the Council of the University are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the university's web site.

Independence

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

Qualification

For the year ended 31 December 2008, the University and the economic entity reported government research grants of \$29.7 million as trade & other payables. As the University and the economic entity effectively controlled these grants as at 31 December 2008, they should have been recognised as income in accordance with the requirements of AASB 1004 "Contributions". The University and economic entity also brought to account \$4.0 million as grant revenue which should have been recognised in the year ended 31 December 2007 in accordance with the requirements of AASB 1004. Accordingly, for the year ended 31 December 2008, grant income, net operating result and retained surplus are understated by \$25.7 million for the University and the economic entity, and trade & other payables are overstated by \$29.7 million.

In addition, AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors" requires prior period errors to be corrected by restating the 2007 comparative figures in the University's 31 December 2008 financial report. The University has failed to make these retrospective adjustments and the impact of these errors are that the 31 December 2007 comparative figures for trade & other payables are overstated by \$10.5 million for the University and the economic entity. In addition, grant income and the net operating result are understated by \$3.2 million.

Qualified Audit Opinion

In my opinion, except for the effect on the financial report of the matter referred to above, the financial report presents fairly, in all material respects, the financial position of Deakin University and the economic entity as at 31 December 2008 and their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
20 March 2009


D D R Pearson
Auditor-General

COMPLIANCE INDEX

The annual report of **Deakin University** is prepared in accordance with:

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

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

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

STANDING DIRECTIONS FOR THE MINISTER FOR FINANCE (SD)

| | | | |
|---|-----------|--|------------------------|
| 1 | SD 4.2(g) | Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the <i>Financial Management Act 1994</i> | 1-114 |
| 2 | SD 4.2(h) | Report of Operations is prepared in accordance with Financial Reporting Directions | 1-64 |
| 3 | SD 4.2(j) | Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved | Transmittal letter, 51 |
| 4 | SD 4.2(a) | Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> – Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements – Financial Reporting Directions – Business Rules | 69-74, 112-114 |
| 5 | SD 4.2(b) | Financial statements are available, including: <ul style="list-style-type: none"> – Balance Sheet – Statement of Recognised Income and Expense – Cash Flows Statement – Notes to the financial statements | 65-112 |

| No. | Clause | Disclosure | Page(s) |
|-----|---------------|---|---------|
| 6 | SD 4.2(c) | Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> – Present fairly the financial transactions during reporting period and the financial position at end of the period – Were prepared in accordance with Standing Direction 4.2 (c) and applicable Financial Reporting Directions – Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements | 112 |
| 7 | SD 4.2(d) | Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> – \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000 – \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000 | 69 |
| 8 | SD 4.2(e) | The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission | 112 |
| 9 | SD 45.5 (New) | Attestation on compliance with Australian/New Zealand Risk Management Standard | 58 |

A-IFRS FINANCIAL REPORTING DIRECTIONS (FRD)

| | | | |
|----|----------|--|---------|
| 10 | FRD 10 | Disclosure Index | 115-117 |
| 11 | FRD 11 | Disclosure of Ex-gratia Payments | 96-99 |
| 12 | FRD 07A | Early Adoption of Authoritative Accounting Pronouncements | n/a |
| 13 | FRD 17A | Long Service Leave Wage Inflation and Discount Rates | 91 |
| 14 | FRD 19 | Private Provision of Public Infrastructure | n/a |
| 15 | FRD 21A | Responsible Person and Executive Officer Disclosure in the Financial Report | 96 |
| 16 | FRD 22B | Standard Disclosures in the Report of Operations | 3-64 |
| 17 | FRD 25 | Victorian Industry Participation Policy in the Report of Operations | n/a |
| 18 | FRD 26A | Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004 | n/a |
| 19 | FRD 102 | Inventories | 71 |
| 20 | FRD 104 | Foreign currency | 70 |
| 21 | FRD 106 | Impairment of assets | 73 |
| 22 | FRD 107 | Investment properties | n/a |
| 23 | FRD 109 | Intangible assets | 73 |
| 24 | FRD 110 | Cash Flow Statements | 68 |
| 25 | FRD 112A | Defined benefit superannuation obligations | 95 |
| 26 | FRD 113 | Investments in Subsidiaries, Jointly Controlled Associates and Entities | 99-101 |
| 27 | FRD 114 | Financial Investments | 71 |

DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

| | | | |
|----|------------------|---|-------|
| 28 | FRD 22B DEEWR | Analysis of the achievement of the entity's operational and budget objectives for the financial year; should include comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, staff profile, research performance and performance position | 3-41 |
| 29 | DEEWR | Information with respect to the governance and administrative structure of the university, specifically council members and occupants of senior offices | 42-64 |
| 30 | DEEWR | Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman | 62-63 |

| No. | Clause | Disclosure | Page(s) |
|-----|--------|------------|---------|
|-----|--------|------------|---------|

DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS [CONT]

| | | | |
|----|-------|---|--------|
| 31 | DEEWR | Details of information available on institution's website, including locations of current and previous Annual Reports | 63-64 |
| 32 | DEEWR | Compliance of financial statements with the Financial Statement Guidelines for <i>Australian Higher Education Providers for 2008 Reporting Period</i> issued by DEEWR | 69-112 |

FINANCIAL MANAGEMENT ACT 1994 (FMA)

| | | | |
|----|----------|--|--------|
| | FMA 1994 | Financial Statements: | |
| 33 | 49(a) | – Contain such information as required by the Minister | 65-114 |
| 34 | 49 (b) | – Are prepared in a manner and form approved by the Minister | 65-114 |
| 35 | 49 (c) | – Present fairly the financial transactions of the department or public body during the relevant financial year to which they relate | 65-114 |
| 36 | 49 (d) | – Present fairly the financial position of the department or public body as at the end of that year | 65-114 |
| 37 | 49 (e) | – Are certified by the accountable officer in the manner approved by the Minister | 112 |

GOVERNMENT RESPONSE TO THE REVIEW OF UNIVERSITY GOVERNANCE (RUG)

| | | | |
|----|-----|---|--------|
| 38 | RUG | Statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General | 39 |
| 39 | RUG | University Council's risk management strategy | 58-60 |
| 40 | RUG | Summary of financial performance of Associates and Commercial Ventures | 99-101 |

EDUCATIONAL SERVICES FOR OVERSEAS STUDENTS ACT 2000 (ESOS)

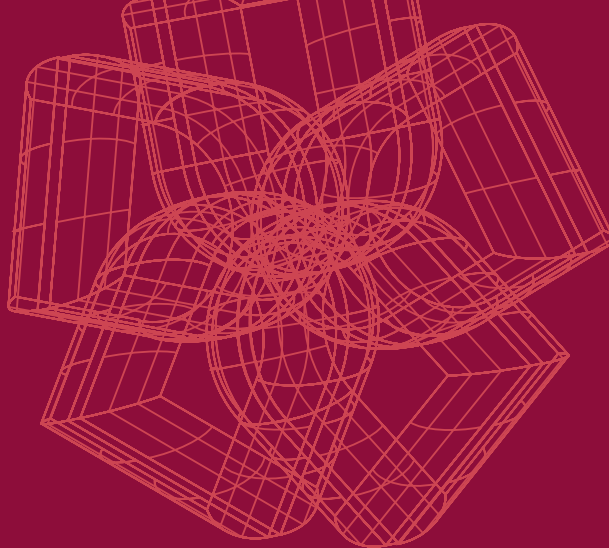
| | | | |
|----|---|---|----|
| 41 | ESOS (National Code 2007 – Sections C & D) | Statement indicating compliance with ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007) | 61 |
|----|---|---|----|

EDUCATION AND TRAINING REFORM ACT 2006 (ETR)

| | | | |
|----|---------------------|--|----|
| 42 | ETRA 2006, s. 3.2.8 | Statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year | 39 |
|----|---------------------|--|----|

DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT

| | | | |
|----|-------------------------|--|----------|
| 43 | PAEC (December 1997) | Financial and other information relating to institution's international operations | 23-25,79 |
|----|-------------------------|--|----------|



DEAKIN UNIVERSITY

GEELONG CAMPUS AT WAURN PONDS

Pigdons Road
Geelong Victoria
Australia 3217
Phone: (03) 5227 1100
Fax: (03) 5227 2001

GEELONG WATERFRONT CAMPUS

1 Gheringhap Street
Geelong Victoria
Australia 3217
Phone: (03) 5227 1100
Fax: (03) 5227 8188

MELBOURNE CAMPUS AT BURWOOD

221 Burwood Highway
Burwood Victoria
Australia 3215
Phone: (03) 9244 6100
Fax: (03) 9808 9497

WARRNAMBOOL CAMPUS

PO Box 423
Princes Highway
Warrnambool Victoria
Australia 3280
Phone: (03) 5563 3100
Fax: (03) 5563 3531

