

DEAKIN UNIVERSITY ANNUAL REPORT 2014

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S.

deakin.edu.au

Melbourne | Geelong | Warrnambool | in the cloud



FURTHER INFORMATION

Geelong Waterfront Campus

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Geelong
Victoria 3220
Australia
+61 03 5227 1100

Geelong Waurin Ponds Campus

75 Pigdons Road
Waurin Ponds
Victoria 3216
Australia
+61 03 5227 1100

Melbourne Burwood Campus

221 Burwood Highway
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Deakin University

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LETTER TO THE MINISTER

The Hon Steve Herbert MP
Minister for Training and Skills
Level 1, 2 Treasury Place
EAST MELBOURNE VIC 3002

5 March 2015

Dear Minister,

On behalf of the Council of Deakin University and in accordance with the requirements of regulations under the *Financial Management Act 1994*, I am pleased to submit for your information and presentation to Parliament the Deakin University Annual Report for the year ending 31 December 2014.

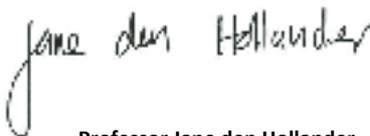
The Annual Report was approved by the Deakin University Council at its meeting on 5 March 2015.

Yours sincerely,



Mr David Morgan
Chancellor

Date: 5 March 2015
Geelong



Professor Jane den Hollander
Vice-Chancellor

Date: 5 March 2015
Geelong

For and on behalf of the Deakin University Council.

REPORT OF OPERATIONS

DEAKIN IN 2014

CHANCELLOR'S FOREWORD



In 2014, Deakin celebrated its 40th anniversary, and the celebration of anniversaries whether of people or institutions are an important opportunity to acknowledge past successes and express hopes for the future.

In 40 years, Deakin has grown from a small regional university to become Australia's eighth largest university; a university on a strong trajectory that already ranks in the top three per cent of universities in each of the three major global rankings. Deakin has grown both in size

and importance, with its increasing research excellence attracting students from across the globe.

In 40 years, Deakin has made a difference to the lives of over 200,000 graduates and contributed significantly to the economic, social and cultural growth of each of its communities. In its 'hometown' of Geelong in particular, Deakin has leveraged its research and development capability to directly benefit the local economy especially in the new manufacturing areas of fibre manufacturing.

Deakin has now completed its second year of implementing its strategic plan *LIVE the future: Agenda 2020*. The plan articulated a vision to be Australia's premier university in driving the digital frontier, enabling globally connected education for the jobs of the future and research that makes a difference to the communities Deakin serves.

The achievements outlined in this *2014 Annual Report* reflect an immensely productive year for Deakin. I feel privileged to have served as Chancellor at such an exciting time in the University's history; to share in significant successes while working to manage future challenges.

I would like to take this opportunity to thank members of Council for the continuing good governance they have provided to Deakin University and to me as Chancellor.

A handwritten signature in dark ink, appearing to read 'D Morgan', written in a cursive style.

Mr David Morgan
Chancellor

AN INTRODUCTION FROM THE VICE-CHANCELLOR



In 2014, Deakin University achieved 40 years of making a difference to the communities we serve, in Victoria, in Australia and internationally.

Throughout 2014 we celebrated our anniversary and, for the first time in 40 years, almost 2,000 staff participated in campus photographs, a remarkable coming together for the University with the public record showing wonderful photographs of each of our campus gatherings. In early October, our Burwood Campus came alive as over 5,000 children and their families helped

us celebrate our birthday with fine food, fun and fireworks. Town and gown ceremonies in Warrnambool and Geelong provided an ongoing powerful symbol of Deakin's link with its local communities. In November we joined with Deakin India staff to celebrate twenty years of service from the Deakin India Office in a spectacular gala event in the gardens of the Australian High Commission in New Delhi, with His Excellency Patrick Suckling and 200 guests. A year to remember!

Much of the year was also consumed with discussion on the Government's Higher Education Reform Bill, which foreshadowed significant changes to funding and operations for Australia's publicly funded universities. Central to the reforms is a proposal to deregulate fees while reducing the public funding to students for their education. The proposed changes have necessitated significant work on setting undergraduate domestic fees that are fair and in keeping with Deakin values of access and participation, while ensuring the University remains financially sustainable. The final outcome of the debate and the passage of the Bill will have a significant impact on the sector generally and on Deakin operations and future strategies. As a consequence, in 2015, an assessment of our *LIVE the future* Strategic Plan will be undertaken by the Council and the Executive to ensure Deakin continues its trajectory of improvement and service to the communities we serve.

Deakin had much to celebrate in 2014: we now have over 50,000 students, our international student numbers returned to growth, we achieved our research goals and we recorded a pleasing operating result of \$68.2m. Importantly, for the fourth successive year, Deakin was first in Victoria for graduate satisfaction, we received the Premier's Award for best International Educator (as well as the awards for employment and careers) and the Governor of Victoria's Export Award for Education amongst additional awards for sustainability and marketing innovations.

Our innovative process of course enhancement has seen Deakin systematically transform learning through the use of technology, developing personal, engaging and relevant learning experiences in the cloud, on campus and at learning centres and industry sites. Deakin entered into an innovative partnership with IBM Watson, a world-first initiative that will facilitate engagement with students by providing personalised advice 24/7 for 365 days of the year. Having the right IT infrastructure in place is critical to us, and the introduction of the internationally recognised *Deakin Anywhere* and *Deakin Sync* platforms give our students and staff the tools to work and communicate anywhere, anytime, on any device. Deakin is on track to achieve its aspiration to be Australia's premier university in driving the digital frontier.

Deakin campus spaces have also been transformed with libraries and outdoor spaces refurbished to create natural extensions of the classroom – technology-rich, flexible and stylish discussion spaces that encourage students to connect with their university and with each other. The new Burwood Highway building presents an imposing 'front door' to the Burwood Campus and includes a Corporate Centre open to community and industry partners. New accommodation projects in our Warrnambool, Waterfront and Waurn Ponds Campuses provide much needed affordable housing for students. Iconic new signage – the Deakin Cube – combine bold and exciting art installations to create a striking gateway to Deakin campuses day and night.

Deakin prides itself on its collaborative and supportive research culture, and our growing research reputation is reflected in a significant rise up the international rankings. Deakin now ranks in the top 500 of the prestigious Shanghai Jiao Tong Academic Ranking of World Universities (ARWU), one of only fifteen of Australia's 40 universities to do so. In 2014 Deakin ranked 50 in the Quacquarelli Symonds (QS) ranking of the world's universities under fifty years.

Deakin's research strategy continues to be one of collaboration with industry, government and institutional partners, and Deakin is one of few Australian universities to focus on manufacturing research. Our Carbon Nexus research facility was formally opened in 2014 by the then Victorian Premier, the Hon. Dr Denis Naphine, a proud Deakin alumnus. Carbon Nexus is acknowledged as a nationally significant piece of infrastructure embracing new ways of manufacturing in industries such as automotive, aerospace and construction and we are contributing to regional strategies for growth in areas such as materials, logistics, health, engineering and education.

We have further expanded our international footprint, particularly with academic and industry partnerships in India. Deakin was one of the first universities in the world to establish an international office in India and in 2014 we have repurposed the Deakin India Office to include the added responsibility of providing a central pillar for Deakin's international operations in the South Asia region. Commitment to an in-country presence has been critical to Deakin's capacity to nurture mutually beneficial partnerships and see them successfully evolve over the longer term.

With the development of the Epworth Health Care medical training and research facilities and the Deakin Regional Community Health Hub (REACH), Deakin is building a world-class health precinct, opening up significant health and economic benefits for regional Victoria. The renaming of the Barwon Health Hospital to University Hospital Geelong is a compliment to our successful partnership and our joint reputations for striving for excellence.

Deakin staff are, alongside our students, our greatest asset. Staff contribute regularly, and with style and confidence, to public debate, to policy, and in the communities we serve – in Australia and internationally. Deakin alumni are equally making their mark in business, engineering, politics, law, medicine, teaching, science and the arts. This year our Alumni Lifetime Achievement Award went to John Stanhope – a graduate, a Student Association President, an active Alumnus, and a Council member.

We are operating in an environment of fast-paced technological change, intense competition and constrained resourcing. Much is still uncertain, the pace of change is breathtaking and the dynamics are complex and ambiguous. But in this often unpredictable environment, the Deakin story in 2014 was one of growth, of optimism and of the promise for the future.

I thank our Chancellor and Council for their guidance. I thank our staff – as the saying goes, the fortune is at the bottom of the pyramid – and so it is at Deakin and we are nothing without our people.

Jane den Hollander
Vice-Chancellor and President

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DEAKIN TIMELINE

40 YEARS OF MAKING A DIFFERENCE IN OUR COMMUNITIES

Deakin appoints Australia's first disability officer

Deakin University is established at Waurin Ponds: the first university in regional Victoria



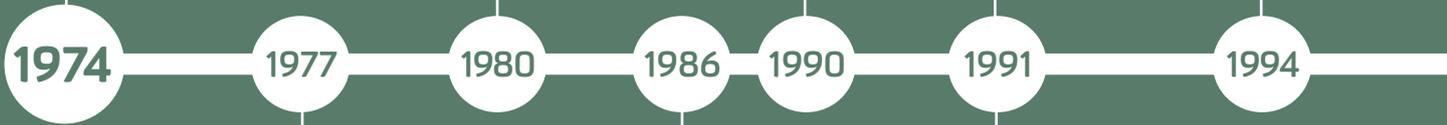
Deakin merges with Warrnambool Institute of Education



Deakin merges with Victoria College and the Burwood Campus is established



Deakin is the first university in the world to open an office in India



Deakin enrolled its first students in 1977 at the Geelong Waurin Ponds Campus



The first programs for Indigenous students commenced



First computer-based tutorials for distance education

Deakin University awarded
The Good University Guide's
Australian University of the Year
one of only two universities
to receive the Award twice

Deakin India Research
Initiative (DIRI) established
– bridging the link between
industry and academe

Deakin first university
in the world to use IBM
Watson cognitive computing
platform to enhance the
student experience



Originally built as
wool stores in 1893,
the buildings were
renovated to become
Deakin's Waterfront
Campus



Geelong Technology
Precinct opens



Carbon Nexus opens
globally unique carbon
fibre and composite
research facility



2014 Burwood Highway
frontage building opens

Deakin ranks in
the top 3% of the
world's universities
in each of the three
major rankings

DEAKIN AT A GLANCE 2014



STUDENTS

Course enrolments	50,644
Student Load (Equivalent Fulltime)	35,208
Course completions (2013)	9,927



STAFF

Full-time equivalent	
Full time / part time	3,284
Casual (estimate)	747
Total	4,031
By staff type	
Academic	1,881
General	2,150



COURSE DATA

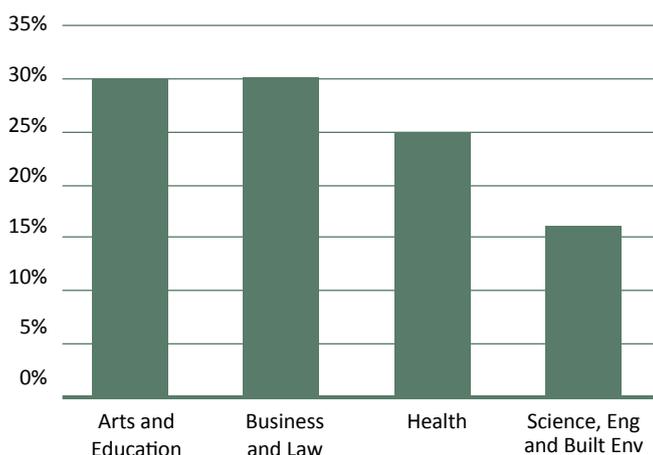
Active award courses	440
LIBRARY	
Books	
- Print	1.26 million
- Electronic	371,180
Journals	
- Print	6,188
- Electronic	85,831
Other	
- Online databases	422
- DVDs and videos	23,861
- Streamed videos	104,165
- Online images	3.4 million +
- Special collection items	86,914



CAMPUSES AND LAND AREA (HECTARES)

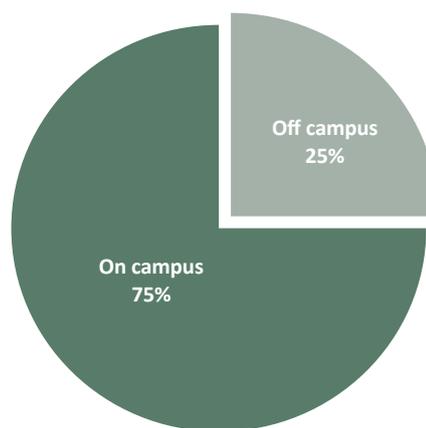
Melbourne Burwood	27
Geelong Waurin Ponds	325
Geelong Waterfront	4
Warrnambool	94
Total	450

STUDENT ENROLMENTS BY RESPONSIBLE FACULTY

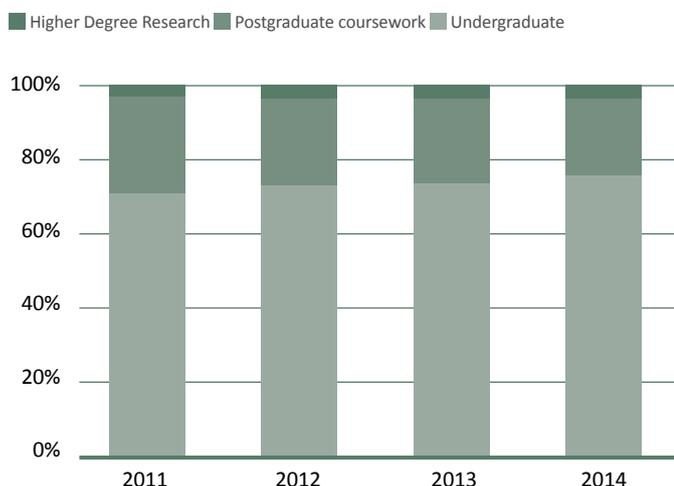


Note: Excludes data on cross institutional and non-award courses

STUDENT ENROLMENTS BY ATTENDANCE MODE



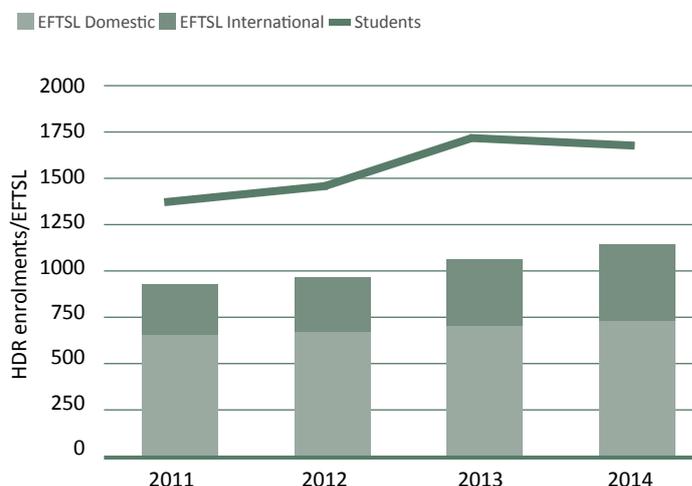
STUDENT ENROLMENTS BY COURSE TYPE

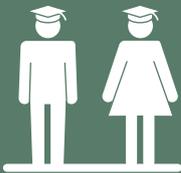


Note: Excludes data on cross institutional and non-award courses.

Note: 2011-2014 student course enrolment and EFTSL data based on finalised end-of-year snapshots. Data sourced from the New student data warehouse where a number of underlying business rules have been updated. Furthermore, the Campus breakdown is now based on the location of the course attempt and the student course attempt(SCA) attendance mode which represents a change from previous years. As a result of both these factors, course enrolment and EFTSL figures presented have been updated and differ from those presented in previous annual reports.

HIGHER DEGREE RESEARCH ENROLMENTS



COURSE ENROLMENTS	2011	2012	2013	2014	COURSE COMPLETIONS	2011	2012	2013	2014
By commencement status					By course type				
Commencing	16,296	17,569	19,414	20,530	Undergraduate	5,579	5,958	6,242	-
Returning	25,098	26,202	27,906	30,114	Postgraduate coursework	3,383	3,691	3,392	-
Total	41,394	43,771	47,320	50,644	Higher Degree Research	140	119	167	-
By citizenship					GRADUATE OUTCOMES				
Domestic	33,058	36,000	39,537	42,592	Domestic bachelor graduates in full-time employment (of those available)	72%	71%	67%	65%
International	8,319	7,751	7,781	8,052	Domestic bachelor graduates in full-time further study	20%	22%	21%	20%
Unknown	17	20	2	0	COURSE SATISFACTION				
By responsible faculty					Bachelor degree graduates				
Arts & Education	12,500	13,260	14,042	14,910	Generic skills	80%	80%	80%	82%
Business & Law	14,364	14,199	14,264	14,786	Good teaching	67%	69%	68%	72%
Health	8,695	9,818	11,200	12,406	Overall satisfaction	87%	87%	87%	87%
Science, Eng & Built Env	5,463	6,036	6,930	7,760	RESEARCH PERFORMANCE				
Cross Institutional	372	365	488	448	Research income (\$ million)	35.6	46.4	43.4	-
Non-award	-	93	396	334	Research publications	1,330	1,458	1,712	-
By course type					Research load				
Undergraduate	28,309	30,543	33,100	35,821	Equivalent Full-time Student Load (EFTSL)	919	981	1,090	1,147
Postgraduate coursework	11,011	11,099	11,859	12,565	Percentage of total EFTSL	3.2%	3.2%	3.3%	3.3%
Higher Degree Research	1,366	1,478	1,747	1,740	Higher Degree Research completions				
Non-award	708	651	614	518	Doctorate	115	150	174	-
By campus					Academic staff engaged in Research or 'Research & Teaching'				
Burwood (Melbourne)	21,247	22,392	24,201	26,060	Number (FTE)	1,188	1,290	1,345	1,345
Waurm Ponds (Geelong)	5,655	5,872	6,085	6,728	Percentage of total academic staff	75%	76%	77%	70%
Waterfront (Geelong)	2,536	3,145	4,013	4,300	Excellence in Research for Australia				
Warrnambool	1,342	1,352	1,263	1,135	Per cent of two-digit Field of Research discipline areas performing at or above world standards	-	74%	-	-
Off Campus	10,397	10,868	11,657	12,335	IF YOU TOOK 100 DOMESTIC STUDENTS, YOU WOULD HAVE...				
Offshore partnership enrol	217	142	101	86	2	who are Aboriginal or Torres Strait Islanders			
STUDENT LOAD (equiv full time, EFTSL)					2	from a non-English speaking background			
By commencement status					6	who have some level of disability			
Commencing	11,575	12,408	13,611	14,198	14	from low socio-economic areas			
Returning	17,317	18,082	19,187	21,010	16	who were born overseas			
Total EFTSL	28,892	30,490	32,798	35,208	22	from a regional or remote home location			
By citizenship					61	females			
Domestic	22,410	24,571	27,161	29,247	78	who live in a major city			
International	6,472	5,903	5,636	5,961					
Unknown	9	16	1	0					
By responsible faculty									
Arts & Education	8,475	9,086	9,642	10,264					
Business & Law	9,617	9,372	9,391	9,774					
Health	6,456	7,271	8,378	9,138					
Science, Eng & Built Env	4,244	4,659	5,176	5,839					
Cross Institutional	99	90	132	124					
Non-award	0	12	80	69					
By course type									
Undergraduate	22,806	24,299	26,016	27,843					
Postgraduate coursework	5,001	5,071	5,519	6,065					
Higher Degree Research	919	981	1,090	1,147					
Non-award	165	139	173	153					

Note: 2011-2014 student course enrolment and EFTSL data based on finalised end-of-year snapshots.

ORGANISATION AND GOVERNANCE

Deakin University was established in 1974 as the first university in regional Victoria. Its primary objectives were to be a university for the Geelong region and from that base to extend opportunities for university education to people in other areas, particularly through distance education.

Deakin continues to meet these objects today through its strategic plan [LIVE the future](#) which promises students a brilliant education wherever they are, preparing them for the jobs of the future, and informed by research that makes a difference to the communities we serve. Deakin today is an internationally connected university with campuses in Geelong, Warrnambool and Burwood and learning centres in regional Victoria and metropolitan Melbourne.

Deakin is established pursuant to the *Deakin University Act 2009 (Vic)* and is governed in accordance with the Act; the Hon Steve Herbert, Minister for Training and Skills is the Minister responsible.

DEAKIN UNIVERSITY COUNCIL

The [University Council](#) is responsible for the good governance of the University. The Council is chaired by the Chancellor, Mr David Morgan and assisted by three Deputy Chancellors in office throughout 2014: Ms Helene Bender OAM, Ms Jennifer Lightowlers and Mr Peter Meehan.

The Council's major activities during 2014 included:

- approving the 2014 Operational Plan and 2015-2017 Business Plan to continue to drive the digital frontier, including the University's partnership with IBM to use the cognitive computing platform Watson to enhance the student experience
- informing the University's response to the Australian government's higher education reform Bill to alter funding and regulation of higher education courses
- approving the implementation of a new student management system developed by Tribal Group, approving an upgrade to thermal comfort at the Burwood Campus
- overseeing initiatives contributing to knowledge based industries in the Geelong region, including the further development of the Geelong Technology Precinct to include premises for industry partners, new student housing in central Geelong, partnerships with the region's health services and arrangements with the Australian Bureau of Statistics to consolidate its national survey Office on the University's Waterfront Campus

- strengthening oversight of strategic risks through a strengthened Risk and Compliance Management policy
- establishing an environmental, social and governance (ESG) Investment Pool to make long-term investments in sustainability initiatives.

In August the Council conducted its biennial performance review, the results of which inform continuous improvement. All Council members contributed to the review.

The Council recognises the importance of maintaining a clear distinction between governance and management responsibilities. Actions taken in 2014 to reinforce this distinction included:

- clarifying which matters must come before Council for consideration and, if appropriate approval, through updates to the document 'Matters Requiring Council Decision'
- amending the University's policy framework to clarify the respective roles of governance bodies and management in reviewing and approving policies.

COMMITTEES OF THE COUNCIL

The Council balances:

- the benefits of using committees to give consideration to matters in greater detail than is possible for the Council as a whole
- the risk that an over-reliance on committees might mean that the Council as a whole might not engage fully with all of its responsibilities.

In recent years Council has reshaped three former subcommittees into full committees reporting directly to Council. All committees report and make recommendations to Council following each of its meetings and reports annually on the fulfilment of its business schedule and its exercise of delegated authorities.

All of these documents are published on the University's [website](#).

CHANCELLOR'S ADVISORY COMMITTEE

Chair: Chancellor, Mr David Morgan

The Chancellor's Advisory Committee advises Council on governance matters, proposed appointments to Council membership, the orderly review of Council operations and related matters.

HONORARY DEGREES COMMITTEE

Chair: Chancellor, Mr David Morgan

The Honorary Degrees Committee advises the Vice-Chancellor on recommendations to confer honorary degrees on individuals for distinguished contributions to learning, the arts, public service or to the University. On the advice of the Committee the Vice-Chancellor may invite the Council to award an honorary degree.

REMUNERATION COMMITTEE

Chair: Chancellor, Mr David Morgan

The Remuneration Committee advises Council on remuneration matters including salaries and conditions of employment of senior staff.

AUDIT AND RISK COMMITTEE

Chair: Deputy Chancellor, Mr Peter Meehan

The Audit and Risk Committee advises Council on the University's accounting, control and reporting practices. The Committee also considers external and internal audit reports and reviews internal audit policy.

Financial statements were reviewed and recommended by the Audit and Risk Committee prior to finalisation and submission.

FINANCE AND BUSINESS AFFAIRS COMMITTEE

Chair: Ms Philippa Kelly

The Finance and Business Affairs Committee advises Council on matters concerning the University's consolidated finances, fixed assets and proposed business ventures. The Committee also reviews the financial performance of University companies and major commercial activities.

INVESTMENT COMMITTEE

Chair: Ms Kathy Grigg

The Investment Committee provides strategic advice on the University's investments, advises Council on the University's Investment Management policy and oversees investment performance.

LEGISLATION COMMITTEE

Chair: Deputy Chancellor, Ms Jennifer Lightowlers

The Legislation Committee advises Council on matters pertaining to the *Deakin University Act 2009*, the University's Statutes and Regulations and major governing legislative and statutory instruments.

COUNCIL MEMBERS IN OFFICE 2014



Standing left to right: Ms Helene Bender (Deputy Chancellor), Mr John Stanhope, Ms Miranda Douglas-Crane, Mr Peter Niblett, Ms Helen Buckingham, Ms Kathy Grigg, Professor David Ashbridge, Mr Peter Meehan (Deputy Chancellor), Ms Philippa Kelly, Ms Glenys Phillpott, Ms Jay Bonnington Sitting left to right: Professor Ruth Rentschler, Mr David Joyce, Professor Jane den Hollander (Vice-Chancellor), Mr David Morgan (Chancellor), Ms Jennifer Lightowlers (Deputy Chancellor) Absent: Mr Stuart Hamilton

OFFICIAL MEMBERS

The Chancellor

Mr David Morgan *BCom Melb*

Current term of office: To 31 December 2015

Years on Council: 16

The Vice-Chancellor

Professor Jane den Hollander *BSc (Hons), MSc Witw., PhD Wales*

Current term of office: From 19 July 2010

Years on Council: 4.5

The Chair of the Academic Board

Professor Ruth Rentschler *OAM BA (Hons) Melb, PhD Monash*

Current term of office: To 31 December 2017

Years on Council: 3

APPOINTED MEMBERS

Members appointed by the Governor in Council

Professor David Ashbridge *MB BS, MPH, Dpl Child Hlth, Dpl Trop Med, GAICD, Member RACGP*

Current term of office: To 31 March 2015

Years on Council: 2.3

Ms Jay Bonnington *BCom Auckland, MBA Monash, FCPA, FAICD*

Current term of office: To 31 December 2015

Years on Council: 5

Ms Miranda Douglas-Crane *BCom, MBA, DipEd, FIM, FAICD*

Current term of office: To 31 December 2015

Years on Council: 1.3

Mr Peter Niblett *BCom Deakin, CA, FCPA, CISA, CISM*

Current term of office: To 31 March 2015

Years on Council: 6

Ms Glenys Phillpott

Current term of office: To 31 December 2015

Years on Council: 2

Mr John Stanhope *BCom Deakin, FICD, FAIM, FCPA, FICA, FHRM*

Current term of office: To 31 March 2015

Years on Council: 2.5

A member appointed by the Minister

Ms Helene Bender *OAM BCom Melb, Dip Travel & Tourism RMIT*

Current term of office: To 31 December 2015

Years on Council: 6.5

Council appointed members

Ms Helen Buckingham *BA DipEd La Trobe, DipAICD NSW, GradDip Careers Deakin*

Current term of office: To 31 December 2014

Years on Council: 6

Ms Kathy Grigg *BEC, DipEd Adelaide, FCPA, FAICD*

Current term of office: To 31 December 2016

Years on Council: 5.3

Mr Stuart Hamilton *AO, BArts (Hons), BEC*

Current term of office: To 31 December 2015

Years on Council: 1.3

Mr David Joyce

Current term of office: To 31 December 2014

Years on Council: 1.3

Ms Philippa Kelly *LLB UWA, FFin, GAICD*

Current term of office: To 31 December 2017

Years on Council: 5

Ms Jennifer Lightowlers *BA Dip Ed UWA, LLB (Hons), LLM Melb*

Current term of office: To 31 December 2015

Years on Council: 10.7

Mr Peter Meehan *BBus RMIT, FCA, FCPA*

Current term of office: To 31 December 2015

Years on Council: 8.8

In 2014 the Council gratefully acknowledged the service of Ms Helen Buckingham and Mr David Joyce who concluded their terms of office on 31 December 2014.

COUNCIL MEMBERS' ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS

The number of meetings of the Deakin University Council and of each committee of Council held during the year ended 31 December 2014, and the number of meetings attended by each member were as follows:

A – meetings eligible to attend as a member B – meetings attended as a member Number of meetings held during the year	Council		COMMITTEES OF COUNCIL													
	8, includes planning conference		Audit and Risk		Chancellor's Advisory		Finance and Business Affairs		Honorary Degrees		Investment		Legislation		Remuneration	
			A	B	A	B	A	B	A	B	A	B	A	B	A	B
Chancellor Mr D Morgan	8	8			6	5			3	2					2	2
Deputy Chancellor Ms H Bender	8	8			6	5			3	3			5	4	2	2
Deputy Chancellor Ms J Lightowlers	8	7			6	5			3	3			5	4	2	1
Deputy Chancellor Mr P Meehan	8	8	5	4	6	6			3	3					2	2
Vice-Chancellor Professor J den Hollander*	8	8	5	4	6	6	7	7	3	3	4	2	5	2	2	2
Professor D Ashbridge	8	8														
Ms J Bonnington	8	6					7	7								
Ms H Buckingham	8	7					7	6					5	5		
Ms M Douglas-Crane	8	8	5	5												
Ms K Grigg	8	8					7	6			4	4			2	2
Mr S Hamilton	8	6	5	4												
Mr D Joyce	8	7											5	4		
Ms P Kelly	8	6					7	6							2	2
Mr P Niblett	8	6	5	5			7	5								
Ms G Phillpot	8	8	5	4												
Professor R Rentschler	8	8			6	5			3	3						
Mr J Stanhope	8	7					7	6			4	4				

*In attendance with full rights of audience and debate for Audit and Risk Committee, Finance and Business Affairs Committee and Investment Committee meetings.

ACADEMIC GOVERNANCE

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

The Chair of the Academic Board is a member of Council. Professor Ruth Rentschler OAM was the Chair of the Board throughout 2014 and in October was re-elected for a further term of office from 1 January 2015 to 31 December 2017.

In 2014 there were 56 members of the Academic Board drawn from across the University through the appointment of official members (15) and the election of members from the Professoriate, Faculties and Institutes, general staff and the student body.

The major activities of the Academic Board in 2014 included:

- overseeing compliance with the Australian Qualifications Framework of all Deakin courses by the 1 January 2015 deadline
- authorising a review of the Higher Degrees by Research (HDR) program structure at Deakin, including the establishment of a working party to work through the key actions
- improving the oversight of academic standards through the approval of academic policy reviews regarding assessment, admission and course approvals and revisions
- reviewing the reporting requirements of the Academic Board committees to ensure compliance with quality assurance, timing and relevance requirements.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

The University's Chief Executive Officer is the Vice-Chancellor and President, Professor Jane den Hollander.

The University's Executive comprises the Vice-Chancellor, three Deputy Vice-Chancellors, four Faculty Pro Vice-Chancellors, the Pro-Vice-Chancellor (Planning and Integrity) and four Vice-Presidents (which includes the Chief Financial Officer and the Chief Digital Officer).

SENIOR OFFICERS

Vice-Chancellor and President

Professor Jane den Hollander BSc (Hons), MSc Wits, PhD University of Wales

Chair of the Academic Board

Professor Ruth Rentschler OAM BA (Hons) Melb, PhD Monash

Deputy Vice-Chancellor (Research)

Professor Lee Astheimer BSc (Hons) Lakehead, PhD UC Davis

Deputy Vice-Chancellor (Education)

Professor Beverley Oliver BA (Hons) UWA, Grad Dip Ed Murdoch, M Phil UWA, PhD UWA

Deputy Vice-Chancellor (Global Engagement)

Professor Gary Smith BA (Hons), PhD Monash

Pro Vice-Chancellor (Planning and Integrity)

Professor Christopher Gray BA (Hons) Lancaster, MSc Leeds, PhD Bradford, FAIOH

Pro Vice-Chancellor (Arts and Education)

Professor Brenda Cherednichenko TPTC Toorak Teachers College, Dip Arts Prahan CAE, BEd Victoria College, MSc (Ed) U Rochester NY, Grad Cert Indigenous Sector Mgt ECU PhD Melb GAICD

Pro Vice-Chancellor (Business and Law) (from 4 March 2014)

Professor Michael Ewing BCom (Natal), BCom (Hons) Pretoria, MCom (Pretoria), DCom (Pretoria)

Pro Vice-Chancellor (Health)

Professor Brendan Crotty MBBS MD Melbourne, FRACP

Pro Vice-Chancellor (Science, Engineering and Built Environment)

Professor Trevor Day DipEd Flinders, BSc (Hons) Flinders, PhD (Med) Flinders

Vice-President (Enterprise)

Mr Kean Selway BBus (Mktg) Chisholm, GDip Mgt Victoria UT, FAICD

Vice-President (Advancement)

Mr Ron Fairchild BHK (Hons), University of Windsor, CFRE

Chief Financial Officer

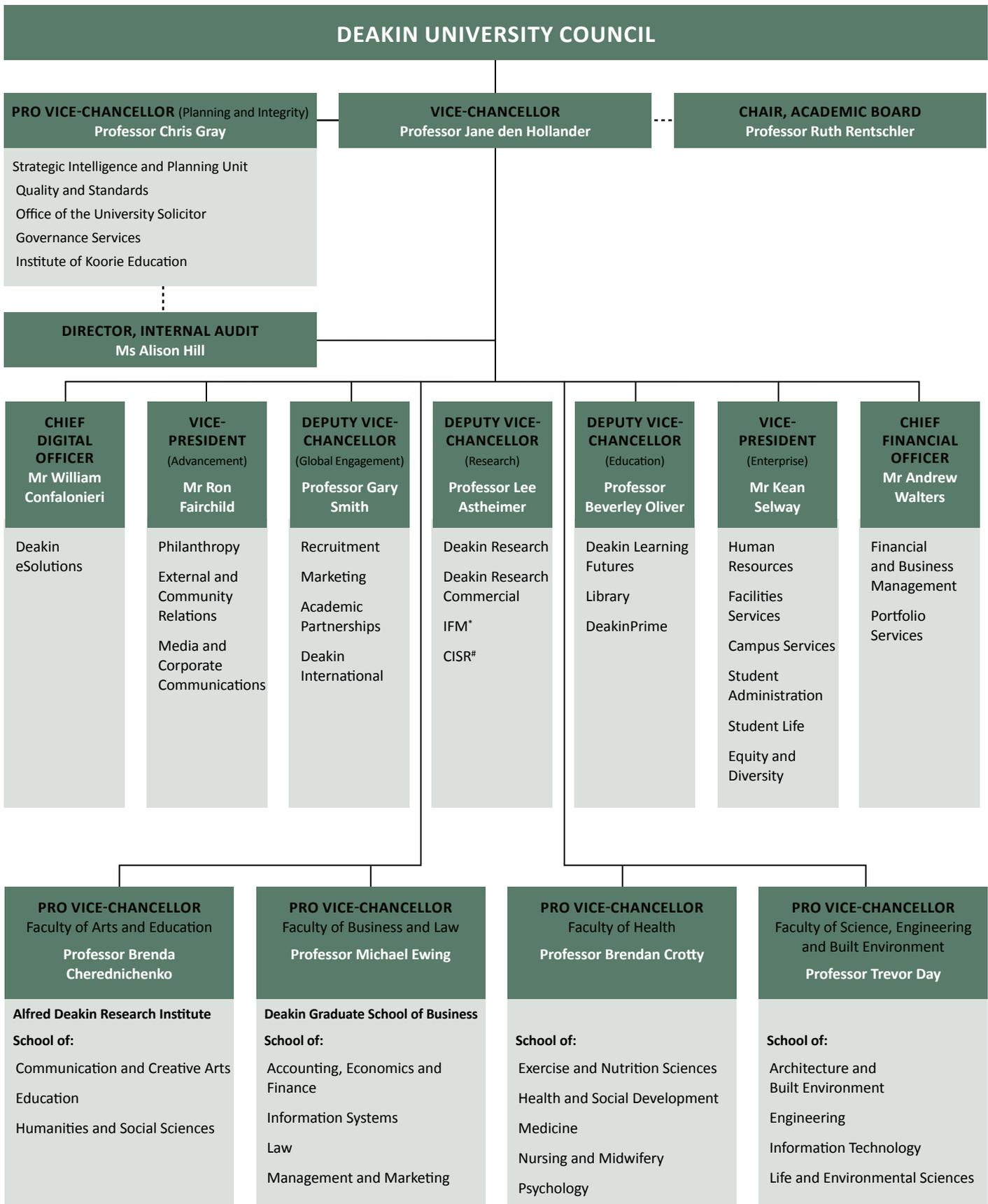
Mr Andrew Walters BCom Natal, Hons B.Compt UNISA, CA (Australia)

Chief Digital Officer

Mr William Confalonieri DipSysEng UNICEN, MCompSci Lujan, MBAEco ESEADE DDP Austral, PGDipNeg Belgrano, CertEnterpArch Carnegie Mellon, GAICD

MANAGEMENT AND ORGANISATIONAL STRUCTURE CHART

The University's Chief Executive Officer is the Vice-Chancellor and President Professor Jane den Hollander. The University's Executive comprises the Vice-Chancellor, three Deputy Vice-Chancellors, four Faculty Pro Vice-Chancellors, the Pro-Vice-Chancellor Planning and Integrity and two Vice-Presidents, the Chief Financial Officer and the Chief Digital Officer.



IFM* – Institute for Frontier Materials CISR# – Centre for Intelligent Systems Research

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 2014 reporting period no significant changes occurred in the nature of the principal activities of Deakin University.

REVIEW OF OPERATIONS

A review of operations for the year 2014, of which this report forms a part, is set out on pages 8-34.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No major changes or factors occurred during 2014, 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 Deakin's operations in subsequent years.

ENVIRONMENTAL REGULATION

Deakin University is subject to the following environmental legislation:

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

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

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. For the 2014 year, the premium for this insurance was \$21,780 (excluding GST).

BALANCE SHEET

Total assets have increased by \$88.2m from 2013, reflecting a decrease in the deferred government contribution for superannuation (Victorian State Superannuation Fund) of \$4.2m. Cash and other financial assets were \$87.1m higher than in 2013. A combination of \$72.0m in capital expenditure, less depreciation and disposals totalling \$69.8m contributed to a decrease of \$3.0m in property, plant and equipment.

Total liabilities decreased by \$13.9m from 2013, reflecting in particular a decrease in the deferred employee benefits for superannuation (Victorian State Superannuation Fund) of \$4.2m, an increase in creditors and accrued expenses of \$1.9m, a decrease in Australian Government unspent financial assistance of \$5.3m, an increase in income in advance of \$12.2m and an increase in provisions for employee benefits of \$8.8m.

AUDITOR-GENERAL'S QUALIFICATION

The Victorian Auditor-General has again qualified the University's financial report on the grounds that unspent grants provided by the Federal and State governments received in advance as at 31 December 2013 have been recognised as income in advance and recognised as a liability in the Statement of Financial Position.

The University's treatment is in accordance with Australian Accounting Standard AASB 118 - Revenue. The University regards the receipt of these payments as a reciprocal transfer where the grants have outstanding performance or return conditions.

The Victorian Auditor-General has taken the view that these payments are non-reciprocal governments grants and should be accounted for in accordance with Australian Accounting Standard AASB 1004 - Contributions, whereby such payments are treated as income in the year of receipt. The University does not agree with this interpretation of the nature of the income and has external advice to confirm its interpretation.

SIGNIFICANT CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2013

Income Statement

The University's reported consolidated operating surplus, after tax, was \$68.2m in 2014, compared to \$78.2m in 2013.

Total income from continuing operations for 2014 was \$898.6m, \$62.0m above 2013, attributable to:

- an increase of \$53.9m in Commonwealth Supported Places – Commonwealth Grant Scheme (CGS) and Higher Education Loan Programme scheme (HELP)
- an increase of \$9.6m in Education Investment Fund capital funding
- an increase of \$16.0m in course fees and charges across international fee paying onshore international fee paying offshore and domestic fee paying
- a decrease of \$8.7m State Government financial assistance income
- a decrease of \$8.1m in examination fee income
- a decrease of \$4.3m in consultancy and contract research fee income

Total expenses from continuing operations for 2014 were \$830.4m, \$73.0m above 2013, attributable to:

- an increase of \$41.3m in employee related expenses
- an increase of \$10.1m in depreciation and amortisation costs
- an increase of \$3.9m in repairs and maintenance
- an increase of \$4.7m in equipment costs
- an increase of \$1.8m in infrastructure payments
- an increase of \$3.5m in scholarships, grants and prizes

When adjusted for major one-off items, the underlying surplus is \$54.1m, comparable to the figure of \$50.4m in 2013.

Underlying Surplus Reconciliation	2014	2013
	\$m's	\$m's
Operating result after income tax	68.2	78.2
Major one-off items:		
Capital grants	(14.1)	(24.1)
CGS facilitation grant	0	(3.7)
Revision of the capitalisation threshold on capital items	0	0
Underlying operating result after income tax	54.1	50.4

The Annual Report was approved by the Deakin University Council at its meeting on 5 March 2015.


David Morgan 5 March 2015
Chancellor Geelong

The qualification in relation to the current year is as follows: 'Deakin University has deferred the recognition of \$27.9 million (2013 \$33.2 million) of Australian Government Financial Assistance grant income received in 2014 and recognised it as Trade and Other Payables in its statement of financial position as at 31 December 2014. As discussed in Note 1(b) to the financial report, the University regards the receipt of such income as a reciprocal transfer and recognises the revenue in the reporting periods in which the services are provided. In my opinion, these grants are non-reciprocal in nature and the income should be recognised in the reporting period in which the associated cash is received. As such the university's accounting policy constitutes a departure from Australian Accounting Standards. The University adopted this accounting policy in the year ended 31 December 2007 and has caused me to qualify my audit opinion on the financial reports since that time'.

The Australian Accounting Standards Board (AASB) is currently reviewing grant accounting for not-for-profit organisations. However, until this review is completed the current accounting standards apply.

PROGRESS AND ACHIEVEMENTS 2014

LEARNING AT DEAKIN – Offering a brilliant education where you are and where you want to go

Since its establishment in 1974, Deakin has grown from a green field site at Waurn Ponds to a globally connected university with over 50,000 students studying across four campuses, six learning centres and in the cloud. Since its beginnings, learning at Deakin has been characterised by a commitment to:

- overcoming the tyranny of distance in regional Victoria and creating a university for the Geelong region
- providing access for regionally based students, Indigenous students, students from socioeconomically disadvantaged backgrounds and mature age students
- the use of new and emerging technologies in the design and delivery of its courses, providing students with education at their own pace, in their own space.

PROVIDE PREMIUM LOCATED AND CLOUD LEARNING

Over twenty projects were undertaken in 2014 to ensure Deakin addressed five core goals, enabling it to meet its promise to educate learners for the jobs and skills of the future.

GOAL 1 – Building staff capacity in the use of new teaching modes and the tools of a technology-rich and innovative learning environment

A survey of teaching staff informed the design of Deakin's capacity building program. The program was designed to meet staff expectations of:

- a strong focus on improving assessment and ensuring learning experiences are engaging
- a 'just in time' approach to support for teaching staff
- the reliability, consistency and interoperability of Deakin technologies
- the importance of exploring synchronous campus and cloud student engagement.

Development of a refreshed [Learning@Deakin](#) site facilitates self-directed staff access to workshops, information and connections. External experts have augmented internal resources. For example assessment expert Professor David Boud delivered 31 sessions with 435 staff on 'reimagining assessment'.

Deakin's [TeachAssist](#) team works with staff as a first point of contact with support services, as well as building staff confidence and capability with technology. *TeachAssist* provides a hotline for staff assistance, onsite assistance at the LifeSaver (in the foyer of the Burwood Highway Frontage building), and mobile assistance through the CloudMobile – a purpose-built mobile digital studio that travels between campuses providing support wherever staff are located.



Deakin CloudMobile – a purpose built mobile digital studio

GOAL 2 – Course enhancement to ensure Deakin students become highly employable graduates with compelling evidence of their learning

Deakin's Course Enhancement process is Faculty owned and lead and supported by embedded Learning Futures 'pods' working with staff to ensure courses are engaging, effective and efficient. The process has four stages: Scoping, Assessment and Learning Design, Resourcing, and Final Evaluation with timelines set by Faculties. As at 31 December, ninety-five per cent of Deakin's courses had commenced the enhancement process with ten per cent completed.

A key aspect of course enhancement is the embedding of Deakin's Graduate Learning Outcomes. In addition to discipline knowledge, the Graduate Learning Outcomes focus on the capabilities associated with employability and employment: communication, digital literacy, teamwork, critical thinking, problem solving, self-management, teamwork and global citizenship. In each course, these eight outcomes are contextualised to the discipline, embedded, assessed and evidenced. Assessment throughout the course is designed to provide students with the opportunity to evidence achievement of all Graduate Learning Outcomes. All students are encouraged to create and curate evidence of their learning in a portfolio, or a digital repository, or on professional social media sites such as LinkedIn.

Me in a Minute is a strategic initiative that enables students to work with peers to produce a one-minute video in which they articulate their achievement of the Deakin Graduate Learning Outcomes for potential employers. Students are encouraged to share their *Me in a Minute* video in appropriate professional spaces and social media channels.

Throughout Course Enhancement, teaching staff have worked consistently to enhance course materials for digital environments, including *Cloud Concepts* and innovations in [CloudDeakin](#).

GOAL 3 – Clarifying enrolment modes, campuses and learning centres

The new methods of teaching which accompany a digitally leveraged environment necessitate new terminology to ensure clear and transparent communication with students and future students. Deakin's online handbook was updated in 2014 with clearer unit information and intuitive campus modes and an agreed list of learning experiences.

To clearly communicate modes of delivery, Deakin has adopted three enrolment modes: (1) Campus (previously On Campus), (2) Cloud (online) (previously Off Campus) and (3) Converged, a new mode. Converged mode, commencing in Deakin's Learning Centres in 2015, specifies that classes and seminars will include videoconferencing, delivered from multiple sites with students supported onsite by a tutor. This enables access for students living far from Deakin's campuses, as well as those juggling work and family responsibilities, or studying pathway programmes. Deakin's Learning Centres are at Werribee, Dandenong, Craigieburn, Swan Hill, Portland and Rosebud.

GOAL 4 – Cloud learning for personal, relevant and engaging learning experiences

In 2013, Deakin's Massive Open Online Course (MOOC) *Humanitarian Responses to 21st Century Disasters* was designed to test innovations in making online learning and assessment more engaging. It received the Higher Education Sector Award at the eLearning Industry Association Excellence Awards in 2014. Lessons learned from the MOOC were synthesised and incorporated into Deakin's learning management system, *CloudDeakin*. This includes adopting and assuring minimum standards in all *CloudDeakin* unit sites, ensuring we give students easy access to learning outcomes and assessment, teaching staff and peers, and learning resources and experiences. Within *CloudDeakin*, students are able to access units and course sites, curate and present learning achievements, engage in virtual classrooms, manage personal academic integrity using Turnitin and interact on blogs and wikis. Unit sites are easier to access through Deakin's integrated communications and collaboration platform *DeakinSync*, giving students single sign on access to secure cloud storage, communication and information tools, *CloudDeakin* and Microsoft Office web apps.

Based on this innovation, Deakin has been recognised through the Oceania Regional Prize in the QS Wharton Stars Reimagine Education global awards for innovative higher education pedagogies enhancing learning and employability.

GOAL 5 – Building the evidence base of learning

In October 2014, Deakin established the Centre for Research in Assessment and Digital Learning (CRADLE) with Professor David Boud as Foundation Director. The Centre will focus on building research in assessment, particularly in digitally enabled learning environments. The Centre seeks to position assessment as a pivotal curriculum practice and to take assessment research beyond a focus on tests and assignments and a simple focus on judging student learning. It will bring together those whose interest is in research on the relationships between assessment and learning, with a particular emphasis on the creation and curation of evidence of learning in digital environments. Following a review of the Student Evaluation of Teaching and Units (SETU) survey, Deakin successfully introduced eVALUate to collect student feedback on their experiences of units in Trimester 2. eVALUate is a validated survey collecting information on students' perceptions of what helps and hinders their achievement of learning outcomes, their motivation and engagement and their overall satisfaction.

The theme for Deakin's 2014 Learning and Teaching Conference was 'sharing and showcasing', and over 90 staff presented in lively discussion sessions and contributed through a showcase of cloud concepts. Over 300 staff attended in person or in the cloud. Dr Keith Willey (University of Technology, Sydney and Australian Learning and Teaching Fellow) gave the keynote address, *Collaboration with Purpose*.

In 2014, Deakin staff were recognised with four Office for Learning and Teaching (OLT) Awards.

Associate Professor Kieran Lim, School of Life and Environmental Sciences, Faculty of Science, Engineering and Built Environment was awarded a prestigious Australian Award for University Teaching.

Five staff were recognised through OLT Citations for Outstanding Contributions to Student Learning:

- First Year Psychology at Deakin: Ms Hannah Bereznicki, Ms Sharon Horwood and Dr Wendy Sutherland-Smith, School of Psychology, Faculty of Health
- Dr Chad Whelan, School of Humanities and Social Sciences, Faculty of Arts and Education
- Mr Tim Wilkin, School of Information Technology, Faculty of Science, Engineering and Built Environment.

DELIVERING GLOBALLY CONNECTED EDUCATION

Deakin's international programs were recognised with Victoria's highest accolades when Deakin received:

- the Premier's Award for International Education Provider of the Year 2014
- the 2014 Victorian International Education Awards for Excellence in Education (University) and Excellence in International Education (Student Employability and Careers)
- the Victorian Governor's Export Award for best education provider, and
- as a finalist in the national Austrade Export Awards.

Deakin's international students come from 127 countries and represent 16 per cent of the student population. The number of commencing international students returned to growth in 2014 (an 8 per cent increase from 2013). The major source countries are China (40 per cent) and India (16 per cent) although Deakin continues to increase the diversity of its international student population.

The Deakin University English Language Institute (DUELI) experienced significant growth in 2014 (a 30 per cent increase in commencing enrolments from 2013). DUELI is now the second largest university English language centre in Australia (University English Centres Australia Benchmarking survey) and the only one to offer programs both in Melbourne and regional Victoria.

The enhancement of Deakin's digital environment has supported growth in transnational education (TNE) initiatives with approximately 500 students enrolled in the following Sino-Foreign Joint Programs:

- Capital Medical University (last recruitment intake in 2013)
- Hubei University (first intake in 2012)
- Wuhan University of Science and Technology (first intake in 2013)
- South West University and Inner Mongolian Normal University (first intake in 2014).

Other TNE initiatives include a partnership with SEED Institute for the delivery of the Bachelor of Early Childhood Education (International) in Singapore and an agreement to provide the underpinning curricula and quality assurance associated with the launch of Kalyani International University in India.

Deakin's education programs have a growing international reputation. Deakin's Sports Management Masters degrees were ranked third in the world Sports Business International (SBI) rankings with Deakin the only Australian university in the top 25. Deakin's education discipline ranked 23 in the world (QS World University Rankings by Subject 2014). In the 2013/14 Vis Moot Deakin Law students were ruled best in the world, competing against 290 other Law Schools. Deakin is one of only a small number of Law Schools to have participated in the Vis Moot and Vis (East) Moot every year that they have run.

GROWTH IN STUDENT MOBILITY

Student participation in global programs is growing, with over 3,000 students registered with the Global Citizenship Program (GCP) and more than 1,600 undertaking an overseas study, volunteer or internship experience in 2014. Thirty Deakin students undertook work in the remote communities of Niusawa, Fiji and Spiti Valley, India, where they were involved in the construction of sustainable buildings. Introduction of the Next generation <G> program has enabled students from Geelong's Northern Bay Secondary College to undertake their first international experience, travelling to Malaysia.

The new Colombo Plan pilot phase enabled 80 Deakin students and six Deakin academics to undertake study in Indonesia in 2014 and three Deakin undergraduate students were awarded full scholarships from the Chinese Government to study in China for a year thanks to a bilateral partnership between the governments of Australia and China.

WELCOMING, SUPPORTING AND RETAINING COMMITTED AND CAPABLE LEARNERS

Throughout its history Deakin has been shaped by a deep commitment to equity and a focus on regional Victoria. Deakin's Student Admissions Plan adopts a student-centred and partnership-driven approach based on the principle of 'entry pathways for all'. The approach aims to break down the barriers of educational disadvantage, with admission criteria aligned to pathway alternatives, recognising each student's likelihood to achieve success.

With the launch of the Deakin Pathways Program in 2014, Deakin substantially expanded the career outcome-focused pathways into Deakin courses from TAFE diplomas and advanced diplomas. The program builds on the successful pathways partnership with the Melbourne Institute of Business and Technology (MIBT), and pathways agreements with The Gordon, South West TAFE, Box Hill Institute, Chisholm Institute and TAFE NSW-Riverina Institute. Agreements are based on an assessment of credit for prior learning and articulation pathways with guaranteed entry. A number of industry and community initiatives support these partnerships, such as the Deakin and Bendigo Bank Scholarship and Education Program which aims to grow education in regional Victoria and New South Wales.

Deakin is committed to supporting students from equity backgrounds to achieve their full potential

Deakin's Vera White [Disability Resource Centre](#) (DRC) was established in 1984, the first of its kind in Australia. Deakin enrolls the highest number of commencing students with a disability of any Australian university (DIISRTE 2013). In 2014 the DRC provided information and services to support 1,463 registered students with a disability, health or mental health condition that affects their study or participation in university life.

Deakin is the third largest provider of higher education to Indigenous students in Australia, with 1.8 per cent of its student population of Indigenous background. Indigenous programs began at Deakin in 1986, with the [Institute for Koorie Education](#) established in 1991.

While Deakin's retention rate is strong (5 stars in the Good Universities Guide), retention rates across the sector have shown a general decline for several years and Deakin's overall retention rate for domestic undergraduate students selected through the Victorian Tertiary Admissions Centre (VTAC), has declined from 86 per cent in 2006 to 83 per cent in 2013 (figure 1).

In 2014, Deakin implemented a proactive student success program including an early warning system to identify students at risk of attrition. The early warning system allows Deakin to make appropriate and targeted intervention contact with identified students. Over 5,000 students were identified as being at higher risk of attrition and were contacted by trained and supervised senior students. Early results indicate a significant reduction in the number of students who dropped out of their studies.

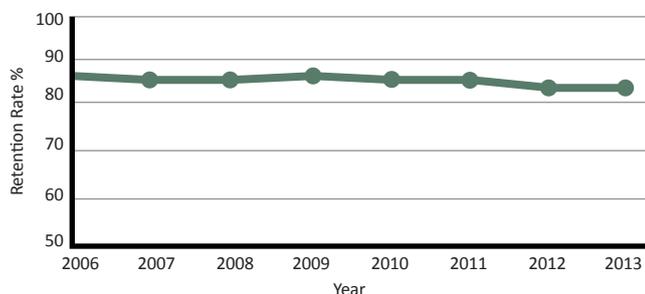


Figure 1 Overall retention rate (%) domestic undergraduates admitted through VTAC

EMPOWERING LEARNERS FOR JOBS AND SKILLS OF THE FUTURE

Deakin aims to provide its students with the knowledge, skills and opportunities to obtain meaningful careers in their chosen careers. All Faculties have introduced initiatives to increase opportunities for work-based learning, and a HEPPP funded graduate Employability project is ensuring financially and socially disadvantaged students are also able to undertake work placements. Deakin is the only Victorian university to offer a dedicated internship placement program for international students.

The Australian Graduate Survey (AGS) data for 2013 indicates that of the Deakin domestic bachelor degree graduates who were available for full-time employment at the time of the 2013 Survey, 67 per cent were in full-time work, 23 per cent were working part-time or in casual employment, while 11 per cent were not working at all while continuing to seek full-time work. While Deakin's full-time-employment rates are consistent with national data for four of the eleven broad fields of education, employment outcomes in other areas are below national outcomes; improving the employability of graduates has been a Deakin priority in 2014.

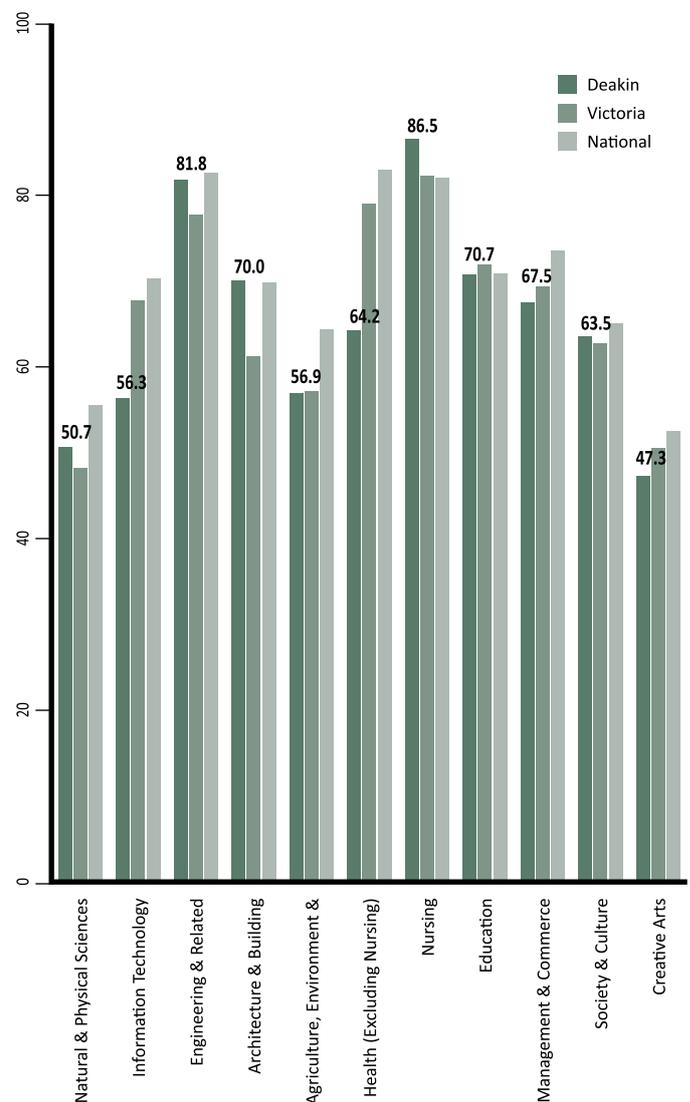


Figure 2 Domestic bachelor's in full-time work by Field of Education, Deakin, Vic & National 2013(%)



NEW COLOMBO PLAN

Connect to Asia - study in the region



DEAKIN IN 2014 LEARNING HIGHLIGHTS

- Deakin signs world-first partnership with cognitive computer IBM Watson to enable personalised advice to students 24/7/365
- Deakin wins Oceania Regional Prize in the QS Wharton Stars Reimagine Education global awards for innovative higher education pedagogies enhancing learning and employability
- Deakin wins Premiers Award for International Education Provider of the Year 2014
- Named Victoria's leading Education and Training provider in the Victorian Governor's Export Awards First in Victoria for student satisfaction for the fourth consecutive year (AGS)
- Deakin first in Victoria for student satisfaction for the fourth consecutive year (AGS)
- Associate Professor Kieran Lim awarded a prestigious Australian Award for University Teaching
- Five staff recognised through Office for Learning and Teaching Citations for Outstanding Contributions to Student Learning

IDEAS AT DEAKIN – Making a difference through world-class innovation and research

Deakin uses the term ‘Ideas’ rather than research in its strategic plan, with the use of externally focussed language affirming its focus on research that makes a difference to the communities Deakin serves. Over the past five years, Deakin has invested heavily, increasing its commitment by \$38.7m in 2014 (now over \$80m) as compared with 2009 in creating programs to focus and develop research excellence. This approach, advanced through the Institutes and establishment of Strategic Research Centres, provided a platform for excellence. Our research strengths in materials science, manufacturing engineering, exercise science, population health, medical sciences and chemistry are internationally renowned.

Deakin’s research agenda is underpinned by four core principles:

- excellence
- relevance to our communities
- alignment with our teaching and learning programs
- translation of research and innovation.

GROWING RESEARCH EXCELLENCE, DEPTH AND CAPACITY

Deakin has had a clear focus on growing research capacity by building teams of high performing researchers and creating opportunities and pathways for very talented early career researchers. Deakin’s total research income in 2014 was \$43.4m.

Research is organised at Deakin within Institutes and Strategic Research Centres (SRC) which support nodes of research strength. Faculty Research Groups and Centres provide support for smaller foci of emergent or developing research.

Research Institutes

- Institute for Frontier Materials (IFM)
- Alfred Deakin Research Institute (ADRI)

Strategic Research Centres

- Centre for Physical Activity and Nutrition Research
- Centre for Molecular and Medical Research
- Centre for Chemistry and Biotechnology
- Centre for Integrative Ecology
- Pattern Recognition and Data Analysis
- Centre for Citizenship and Globalisation
- Centre for Research in Educational Futures and Innovation
- Centre for Economics and Financial Econometrics Research
- Centre for Intelligent Systems Research
- Deakin Population Health
- Innovation in Mental and Physical Health and Clinical Treatment
- Centre for Quality and Patient Safety Research
- Centre for Mental Health and Wellbeing Research
- Centre for Memory, Imagination and Invention
- Centre for Sustainable and Responsible Organisations

Research Excellence

Deakin’s research continues to improve in global ranking schemes, which are becoming more important in raising our international profile and in attracting excellent staff and international students. Our position in Australia’s national assessment exercise, Excellence in Research for Australia (ERA), rose from 22 per cent of the Fields of Research Code scores being well above (5) or above (4) world average in 2010 to 27 per cent in 2012. Deakin is preparing our ERA 2015 (2008-2013) submission and our preliminary analyses suggest that over 40 per cent of our assessed research will score 4 or 5. This rapid rise in research quality has also been recognised in our rankings in the dominant international ranking schemes, as noted below. It is particularly noteworthy that Deakin has been ranked for the first time in the top 500 universities in the Academic Ranking of World Universities (ARWU) scheme (at an estimated position of 423), as the criteria for ARWU are predominantly determined by research performance. Deakin also received strong endorsement, ranked at 284, from the Leiden World University Ranking, a ranking scheme based on citation numbers of research publications.

In 2014 research publications authored by Deakin academics increased 17 per cent above 2013. Deakin researchers actively collaborated internationally and in 2014, 37 per cent of reported research articles were co-authored with an international researcher, an increase from 29.5 per cent in 2013.

Research Developments

[Carbon Nexus](#) commissioned its two carbon fibre lines and produced Deakin’s first carbon fibre late in 2013. The facility is the jewel in the crown of the Australian Future Fibres Research and Innovation Centre (AFFRIC). It was launched in May 2014 with a very high level of national and international industry interest. After an extensive search, Deakin attracted Derek Buckmaster to the role of Director of Carbon Nexus. Through his previous senior positions in polymer chemistry and composites companies, Mr Buckmaster brings enormous industry experience to this unique facility. Further, the Hon Simon Crean accepted the role as Chair of the Carbon Nexus Advisory Board. Carbon Nexus received extensive industry interest, including its first research contracts with automotive supplier Multimatic and Korean fibre producer, Kolon.

		2011	2012	2013	2014
QS STARS OVERALL	World	-	5 stars	5 stars	5 stars
	National	401-450	401-450	380	360
QS RANKING	World	22	23	19	19
	Victoria	5	5	4	4
QS <50	World	-	-	-	50
TIMES HIGHER EDUCATION	World	351-400	351-400	301-350	301-350
	National	15	15	13	14
	Victoria	3	3	3	3
TIMES HE < 50 YEARS	World	NA	78	66	59
Academic Ranking of World Universities (ARWU)	World	>500	>500	>500	400-450
	National	-	-	-	19
	Victoria	-	-	-	4
CWTS LEIDEN	World	>500	>500	>500	284
	National	-	-	-	13
	Victoria	-	-	-	3

Table 1 International Rankings 2011 - 2014

Deakin played a key role in the establishment of Victoria's third Academic Health Research Centre, Western Alliance Academic Health Science Centre, led by Professor David Ashley. This partnership with healthcare service providers across western Victoria aims to develop collaborative research in clinical services, education and training, ensuring research evidence is translated into clinical practice and direct benefits to patients. Other partners in Western Alliance include Barwon Health, South West Healthcare, Western District Health Service, St John of God Healthcare, Wimmera Healthcare Group, Medicare Local, Ballarat Health Services, Colac Area Health and Epworth.

Deakin launched the National Health and Medical Research Council (NHMRC) Centre for Research Excellence on Policy Research on Obesity Policy and Food Systems under the leadership of Professor Rob Carter. The aim of the Centre is to reduce the burden of obesity through research on policy actions for creating healthy, sustainable, equitable food systems and reversing obesogenic environments. The Chief Investigators are international leaders in the field of obesity prevention, health economics, and prevention policy.

The Australian Heart Disease Statistics Program (HeartStats) was launched under the leadership of Professor Steve Allender. This Australian heart disease research program is a collaboration between the Heart Foundation and Deakin Population Health University that aims to develop a comprehensive picture of heart disease mortality, morbidity, treatment and risk factors in the Australian population, to support research, advocacy, policy and improved heart health for Australians.

Researchers from the Institute for [Frontier Materials](#) (IFM), led by Australian Laureate Fellow Professor Maria Forsyth, played a critical role in winning the re-bid for the ARC Centre of Excellence for Electromaterials Science (ACES). This existing successful Centre collaboration, led by the University of Wollongong, won another five years of funding to create the next generation of electrochemical devices. The Deakin ACES node will lead research in novel materials for battery development and unique fibrous materials, as well as co-ordinating ACES' research training programs.

A new initiative led by Deakin is the formation of The Australian Centre for Infrastructure Durability (ACID). ACID has developed through Deakin's expertise in corrosion prevention, materials lifecycle, and infrastructure modelling and materials within IFM and the School of Engineering, particularly through our involvement in the Energy Pipelines Co-operative Research Centre (CRC). ACID aims to develop close research collaborations between industry and leading universities to ensure optimal durability of existing and new infrastructure through innovative technologies, processes and materials.

Complementing the ACID initiative, the National Facility for Pipelines Coating Assessment was launched this year at the Waurn Ponds Campus. Cementing Deakin's position at the research hub of the corrosion/pipelines industry, the Facility is an initiative of the Energy Pipelines CRC and was set up to provide independent oil and gas pipeline coating testing through cutting edge research. It is co-located with the new Deakin Corrosion Research Centre in the IFM's Proof-of-Concept building, also supported by the Energy Pipelines CRC.

The Geelong Centre for Emerging Infectious Diseases (GCEID), a collaboration between Deakin, Barwon Health and the CSIRO Australian Animal Health Laboratory (AAHL), was established to develop Australia's defensive capability to protect food safety, food security and human health. A Commonwealth Grant of \$3m was obtained through regional development funding through the City of Greater Geelong, which was matched by Deakin and Barwon Health. Fit-out of laboratory and office space in the Teaching, Training and Research (TTR) building at Barwon Health progressed in 2014, with a view to opening the research hub mid-2015. The Biosecure Immunology Laboratory, funded by a collaborative ARC Linkage Infrastructure, Equipment and facilities (LIEF) grant, with contributions from CSIRO AAHL and Deakin, was opened in the new high containment facility at AAHL in May. These facilities will provide key infrastructure for growing GCEID collaborations, including work on projects that seek to understand and develop therapeutics in the battle against emerging infectious diseases like Ebola and the new Middle Eastern Respiratory Syndrome (MERS) virus.

In 2013, Deakin was the first Australian university to use crowd funding to raise funds for research through our unique Research My World program, established by Professor Deb Verhoeven and Deakin Research. Partnering with crowd funding site *Pozible*, all five projects in the first round of 2014 received the funding needed for the projects to proceed. Over the past two years, 13 projects have been funded, helping to raise Deakin's profile as an innovative university in using social media to support research. Another benefit of crowd funding research is that it gives the public direct input into research that matters to communities.

The launch of Deakin's Centre for Investigative Interviewing marked the culmination of over 20 years of dedication by Centre Director Professor Martine Powell – a world expert in investigative interviewing. The Centre is set for a bright future, with collaborations under way across Australasia in the area of vulnerable witness interviewing and new partnerships developing in countries such as Canada and Chile.

Deakin's [Centre for Regional and Rural Futures](#) (CeRRF) gained traction in 2014 through recruitment of key researchers, including Professor Steve Haswell. His work on microfluidic devices is complementary to many Deakin research areas, particularly relating to rapid monitoring and assessment of diagnostic parameters, be this in soil, water or blood. CeRRF is developing the expertise to address regional and rural productivity problems, with teams from engineering, science, business, economics and the humanities, and aims to focus on bridging the gaps between regional enterprises, governments and academia.

Deakin's Motion.Lab has continued to extend the technological boundaries with innovative ways of integrating motion capture and stage production, with three productions in 2014. The "Crack Up," "Emergence" and the "Multiverse" came about from the work of Motion.Lab and the Centre for Intelligent Systems Research (CISR), developing new approaches to movement, art and technology, and is the only motion capture and interactive performance research development lab in an Australian university.

Deakin is also a partner in the Additive Manufacturing Industry Transformation Research Hub (AM-ITRH), launched in November 2014 and led by Monash University. Its remit is to work with aerospace and other manufacturing sectors to explore and develop new alloys and processes for additive technologies. Deakin researchers were also included with AM-ITRH partners, CSIRO, Microturbo, and Monash University, in the award of a multi-million dollar project through the Science and Industry Endowment Fund (SIEF) to manufacture a small demonstrator aero engine entirely through additive manufacturing.

Research Awards

Deakin received a total of 20 Endeavour Awards in 2014, enabling 14 international students to study at Deakin and six Deakin researchers to study overseas. The Endeavour Awards are part of the Australian Government's "Australia Awards" program, and support the development of ongoing research links between individuals, organisations and countries.

The Alfred Deakin Postdoctoral Research Fellowships were established in 2009 to support research excellence in areas of research strength, with an aim of growing a cohort of highly competitive early career researchers. Of the 88 fellowships awarded to date, eight of these fellows have been awarded prestigious external fellowships (for example, ARC Discovery Early Career Researcher, NHMRC Career Development Fellowships). Seventeen additional fellowships have been awarded for funding from 2015, which takes the total number of awarded fellowships to 105.

The title of Alfred Deakin Professor, Deakin's most prestigious award, was conferred on the following staff in 2014:

- Professor Michael Ewing (Pro Vice-Chancellor (Business and Law))
- Professor Matthew Barnett (ARC Fellow and Chair in Metallurgy in IFM)
- Professor Kylie Ball (Chair in the School of Exercise and Nutrition Sciences)
- Professor Clare Bradford (Chair in the School of Communication and Creative Arts)
- Professor Graeme Hays (Chair in Marine Science in the School of Life and Environmental Sciences)
- Professor Ivan Stojmenovic (Professor of Computer Science in the School of Information Technology).

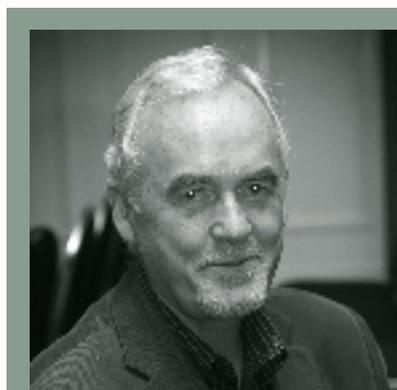
A number of Deakin's researchers have been recipients of prestigious awards during 2014.

Professor Andrew Sinclair was honoured with the *Alexander Leaf Distinguished Scientist Award for Lifetime Achievement 2014* by the International Society for the Study of Fatty Acids and Lipids (IS SFAL), for his 46-year career devoted to the study of the role of lipids and fatty acids in human health.

Professor David Crawford from the Centre for Physical Activity and Nutrition Research (C-PAN) received a fellowship from the International Society for Behavioural Nutrition and Physical Activity (ISBNPA) in recognition of his twelve years of active involvement with ISBNPA and his leadership in advancing knowledge within the field.

Dr Nisa Salim from the IFM was awarded a Gold Medal from the Australian Institute of Nuclear Science and Engineering (AINSE).

Associate Professor Giovanni Turchini from the School of Life and Environmental Sciences was awarded one of the Nutrition Society of Australia's (NSA) highest honours, the NSA annual medal, in recognition of his outstanding research in aquaculture and nutrition.



Professor Andrew Sinclair was honoured with the *Alexander Leaf Distinguished Scientist Award for Lifetime Achievement 2014* by the International Society for the Study of Fatty Acids and Lipids, for his 46-year career devoted to the study of the role of lipids and fatty acids in human health

Professor Bronwyn Fox from IFM received the Smart Geelong Researcher of the Year Award and the Award for Innovative and Sustainable Technology, in acknowledgement of her work in developing Carbon Nexus.

Other Deakin staff to be recognised were:

- Dr Justin Eastwood – Innovation in infectious diseases award
- Dr Luke Henderson – Innovation in biotechnology award
- Professor Karen Stagnitti – Innovation in community care and disability award
- Dr Ludovic Dumeé and Danielle Hitch – Prize for early career innovator/researcher of the year.

Deakin hosted numerous international conferences during 2014, with highlights including ISPE-14, the 14th International Symposium on Polymer Electrolytes, and NUMISHEET 2014, the 9th International Conference on Numerical Simulation of 3D Sheet Metal Forming Processes. These conferences drew experts from around the world to Melbourne and Geelong.

The Thinkers in Residence scheme, a program designed to bring strategic and high level thinkers from industry or academia to Deakin for a three to six month period, hosted ten international academics in 2014 from institutions including the University of Portsmouth United Kingdom and Nagoya University, Japan. These high level visiting academics make an important contribution to growing our international collaborations, providing Higher Degrees by Research (HDR) students and early career researchers with expert research and career advice and building Deakin's research culture.

Building Higher Degrees by Research

Deakin's Higher Degree Research (HDR) cohort continues to grow, with an increase of over 35 per cent since 2010 (Table 2). 2014 has been a record year for HDR completions, with over 221 completions, a 17.5 per cent increase on 2013. This continued improvement in completions affirms the success of additional support programs which have been introduced to ensure that students stay on track for timely PhD submissions. In 2014, the Academic Board approved a suite of initiatives to redevelop the university's HDR program, to improve career readiness through identifying pathways and providing value added programs and enhancing candidate support. These initiatives will be developed through 2015.

	2010	2011	2012	2013	2014
Arts and Education	206	219	228	243	252
Business and Law	87	99	94	100	104
Health	236	263	288	352	363
Science, Engineering and Built Environment	306	342	373	395	432
Total HDR EFTSL	835	922	983	1,089	1,151
Percentage change	19.1%	10.5%	6.6%	10.8%	5.7%

Table 2 Higher Degree by Research (EFTSL)

	2010	2011	2012	2013	2014
Arts and Education	34	33	38	40	39
Business and Law	15	7	16	22	16
Health	37	47	41	62	85
Science, Engineering and Built Environment	61	53	72	64	81
Total HDR EFTSL	147	140	167	188	221
Percentage change	1.4%	-4.8%	40.3%	12.6%	17.5%

Table 3 Higher Degree by Research Completions

DEVELOPING TARGETED COMMERCIAL RESEARCH PARTNERSHIPS

In a fast changing and knowledge-dependent economy, innovation is increasingly dependent on partnerships between university, government and industry. Deakin's knowledge and skill base and industry-focused approach, make it a preferred university for commercial research. As part of its program to foster entrepreneurialism, Deakin has introduced training for researchers in commercialisation of Intellectual Property. A number of notable industry-focused projects are described below.

A three-year study, funded by the Cotton Rural Development Corporation, is supporting research on the development of novel spinning technologies for fine, high quality Australian cotton yarn. This research is being conducted by Professor Xungai Wang within AFFRIC. AFFRIC is a unique centre within the IFM, focusing on research into natural and manmade fibres and nanotechnology, to add value to Australian produce. It is also involved in a growing number of projects with CSIRO in fibre development.

AFFRIC also incorporates the new Carbon Nexus research facility, which provides a pilot scale research plant capable of producing industrially-relevant quantities of aerospace quality carbon fibre. A collaboration between Deakin University and the Victorian Centre for Advanced Materials Manufacturing (VCAMM), Carbon Nexus is attracting new contract research into the chemical, mechanical and nanoscale characteristics of carbon fibre, with a range of end users and fibre producers in America and Europe, as well as the emerging and vitally relevant markets in Asia and China.

A Skilling the Bay-funded collaboration between Geelong-based companies Cytomatrix and AustEng, with Aust Eng and Deakin researchers led to the construction of a scalable machine to produce short nanofibres, winning a Victoria Engineers Australia Innovation Award. The success of this technology stimulated a joint venture between Cytomatrix and Swiss textiles manufacturer, HeiQ Materials AG and the formation of HeiQ Australia, which plans to locate to the Waurin Ponds Campus. Importantly, HeiQ Australia and Deakin have established a collaborative research agreement that will see \$2m over five years committed for further exploration of short nanofibre processing and applications across a range of sectors, including biotechnology, textiles and filtration.

CISR is conducting research with Telstra to enable robotics to work more effectively across the 3G/4G network. Presently, robotic equipment is relatively inefficient, working across such networks performing tasks with a remote user. This study will go a long way towards improving effectiveness and, when completed, the technology will likely better enable e-health type applications.

Deakin is a core partner in two of the three new CRCs with \$65m funded by the Federal Government in 2014. Deakin's CISR is involved with the Rail Manufacturing CRC, which aims to develop products, technologies and supply chain networks to increase the position of Australia's rail industry. CISR will be involved in trialling new magnetic levitation technologies at the Waurin Ponds Campus.

Deakin's Faculty of Business and Law has played a pivotal role in the development of the Data to Decisions (D2D) CRC which will develop robust tools to maximise the benefits that Australia's defence and national security sector can extract from big data to reduce national security threats.

In addition, Deakin is a member of the successful extension of the Sheep CRC, through our ongoing research on wool fibre led by Professor Xungai Wang.

Deakin's Centre for Integrative Ecology continues to develop applied research in marine and freshwater area. This includes better understanding of nutritional requirements of fish for sustainable aquaculture; ocean and coastal habitat and environment mapping and ecological and oceanographic work that informs large scale global conservation decisions.

Epworth Healthcare and Deakin have partnered to deliver the Epworth Geelong teaching hospital. Construction began in April with Stage 1 expected to be operational by July 2016. The hospital will provide clinical training for undergraduate and postgraduate medical, nursing and allied health students and be an important centre for research. Once it is fully operational, it will treat over 46,000 patients annually and employ more than 700 staff.



Launch of the Carbon Nexus research facility in Waurin Ponds

DEVELOPING A STRATEGIC INTERNATIONAL RESEARCH FOOTPRINT

Deakin's international footprint is also reflected in the number of significant international collaborations we support, particularly in India, China and Indonesia, where Deakin has international offices.

Our research partnerships with India are fostered through the Deakin India Research Initiative (DIRI), which operates out of Deakin's India Office in Delhi. In 2014 Deakin's India Office celebrated 20 years of operation with its expansion and renaming as *Deakin South Asia*, to provide a central pillar for Deakin's growing international operations in the South Asia region. Over the past seven years, Deakin's research strategy in India focused on bridging the gap between industry and academia, forming partnerships with some of India's leading companies and organisations including Bharat Forge, TATA Steel, India Oil Corporation, The Energy and Resources Institute (TERI), Biocon India, the Public Health Foundation of India, the India Institute for Chemical Technologies, Madras Diabetes Research Foundation, Vision Research Foundation and the Reliance Institute for Life Sciences. Additionally, over 20 academic partnerships have been established that foster research and training. These include Indian Institute of Technology (IIT) Madras, IIT Bombay, IIT Kanpur, National Institute of Technology Suratkal, SASTRA University, VIT University, Cummins Women's College of Engineering and Amrita University.

Jointly funded by TERI and Deakin, the TERI-Deakin NanoBiotechnology Centre underwent a \$10m expansion in 2014. The new facility is expected to be operational in 2015 and will have the capacity to accommodate over 100 researchers, including 50 PhD students.

Grants from the Australia-India Strategic Research Fund provided support to hold workshops on Sustainable Agriculture and *Microelectromechanical Systems in Healthcare* at Deakin University in 2014. The funding supported attendance of many leading Indian scientists who joined Australian researchers addressing these issues of global significance.

Deakin's key industry partnerships in China include Wuhan Iron and Steel Company (WISCO), China Iron and Steel Research Institute (CISRI) and Shangdong Ruyi Technology Group. Deakin also maintains collaborative interactions with a range of academic institutions, including with Wuhan University of Science and Technology (WUST), Wuhan Textile University, the Chinese Academy of Tropical Agricultural Sciences and the Shanghai Mental Health Centre within Shanghai Jiao Tong University. In a Memorandum of Understanding signed in April, Deakin strengthened its links with China's Research Centre for Eco-Environmental Sciences (RCEES). Joint research already under way includes projects in architecture, noise monitoring and wetland ecology.

The steady growth of Australian businesses in China has led Deakin researchers to investigate the challenges and rewards of doing business in China. With the help of research partners in Hong Kong, Deakin researchers explored 40 Small to Medium Enterprises and their business needs, as well as opportunities for research engagement.

The University has set up two pre-departure centres in Indonesia. The *Centres for English, Academic and Research* for scholars wishing to come to Deakin to complete their PhD with Ministry of Education Scholarships (DIKTI) are at Universitas Andalas (Unand) in Padang, West Sumatra, and Universitas Tadulako (Untad) in Palu, Central Sulawesi. Deakin is also developing research partnerships with Universitas Indonesia, BINUS University and ITB Bandung.

There are a number of partnerships in Europe, but of particular significance is the growing interaction with Basque institutions in Spain in the area of new energy materials and technologies, including collaborations with CIC-Energigune, Tecnalia and Polymat Institute. Deakin also has several research collaborations in the United States, including Ford Co, Mayo Clinic and the University of Georgia at Athens.

UN INTERCULTURAL INNOVATION AWARD

Researchers from Deakin's Centre for Citizenship and Globalisation, the Universities of Melbourne and Western Sydney, and the anti-racism NGO "All Together Now" developed an "Everyday racism app" designed to combat racism by providing a safe yet immersive experience of racism. The game-style app dares players to take on the seven-day challenge of living the life of an Aboriginal man, a Muslim woman, an Indian student or themselves. The app was awarded second place out of 600 applications worldwide in the annual UN Intercultural Innovation Awards.



Vice-Chancellor Jane den Hollander and Pro Vice-Chancellor (Strategic Partnerships) Peter Hodgson celebrating Deakin's 20 years in India

DEAKIN IN 2014 IDEAS HIGHLIGHTS

- Deakin now ranks in the top three per cent of universities in each of the three major global rankings, including the prestigious Shanghai Jiao Tong Academic Ranking of the World's Universities (ARWU)
- The Deakin-led NHMRC Centre for Research Excellence on Policy Research on Obesity Policy and Food Systems was launched
- Launch of the Geelong Centre for Emerging Infectious Diseases (GCEID), a collaboration between Deakin, Barwon Health and the CSIRO Australian Animal Health Laboratory with Commonwealth funding to fit out laboratories and research space
- Opening of the Carbon Nexus research facility in Deakin's Geelong Innovation Precinct
- Deakin, with key health care providers, launched Western Alliance, the 3rd Academic Health Research Centre in Victoria and the only one focused on rural and regional health
- Focused on rural and regional health
- HeartStats, a research program and index of Australian heart health was launched by the Heart Foundation and Deakin Population Health
- Announcement of the expansion of the TERI Deakin Nanotechnology Research Centre
- Deakin's India office celebrated 20 years of operation. Deakin was the first international university to open an office in India
- Deakin is a core partner in the ARC Centre of Excellence in Electromaterials Sciences and in two new Co-operative Research Centres: Data to Decisions and Rail Manufacturing
- Higher Degree by Research completions rose to over 200, the highest ever at Deakin

VALUE AT DEAKIN – Enhancing our enterprise, strengthening our communities and enabling our partners

Deakin contributes to the cultural, social and economic life of each of its communities. Deakin's headquarters Geelong, has evolved as a university town, with Deakin contributing significantly to Geelong's reinvigoration as it transitions from old manufacturing to new manufacturing and knowledge-based economies.

Deakin is also a major local employer, and its students and infrastructure development contribute to the economic growth in each of the Deakin communities. A measure of Deakin's campus economic contributions can be quantified as Gross Regional Product (GRP), the 'value add' contributed by campus operations and student expenditure. In 2014 Deakin commissioned Deloitte Access Economics to analyse Deakin's economic contribution with their October report concluding the following GRP:

Burwood: \$579m (8.5 per cent of the local economy GRP)

Geelong: \$426m (5.3 per cent of the local economy GRP)

Warrnambool: \$53m (2.5 per cent of the local economy GRP).

Deakin also contributed significantly to public debate locally, nationally and internationally through the contributions of its staff to media and through public forums and lectures.

CREATING INNOVATIVE ENVIRONMENTS, LOCATED AND IN THE CLOUD

Deakin successfully implemented a suite of information and communication technology projects in 2014 to enable a digitally leveraged environment for teaching and research. [DeakinSync](#) is designed to give students and staff a personalised view of university resources customised to their needs. The three-year project began rolling out to current students in late 2013, with [DeakinSync](#) for staff introduced late in 2014 and [DeakinSync](#) for alumni to follow. For students, [DeakinSync](#) provides access directly to learning resources in a refreshed and more visually engaging [CloudDeakin](#).

[Deakin Anywhere](#) is Deakin's integrated productivity and collaboration platform. This project implemented the suite of Microsoft applications (Office 2013 and Lync 2013) and cloud-based services (Office 365, OneDrive Pro, Yammer and SharePoint) to enable students and staff to create documents and files, store, access and share files and communicate and collaborate on multiple devices. Both [DeakinSync](#) and [Deakin Anywhere](#) have attracted international recognition for innovation. Microsoft cited [Deakin Anywhere](#) as a global exemplar of best practice implementation.

The introduction of Mobile Computers on Wheels (MoCoWs) has increased the ability of students to learn collaboratively on campus; the devices enable students to work in teams, sharing screens and online work spaces.

In October, Deakin signed a partnership with [IBM Watson](#), a cloud based cognitive computer system. Deakin is the first university in the world to implement the Watson Engagement Adviser as a key part of its student advice program. The system will evolve, and over time every student who asks Watson a question can expect tailored information and personalised advice based on their individual profile.

Major enhancements to campus learning spaces in 2014 included extensive refurbishment of libraries and outdoor student spaces. Deakin's libraries have been designed to be media-rich with flexible use of space supporting both individual and collaborative learning. Outdoor spaces have undergone major renewal to become natural extensions of the classroom – stylish discussion spaces that are Wi Fi enabled and equipped to plug in laptops and mobile phones.



Deakin's Chief Digital Officer William Confalonieri was awarded Chief Information Officer of the Year by IT News at the Australian CIO Strategy Summit in February 2014.

BUILDING EMPLOYEE CAPACITY, CAPABILITY AND PRODUCTIVITY

Deakin University is committed to a workplace culture that fosters and supports excellence in teaching, research and the services supporting those activities, through recruiting and retaining a workforce of the highest calibre who are engaged with, and united by, Deakin's mission and values. Deakin supports a range of family friendly and work-life balance policies, programs and initiatives.

Deakin has a total of 4,031 staff with 1,881 (47 percent) in academic positions.

FULL TIME EQUIVALENT STAFF	2012	2013	2014
FULL TIME/PART TIME	2,964	3,098	3,284
CASUAL	662	730	747
TOTAL	3,626	3,828	4,031
ACADEMIC	1,661	1,787	1,881
GENERAL	1,965	2,041	2,150

Table 4 Deakin staff (FTE 2012 – 2014)

FULL TIME EQUIVALENT STAFF		2012	2013	2014
FULL TIME/PART TIME	GENDER	FTE	FTE	FTE
	Female	1729.63	1824.49	1923.66
	Male	1234.29	1273.42	1360.05
	Total	2963.92	3097.91	3283.71
	AGE BRACKET	FTE	FTE	FTE
	Less than 20	0	1	1
	20 to 30 yrs	295.49	284.06	274.4
	30 to 40 yrs	832.31	905.37	995.95
	40 to 50 yrs	810.62	848.82	893.48
	Above 50	1025.5	1058.66	1118.88
	Total	2963.92	3097.91	3283.71

EMPLOYMENT AND CONDUCT PRINCIPLES

Deakin uses an open and transparent process to recruit and promote the most suitably qualified employees. It complies with the relevant legislation.

All employees are expected to adhere to the University's code of conduct.

The principles underpinning the Code of Conduct are supported by the University Performance Management Policy which provides managers and staff with a formal performance management framework enabling staff to contribute to the achievement of University goals and their own career development goals.

Throughout 2014, Deakin provided an extensive program of capacity building for staff at all levels including centrally run courses, Faculty programs and programs to support digital change. The Human Resources Division annual calendar of staff development programs encompass skill development, career progression and personal growth programs. Deakin Learning Futures and the Deakin library ran an extensive suite of activities supporting teaching practice, digital scholarship and digital change (outlined in Learning).

External and internal reward programs acknowledge exemplary service including the Vice-Chancellor's Professional Development Awards which provide general staff with the opportunity to undertake a professional development program either locally or internationally through grants of up to \$7,000.

The Deakin University Enterprise Agreement (EA) 2013 commenced on 25 November 2013. In 2014 there were no external industrial relations judgments or decisions with adverse findings about Deakin. From 30 April, three per cent salary increases were paid to staff covered by the 2013 Deakin EA.

Commitment to a safe, healthy workplace

In 2014 Deakin undertook a range of activities to strengthen its Occupational Health and Safety (OHS) program, including audits and inspections, training programs, risk assessments, reviews of new and refurbished buildings, upgrading of access and facilities and asbestos abatement. The health and safety training program, designed for all managers and supervisors, continued in 2014 and 168 staff attended.

Deakin also undertook a number of projects to improve workplace health and wellbeing including joining the Healthy Victoria initiative and revising the University's OHS policy. Deakin was the first university in Victoria to commit to the Healthy Victoria program which focuses on five health priority areas – healthy eating, physical activity, mental health and wellbeing, alcohol and smoking. Deakin lead a group of Victorian universities in a project to ban smoking on campus and reduce smoking rates among staff and students. Deakin campuses have been smoke-free since March 2014.

Deakin introduced Mental Health First Aid training to assist staff and student leaders to improve their understanding of mental health issues and confident to engage with students to seek professional help and support. Since 2012, 356 staff and 102 students have been trained.

DeakinSafe is a program of work that was approved in August 2013 comprising a capital investment of more than \$1.6m. The state-of-the-art emergency and safety communication centre is located at the Geelong Waurn Ponds Campus. It is a significant addition to Deakin's ability to manage an emergency or crisis.

The University's supports a range of family friendly and work-life balance policies, programs and initiatives. In accordance with the Carers' Recognition Act 2012 (Carers Act) the University's Work Arrangements Policy and the Flexible Work Arrangements Procedure recognises the needs of carers. This includes providing access to carer's leave for staff as well as flexible working arrangements. New staff are advised of the University's work arrangements as part of their induction. Staff are also advised of these arrangements through the internal Working at Deakin website.

Figure 3: WorkCover frequency rate

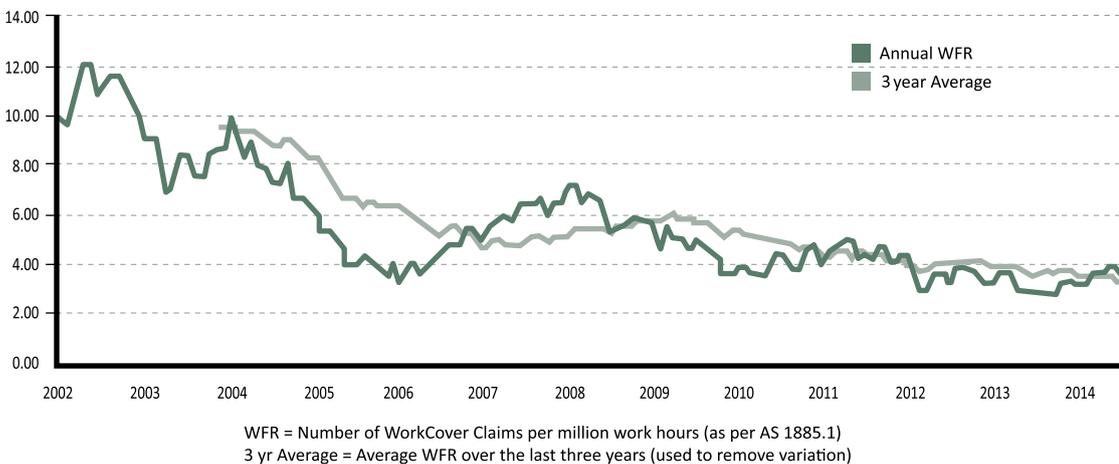


Figure 4: Workers Compensation Premium rate



The Centre provides a 24/7 central communications, response and coordination point for all security, emergency or critical incidents. All key emergency capabilities are managed from this Centre including Deakin's CCTV systems, intruder and duress alarms and the SafeZone system. SafeZone, is an app for students and staff that connects users directly to the security team.

	2009	2010	2011	2012	2013	2014
Lost time injury (LTI) frequency rate	2.1	3.7	1.8	1.9	1.5	0.5
WorkCover frequency rate	3.7	4.4	4.4	3.3	3.5	3.2
Average lost time rate (days/LTI)	78	60	93	59	29	34
Days lost per 100 full-time equivalence	26	36	28	19	7	3
WorkCover costs per full-time equivalence	\$87	\$113	\$111	\$74	\$36	\$30
Premium costs per full-time equivalence	\$351	\$316	\$493	\$389	\$371	\$265

Table 5: OHS performance indicators (2009–2014)

PROGRESSING A SUSTAINABLE AND COMPETITIVE ENTERPRISE

In an increasingly tight fiscal environment, Deakin continued to implement efficiencies.

Deakin was the first Australian university to freeze its 2014 fees, with the fee guarantee providing clarity for students in the period of post-budget uncertainty.

The Deakin Portfolio Office (DPO) is responsible for the oversight and governance of projects, with projects assessed, delivered, monitored and controlled within an identifiably scalable framework. The scalability of the process ensures the appropriate amount of rigor is applied at the right time to all projects. The Portfolio Board membership comprises the Vice-Chancellor, Chief Financial Officer and Pro Vice-Chancellor (Planning and Integrity).

[DeakinDigital](#) Pty Ltd commenced operation in 2014 and is a wholly owned subsidiary of Deakin University. DeakinDigital aims to provide new opportunities for individuals to gain credentials that are both relevant to the workplace and aligned to university qualifications. The DeakinDigital vision is to provide the most highly valued, evidence-based credentials for continuous career development using smart systems. DeakinDigital takes advantage of the opportunities of digital change. It meets the increasing demand for 'just in time learning', disaggregated from traditional degree structures while addressing the needs of immediate work place challenges.

[Deakin Residential Services](#) Pty Ltd (DRS) commenced operation in January 2014. DRS is a tax exempt operating company to manage student housing. The National Rental Affordability Scheme (NRAS) funded student residence buildings at the Waurn Ponds and Warrnambool Campuses were officially opened in March in time for first trimester 2014. Implementing a new model for management and delivery of student residential services has delivered higher levels of resident satisfaction and an increase in financial return to the University.

Deakin purchased the historic T&G Building in central Geelong to provide affordable housing for students at its Waterfront Campus. Deakin committed \$5.1m supported by \$2.6m through NRAS and \$850,000 from the State Government's Geelong Advancement Fund. Construction is due to begin in early 2015 with occupancy from early 2016.



Former leader of the Australian Greens and prominent environmentalist Dr Bob Brown at 'The Waterfront Cube' following the launch of his memoir in August

Campus infrastructure

Deakin's Campus Infrastructure and Utilisation Plan was updated in August, with the plan focussing on the refurbishment and alignment of spaces rather than the creation of new spaces. Environmentally Sustainable Design (ESD) principles are included in all new building and refurbishment projects. In accordance with Deakin Design Standards, buildings are designed to levels of ESD performance equivalent to a 5 Star Green Star Educational rating. Deakin has grown its built environment to meet an expanding student population, but has aimed for best practice in ecologically sustainable development. Critical to achieving improvements is a more efficient use of space, identified as a key strategy to achieve sustainable growth. Growth has also provided the impetus to reduce environmental impact.

[A number of major projects](#) reached completion in 2014. The \$126m Burwood Highway Frontage building opened in May, creating a signature entrance to Deakin's Burwood Campus. The building features ESD elements including a high performance facade, under-floor air distribution, active mass cooling, low energy usage, high water efficiency, cyclist facilities, solar hot water heating and sustainable materials.

Deakin undertook significant refurbishment of the outdoor student spaces at Burwood with a variety of outdoor seating with integrated power and Wi-Fi infrastructure, diverse native planting, barbeque facilities and solar lighting.

Deakin introduced iconic new signage on its campuses at Waterfront and Burwood with the distinctive 'Cube' already a popular meeting point.

Construction of the \$55m [Centre for Advanced Design in Engineering](#) (CADET) at Waurn Ponds is underway and expected to be completed in 2015. It will house laboratories and interactive learning spaces and feature \$6m in industry leading technology and equipment. CADET will provide future-focused engineering and design facilities for students from Year 7 to PhD with the most advanced engineering and design training capabilities in regional Australia.

Environmental sustainability

The first annual Deakin University Sustainability Report was endorsed by the Executive in June. The report was developed consistent with the Global Reporting Initiative (GRI) G4 standard which uses globally agreed metrics. In aligning reporting with the GRI, Deakin is signalling it is serious in its commitment to sustainability.

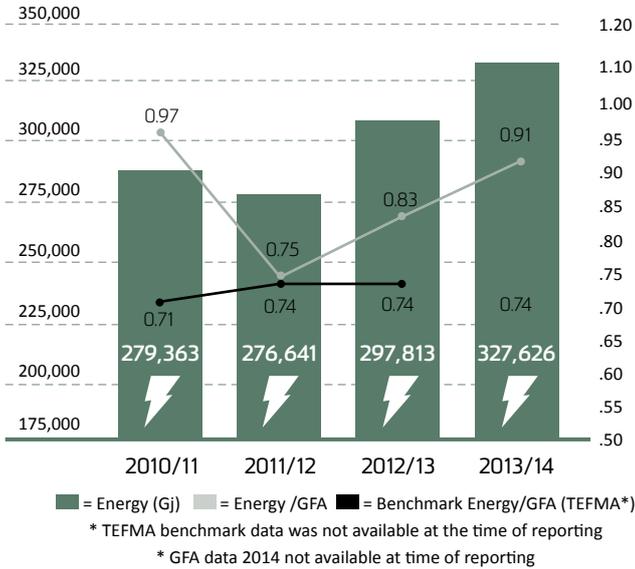
Deakin monitors its environmental impacts in the following areas:

- carbon and greenhouse gas emissions
- biodiversity
- water (including stormwater management)
- waste (including recycling)
- sustainable procurement
- sustainable transport
- sustainable built environment
- education for sustainability
- leadership and engagement.

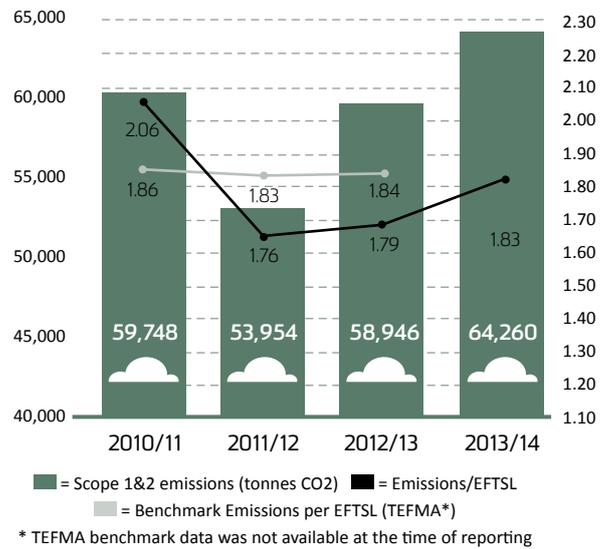
Deakin has addressed its carbon impacts by reducing vehicle use for intercampus travel. The intercampus bus service, use of video conference technology, carpooling booking systems and engagement have all contributed to a significant reduction. More than 65,000 people were transported on the Geelong bus service in 2014. Construction of the Transit Hub was a first for the sector, incorporating multimodal transportation infrastructure to support students and staff to travel to the Waurn Ponds Campus sustainably.

Use of fleet vehicles has reduced by two million kilometres since 2012 with efforts to reduce travel miles ranging from providing carpooling options to investment in video-conferencing equipment and IT to facilitate teleworking. Deakin actively supports telework with most areas providing bookable hot desks and flexible work spaces. Deakin is a Huon award winner for our Greenfleet offset commitments (five consecutive years of carbon offset).

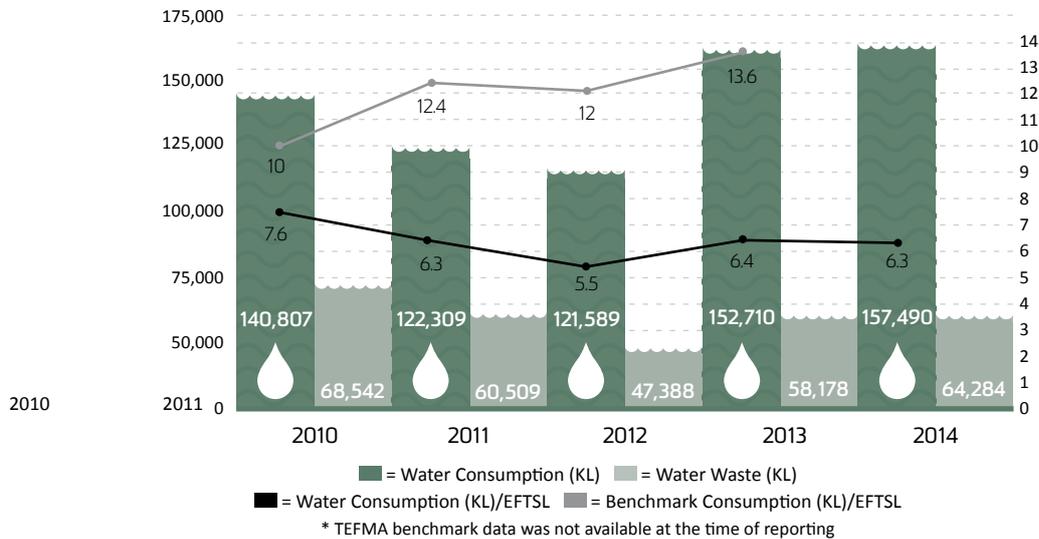
ENERGY CONSUMPTION (Gigajoules)



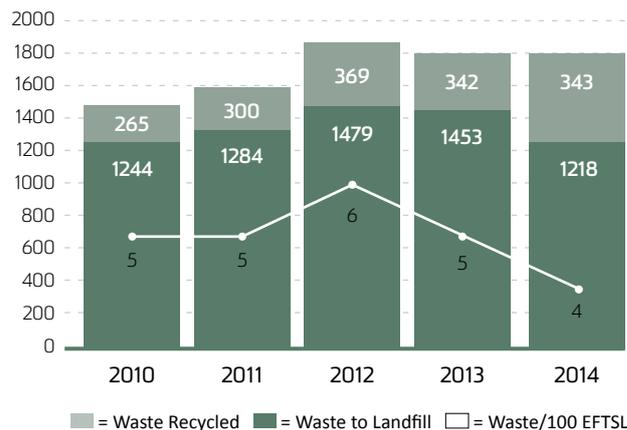
EMISSIONS (CO₂)



WATER (Kilolitres)



WASTE (Tonnes)





DEAKIN IN 2014 VALUE HIGHLIGHTS

- Partnership with IBM Watson utilising cognitive search technology to enable student advice to be available 24/7 365 days a year
- Roll out of DeakinSync for students and staff, providing a single sign on personalised space to access all systems and information – anywhere, any time and on any device
- Deakin's Chief Digital Officer William Confalonieri was named CIO of the year by IT News at the Australian Chief Information Officer Strategy Summit in February 2014
- Implementation of DeakinSafe, a program of work that has significantly enhanced Deakin's ability to manage an emergency or crisis
- Development of the Deakin Sustainability Report consistent with the Global Reporting Initiative (GRI) G4 standard. The report monitors sustainability across a broad range of areas and signals Deakin's ongoing commitment to sustainability
- Introduction of iconic new signage – The Cube – at the Burwood and Waterfront Campuses

EXPERIENCE AT DEAKIN – Delighting our students, our staff, our alumni and our friends

Integral to Deakin's *LIVE the future* agenda is an engaged, inclusive, productive and satisfied learning community. The Deakin Experience encompasses staff and student experiences in the cloud and on each of Deakin's campuses as well as at learning centres and industry settings including schools, hospitals and construction sites.

OPTIMISING OUR SERVICES AND SUPPORT TO MEET THE PRIORITISED NEEDS OF STUDENTS

A commitment to a student-focussed culture and a premium student experience has been core to Deakin's strategy since its establishment. Deakin has rated first in Victoria for graduate satisfaction for the past four consecutive years (AGS 2010-2013).

Employability (as measured by the Beyond Graduation Survey) was identified as a priority focus for 2014, focusing on:

- strengthening Work Integrated Learning (WIL) opportunities
- increasing engagement with industry
- maximising the impact of career and employment services
- embedding career management within teaching and learning.

Another priority was to ensure students receive a premium 'student-as-customer' service experience with a key aim of the Deakin Student Service network to be the development of professional and highly customer focussed and student-centric teams.

COMPLIANCE WITH EDUCATION TRAINING AND REFORM ACT 3.2.8

The Deakin University Student Association (DUSA) makes a major contribution to supporting the student experience, hosting a number of sports and recreation clubs at all Deakin campuses. In 2014 Deakin levied an amenities and services fee in accordance with the *Higher Education Support (Student Services and Amenities) Act 2010 (Cth)*. The fee (per trimester) was \$93 for full-time students, \$58 for part-time students and \$45 for off-campus students.

DUSA's sporting team, the 'Dragons', provides opportunities to represent Deakin at state, national and international level. Sport and recreation facilities were upgraded at Waurin Ponds and Warrnambool (tennis courts, multi-purpose courts) and plans finalised for a \$5m upgrade to sporting grounds at Waurin Ponds. DUSA was contracted by the University to spend \$3.2m for the following approved purposes: advocacy, sporting programs, social engagement, orientation, multicultural program, student media, student welfare, Student Survival Centre, DUSA digital presence and student legal advisory and referral service. A further \$2.8m was allocated for spending by the University for sports and recreation management and development, international student employment program, student welfare, cultural engagement programs, Disability Liaison Officer and infrastructure.

The University's contract with Goodstart Early Learning will enable the opening of a new Childcare Centre at Deakin's Waurin Ponds Campus in 2015, increasing childcare places from 50 to 120.

DELIVERING SERVICES, RESOURCES AND FACILITIES TO ENABLE AN ENGAGED, INCLUSIVE, PRODUCTIVE AND SATISFIED UNIVERSITY COMMUNITY

Deakin fosters a vibrant and inclusive culture which respects, values and celebrates diversity. Deakin strives for an environment free from discrimination and sexual harassment, with any complaints, allegations or incidents involving discrimination, bullying or harassment taken seriously and addressed. Staff are provided with mandatory education and training on their rights and responsibilities, and given the necessary resources to ensure equal employment opportunity principles, legislative and moral obligations and requirements are upheld. There is growing evidence of the impact of prevention and education as an effective way of minimising complaints, with the numbers of discrimination and harassment-related enquiries declining since 2011. In 2014 Deakin had no judgment or adverse findings made against it by a court or other tribunal relating to discrimination or sexual harassment.

Deakin is committed to upholding the principles of merit and equity in all aspects of the employment relationship, with policies and practices in place to ensure all employment related decisions, including recruitment, promotion, training and retention are based on merit. The University's Code of Conduct policy was updated in April 2014 along with the creation of an e-learning module, addressing the principles and ethical practices of the Code of Conduct and the Conflict of Interest procedure. Completion is compulsory, and all staff (including contractors, consultants, volunteers, visiting appointees and visitors) are required to undertake a refresher every two years.

Deakin celebrates the diversity of its staff and students, acknowledging that cultural diversity enriches all aspects of academic and social life. Cultural events held in 2014 included the annual Iftar dinner held in partnership with the Australian Intercultural Society and the Deakin University Islamic Students Society. Over 500 staff and students attended the Diwali celebrations at the Waurin Ponds Campus celebrating the Hindu Festival of Lights. Other initiatives promoting social inclusion included endorsement of the Australian Human Rights Commission's *Racism. It Stops with Me Campaign* and the Courageous Conversations about Race keynote and workshops facilitated by international racism expert Glenn E Singleton.

Grievance procedures

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

The University maintains the following internal grievance procedures:

- Student Complaints Resolution procedure
- Staff Complaints, Disputes and Grievances procedure
- Discrimination or Sexual Harassment Complaints by Staff Members and Associates procedure
- Bullying in the Workplace procedure.

Since 2012 Deakin has maintained a centralised complaints handling system to receive and manage all types of student complaints, including all those relating to both academic and administrative decisions, allegations of discrimination and bullying complaints. The Student Complaints Manager advises on the application of the relevant procedure and oversees the complaint handling processes.

The University Council and its Audit and Risk Committee receives an annual report in relation to complaints received and managed, any systemic issues identified and remedial actions taken. The University also educates its staff in all issues pertaining to equal opportunity and diversity through the provision of relevant and up-to-date online information and ongoing compulsory face-to-face training. *The Ombudsman Act 1973 (Vic)* provides that the Victorian Ombudsman may conduct an investigation as a consequence of a complaint made about the administrative action of a public statutory body, which includes a university.



eLearning Industry Association Excellence Awards. L to R: Dr Phil Connors (Course Director) Wendy Palmer (DeakinPrime) Cheryl Walker (eLearning Industry Association)

STRENGTHENING CONNECTIONS WITH, AND ADD VALUE TO, GOVERNMENTS, INDUSTRY, ALUMNI AND THE COMMUNITIES THAT DEAKIN SERVES

Deakin values partnerships with government, industry and alumni – connections that strengthen opportunities for enterprise and innovation and contribute to the development of the local, national and international community.

Deakin is a major sponsor for many community projects and events including the Deakin Cats Community Centre (a community education space to boost educational aspirations by aligning with sport), the Geelong Performing Arts Centre and the Whitehorse Festival in Burwood. Deakin is a major sponsor of the arts in Warrnambool including the Lighthouse Theatre and the Hamilton Performing Arts Centre and works closely with the Warrnambool Art Gallery to promote cultural and social opportunities throughout the south-west district.

Public events held in 2014 included the David Parkin Oration, honouring the significant contribution of David Parkin OAM to Australian society in leadership, sport and education. The 2014 Oration was delivered by Australian Football League Hall of Fame Member, Mr Kevin Sheedy AM.

The 2014 Brookes Oration was delivered by Ms Ita Buttrose AO, OBE, media editor, author, committed community and welfare contributor and 2013 Australian of the Year. The annual Brookes Oration honours the significant contribution of Sir Wilfred Brookes, grandson of Alfred Deakin, the second Prime Minister of Australia after whom Deakin University is named. The Brookes medals were awarded by Roger Brookes, great grandson of Alfred Deakin.

Celebrating 40 years of making a difference to its communities

Deakin's 40th Anniversary celebrations presented the opportunity for a number of celebratory events including the Twilight Festival at the Burwood Campus where over 5,000 members of the local community joined with Deakin staff and students for free family activities and a fireworks display. A 'Deakin Desk Drawers' competition had staff scouring cupboards for memorabilia accumulated over decades. The travelling exhibition *Alfred Deakin: from journalist to international diplomat* celebrated the work of one of Australia's most significant figures and the man after whom Deakin University is named.

Over 2,000 staff from all campuses came together in May to celebrate Deakin's 40th birthday; an all staff photo taken at each campus recreated the original staff photo from 1977.

Deakin University Art Gallery

The Deakin University Art collection and [gallery](#) holds over 1,600 diverse artworks. One of the five exhibitions held in 2014 was *Trajectories*, which showcased the work of seven female artists, all with connections to south-west Victoria and all graduates of Deakin's PhD program. The Curator was Dr Liza McCosh with other participants being Victoria Dunn, Annette Iggulden, Marion Manifold, Noela Stratford and Carmel Wallace. The winner of Deakin's Small Sculpture Award in 2014 was Mikala Dwyer's entry *Empty Sculpture*.



L to R: Vice-Chancellor, Change 100 lives Scholarship winner Kristii Slatter and Chancellor David Morgan

Giving at Deakin

Education is one of the most important investments a person can make; its impact is far reaching and profound. The joy of giving, and the immense impact a scholarship can have is deeply personal. It is why in most cases those that give, feel they have gained just as much from the experience as those directly impacted by their gift.

Deakin continues to receive generous support from its alumni, community members and friends worldwide. The generosity of the Deakin community has been outstanding; with one more year left of its three year [Change 100 Lives initiative](#), the program has achieved \$680,000 against the \$1,000,000 goal. Deakin's Change 100 Lives campaign enables disadvantaged students to access, participate and achieve a higher education by assisting students experiencing personal or financial hardship, and supporting those first in their family to reach university.

The first scholarships and emergency assistance grants arising from *Change 100 Lives* were awarded during 2014. Deakin held its annual Donor Recognition Celebration on 2 September, an opportunity to recognise and thank donors for their generosity and commitment. The first recipient of the scholarships, Ms Kristii Slatter, addressed guests outlining the impact of the scholarship on her life.

A dedicated team works closely with individuals, Trusts and Foundations and the corporate sector to match areas of personal giving interest with Deakin funding priorities. Deakin received its first multi-million dollar gift for research during 2014, supporting the understanding of social cohesion and civic harmony between people of different faiths in Australia and around the globe. The fundraising effort at the University is less than two years old and good progress is being made at developing a solid and sustainable program. Building on the success of 2013, the University realised just under \$6m in 2014 against a \$5m target.

Strengthening Deakin's alumni community

Deakin is committed to building an ongoing mutually beneficial relationship with its alumni through a program of communications, events, benefits and opportunities to contribute time and talent. Over 100 events were held in 2014, with over 9,000 face-to-face engagements made through alumni and community events. The annual Alumni Awards dinner at Zinc Federation Square was attended by over 300 guests. Winners of the awards were recognised for their outstanding contributions to their communities and their professions. The dinner included a performance by students from the School of Communication and Creative Arts in the Faculty of Arts and Education. Award winners for 2014 were:

- Lifetime Achievement Award: Mr John Stanhope
- Young Alumni of the Year: Ms Madison Robinson
- Alumni Community Award: Mr James Farrell OAM
- Alumni of the Year Award: Mr Nino Ficca.

Deakin continues to explore innovative ways to engage with alumni both locally and internationally. An increasing proportion of graduates are registering as alumni and Deakin has expanded its reach through webinars and cloud-based participation. In September Deakin launched the dKin Immersion app, an innovative digital edition of the dKin alumni magazine.

The 2013 [dKin](#) magazine won the Global Council for Advancement and Support for Education 2014 Gold Award for Annual magazines.

Deakin University awarded the following honorary degrees in 2014. A Doctor of Laws to The Hon Dame Quentin Bryce AC CVO, Dame Carol Kidu DBE, The Hon Jeffrey Kennett AC and The Hon Simon Crean. A Doctor of Letters to Emeritus Professor Max Charlesworth AO. A Master of Science to Mr Peter Alsop. A Doctor of Science to Mr Mukesh Dhirubhai Ambani and Mr Baba Kalyani.

The Report of Operations is prepared in accordance with Financial Reporting Directions.

DEAKIN IN 2014 EXPERIENCE HIGHLIGHTS

- A series of events were held throughout 2014 as Deakin celebrated its 40th anniversary with its communities in Burwood, Geelong and Warrnambool
- Over 5,000 people attended the Twilight Festival in Burwood
- Deakin was awarded the Global Council for Advancement and Support Gold award for annual magazines
- The first Change 100 Lives scholarship was awarded
- Deakin's 200,000th graduate received their Deakin degree in December 2014
- The capacity of the childcare centre at the Geelong Warrn Ponds Campus increased from 50 to 120



Staff celebrating the 40th anniversary at Deakin's Warrn Ponds Campus

STATUTORY REPORTING

RISK MANAGEMENT

Deakin is committed to a robust and transparent risk management program that is effective and enables the University to make well-informed decisions that meet strategic objectives. The [Audit and Risk Committee](#) of Council has the responsibility for overseeing the University's risk management framework, its implementation and evaluation.

The Pro Vice-Chancellor (Planning and Integrity) is operationally responsible for the University's risk management program. Key activities of the risk management program are contained in the policy suite and include:

- a comprehensive assessment of all risks across the University
- integration of risk considerations into the budgetary process.

Deakin University maintains two levels of risk registers: the University Executive is responsible for the strategic University-wide risk register, and faculties, institutes and operational areas are each individually responsible for an operational risk register.

Each risk register documents key risks to strategic and operational objectives, assesses the causes and consequences of risks, and specifies risk ratings, controls and treatment plans. High risks in particular are addressed through a treatment plan and progress in implementing treatment plans is centrally monitored and regularly reported to Council through the Audit and Risk Committee. Risk registers are regularly reviewed and updated, taking into account all relevant information, including any relevant findings and recommendations of internal and external audits.

The risk registers inform the annual Internal Audit Plan and the annual insurable risk profile that forms the basis of the placement of the University's insurance program.

ATTESTATION ON COMPLIANCE WITH THE INTERNATIONAL RISK MANAGEMENT STANDARD

I, Professor Christopher Gray, the Pro Vice-Chancellor (Planning and Integrity) certify that Deakin University has risk management processes in place consistent with the International Risk Management Standard (ISO 31000:2009) and an internal control system that enables the Executive to understand, manage and satisfactorily control risk exposures. The Audit and Risk Committee verifies this assurance and confirms that the risk profile of Deakin University has been critically reviewed within the last 12 months.



Professor Christopher Gray
Pro Vice-Chancellor (Planning and Integrity)
Deakin University

Date: 5 March 2015
Geelong

REGISTER OF COMMERCIAL ACTIVITIES

The Commercial Activity Guidelines mandated by the terms of the *Deakin University Act 2009* remain the Interim Guidelines made by the Minister on 21 January 2011 and gazetted on 3 February 2011. These require the University to maintain a Register of Commercial Activities.

The University Solicitor is responsible for maintaining the Register. The Chief Financial Officer is responsible for submitting proposals to the Finance and Business Affairs Committee regarding University participation in a company or commercial activity in accordance with the University's Commercial Activities and Entities policy and procedure approved by Council.

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

There has been no change to the commercial activities undertaken by Deakin University in 2014. The only commercial activity reflected in the Commercial Activity Register is the operation of Callista Software Services Pty Ltd, which is described below under University's Wholly Owned Entities.

UNIVERSITY WHOLLY-OWNED CONTROLLED ENTITIES

The Audit and Risk Committee has made the following assessments of the level of risk associated with the University's wholly-owned controlled entities as at 31 December 2014.

University Controlled Entities: A controlled entity is one that satisfies the test of control in section 50AA of the Corporations Act 2001. This includes Deakin's wholly-owned subsidiaries and entities which Deakin holds an interest in and has control of.			
Entity name	Principal Objects of Entity	Level of Financial Risk	Level of Reputational Risk
Callista Software Services Pty Ltd	Development, maintenance and support of the Callista student administration and management system to Australian universities and TAFEs.	Low	Low
Unilink Limited	Provision of staffing services to Deakin.	Low	Low
Deakin Residential Services Pty Ltd	Provide student housing and accommodation and related services to students of Deakin University.	Very Low	Medium
DeakinDigital Pty Ltd	To develop and deliver assessments and credentials of professional skills and competence and related services.	Low	Low

UNIVERSITY 'ASSOCIATED ENTITIES' – PART OWNERSHIPS, PARTNERSHIPS OR JOINT VENTURES

The Audit and Risk Committee has made the following assessments of the level of risk associated with the University's associated entities as at 31 December 2014. December 2014.

University Associated Entities: An associated entity is defined by University Australia's Voluntary Code of Best Practice for the Governance of Australian Universities and the AASB Accounting Standards as any ownership in an entity, including a partnership, joint venture or associated company whereby Deakin is able to 'significantly influence' that entity.			
Entity name	Principal Objects of Entity	Level of Financial Risk	Level of Reputational Risk
CAVAL Limited	Provides shared services to the information and library sectors throughout Australasia, to enhance the effectiveness of educational and research activities of the member institutions.	Low	Low
Education Australia Limited	Investment in IDP Education Ltd, which focuses on recruitment of overseas students for Australian universities.	Very Low	Low
Victorian Centre for Advanced Materials Manufacturing (V-CAMM) Limited	Enhancement of the relevance and competitiveness of the Australian Manufacturing Industry by helping it to be more inventive, innovative, entrepreneurial and responsive.	Medium	Very High
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.	Low	Low
Victorian Partnership of Advanced Computing (VPAC)	Enables researchers, universities, government departments and industry to enhance their research through the effective and innovative use of technology.	Low	Low

STATUTORY COMPLIANCE

Building Act 1993

Deakin is subject to the *Building Act 1993*. To ensure compliance with the Act:

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

National competition policy and competitive neutrality requirements

Deakin University applies the principles of competitive neutrality to relevant business activities, in particular to its commercial arm DeakinPrime in relation to the pricing of tenders and bids, and also to other services offered to the public at large by the University and its wholly owned subsidiaries.

All Deakin staff are required to undertake periodic online training in competition and consumer law principles. Face to face training is available when requested or required and advice and support is also available to staff through the University Solicitor's Office. Information is available to staff on the University Solicitor's Office website.

Education Services for Overseas Students Act 2000 (ESOS Act)

In 2014 Deakin (*CRICOS Provider Code 00113B*) continued to conform to the requirements of the *Education Services for Overseas Students (ESOS) Act 2000* and the *National Code 2007*.

Deakin's obligations are included in its compliance program that informs internal audit activities. Policies and procedures are in place and implemented in accordance with the standards in Part D of the *National Code 2007* where required.

Other measures to support ongoing compliance include the following:

- a staff manual, *International Student Compliance at Deakin University: Staff Guide*, is available online to assist both academic and professional staff to understand and apply the regulatory requirements
- a staff international compliance Wiki is available
- an ESOS Consultative Group, comprising staff from all faculties and key divisions meets quarterly and serves as a cross-University vehicle for continuous improvement with regard to compliance
- Deakin International's Quality and Compliance team runs annual *ESOS/National Code* workshops on all campuses.

In 2014 the Tertiary Education Quality and Standards Agency (TEQSA) renewed Deakin's CRICOS registration until 19 June 2019 and increased its maximum international student capacity to 10,000.

Deakin monitors international student numbers on the Provider Registration and International Student Management System (PRISMS) regularly to ensure that the University remains within maximum capacity. As at 31 December 2014, Deakin's international student enrolment is at 78.25 per cent of capacity.

Statutes and regulations

Deakin administers statutes and regulations of the University in accordance with the provisions of the *Deakin University Act 2009*.

Council revoked Statute 10.1(1)—*Student Loan Fund* subject to the Minister's approval; the Minister's approval remains pending. There were no other changes to University statutes in 2014.

All University regulations made or amended by the Council during 2014 have been promulgated on the University's Official Notice board and are accessible on the Guide: www.theguide.deakin.edu.au

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* came into operation on 10 February 2013. Deakin is no longer a disclosure receiving entity under the new Act. The University has in place appropriate procedures to ensure that persons who have made protected disclosures under the new Act are protected from detrimental action. The Protection of Persons from Detrimental Action procedure is accessible on The Guide: www.theguide.deakin.edu.au.

Freedom of information

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

In 2014 the University received nine requests for access to documents under the Act. All of the requests were received from individuals. Eight of the requests were for documents relating to the requesting party. Of the decisions provided by the University, all were final decisions.

Making a request

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in s17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Deakin University should be addressed to:

Freedom of Information Officer

Deakin University
Locked Bag 20001
Geelong Victoria 3220

Further information

The following information is available on request:

- statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominees or held beneficially in a statutory authority or subsidiary
- details of publications produced by Deakin about Deakin and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Deakin
- details of major external reviews of Deakin
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major research and development activities undertaken by Deakin
- details of major promotional, public relations and marketing activities undertaken by Deakin to develop community awareness of Deakin and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- general statement on industrial relations within Deakin and details of time lost through industrial accidents and disputes
- list of major committees sponsored by Deakin, the purpose of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contracts including:
 - consultants/contractors engaged
 - services provided; and
 - expenditure committed for each engagement.

Enquiries may be addressed to:

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

Telephone: +61 3 5227 8503
Facsimile: +61 3 5227 8500
Email: vcoffice@deakin.edu.au
www.deakin.edu.au

Deakin University Annual Reports can be accessed at: www.deakin.edu.au/about-deakin/leadership-and-governance/reports-and-publications.

FINANCIAL REPORT

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
Income from continuing operations	2	898,553	836,521	869,029	822,777
Expenses from continuing operations					
Employee related expenses	2	(500,740)	(459,474)	(488,457)	(447,760)
Depreciation and amortisation expense	2	(69,271)	(59,169)	(63,334)	(58,952)
Other expenses from continuing operations	2	(260,370)	(238,787)	(253,914)	(238,319)
Expenses from continuing operations		(830,381)	(757,430)	(805,705)	(745,031)
Net results before income tax		68,172	79,091	63,324	77,746
Income tax expense	8	-	(843)	-	-
Net result after income tax for the year		68,172	78,248	63,324	77,746
Items that may be reclassified to profit or loss					
(Decrease) / increase in Deferred government superannuation contributions	16	(4,190)	(62,839)	(4,190)	(62,839)
Decrease / (increase) in Deferred employee benefits for superannuation	16	4,190	62,839	4,190	62,839
Gain on value of available for sale financial assets	13	6,251	16,438	6,251	16,438
		6,251	16,438	6,251	16,438
Items that will not be reclassified to profit or loss					
Gain on revaluation of land and buildings	13	-	71,473	-	71,473
Loss on revaluation of art collection	13	(135)	-	(135)	-
		(135)	71,473	(135)	71,473
Total comprehensive income		74,288	166,159	69,440	165,657

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
CURRENT ASSETS					
Cash and cash equivalents	3	23,572	56,951	20,171	56,950
Receivables	4	83,006	75,819	80,896	76,248
Inventories	5	321	243	321	243
Other financial assets	6	221,000	149,400	221,000	146,000
TOTAL CURRENT ASSETS		327,899	282,413	322,388	279,441
NON-CURRENT ASSETS					
Receivables	4	152,397	156,644	152,397	156,644
Other financial assets	6	198,468	149,554	331,495	152,554
Property, plant and equipment	7	1,324,485	1,327,495	1,202,628	1,326,961
Intangible assets	9	4,194	3,176	4,194	3,176
TOTAL NON-CURRENT ASSETS		1,679,544	1,636,869	1,690,714	1,639,335
TOTAL ASSETS		2,007,443	1,919,282	2,013,102	1,918,776
CURRENT LIABILITIES					
Trade and other payables	10	202,398	193,101	218,434	198,201
Borrowings	11	9	10	9	9
Provisions - employee benefits	12	89,283	84,158	87,130	81,962
TOTAL CURRENT LIABILITIES		291,690	277,269	305,573	280,172
NON-CURRENT LIABILITIES					
Borrowings	11	-	9	-	9
Provisions - employee benefits	12	172,541	173,080	172,057	172,563
TOTAL NON-CURRENT LIABILITIES		172,541	173,089	172,057	172,572
TOTAL LIABILITIES		464,231	450,358	477,630	452,744
NET ASSETS		1,543,212	1,468,924	1,535,472	1,466,032
EQUITY					
Reserves	13	357,355	351,021	357,355	351,021
Retained earnings	14	1,185,857	1,117,903	1,178,117	1,115,011
TOTAL EQUITY		1,543,212	1,468,924	1,535,472	1,466,032

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014			2013		
		Reserves	Retained Earnings	Total	Reserves	Retained Earnings	Total
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
CONSOLIDATED							
Total equity at the beginning of the financial year		351,021	1,117,903	1,468,924	262,177	1,040,588	1,302,765
Net result after income tax for the year	14	-	68,172	68,172	-	78,248	78,248
Transfers	14,15	218	(218)	-	933	(933)	-
Increase / (decrease) in Reserves	13	6,116	-	6,116	87,911	-	87,911
Total equity at the end of the financial year		357,355	1,185,857	1,543,212	351,021	1,117,903	1,468,924
UNIVERSITY							
Total equity at the beginning of the financial year		351,021	1,115,011	1,466,032	262,177	1,038,198	1,300,375
Net result after income tax for the year	14	-	63,324	63,324	-	77,746	77,746
Transfers	14,15	218	(218)	-	933	(933)	-
Increase / (decrease) in Reserves	13	6,116	-	6,116	87,911	-	87,911
Total equity at the end of the financial year		357,355	1,178,117	1,535,472	351,021	1,115,011	1,466,032

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

Inflows / (outflows)	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian government grants	2.1	569,333	515,927	566,348	515,927
State government grants		6,674	15,551	6,674	15,551
HECS-HELP - student payments		22,403	24,989	22,403	24,989
Other research grants and contracts		23,354	28,061	20,235	23,913
Fees and charges		218,133	206,820	202,659	205,615
Dividends received		1,169	1,699	1,169	2,379
Interest received		16,399	16,658	19,344	16,408
Other income		53,697	46,563	44,097	36,253
Payments to employees		(489,293)	(445,255)	(477,031)	(432,979)
Payments to suppliers (inclusive of Goods and Services Tax)		(286,066)	(271,731)	(267,106)	(269,290)
Goods and Services Tax recovered		17,554	25,070	17,693	25,223
Net cash provided by operating activities	15	153,357	164,352	156,485	163,989
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		650	1,332	125,539	1,332
Proceeds from sale of other financial assets		-	1,175	-	1,175
Payments for property, plant and equipment		(71,958)	(164,100)	(69,064)	(163,737)
Payments for intangible assets		(1,507)	(1,441)	(1,507)	(1,441)
Payments for other financial assets		(113,911)	(17,597)	(200,747)	(17,597)
Loans to subsidiary companies		-	-	(47,476)	-
Net cash outflow used in investing activities		(186,726)	(180,631)	(193,255)	(180,268)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(9)	(8)	(9)	(8)
Net cash outflow used in financing activities		(9)	(8)	(9)	(8)
Net decrease in cash and cash equivalents		(33,378)	(16,287)	(36,779)	(16,287)
Cash and cash equivalents at the beginning of the financial year		56,950	73,237	56,950	73,237
Cash and cash equivalents at the end of the financial year	15	23,572	56,950	20,171	56,950

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated.

The financial statements include separate statements for Deakin University as the parent entity and the consolidated entity consisting of Deakin University and its subsidiaries.

Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of Deakin University and its subsidiaries. They have been prepared on an accrual basis and comply with the Australian Accounting Standards. Deakin University applies Tier 1 reporting requirements.

Additionally the statements have been prepared in accordance with following statutory requirements:

- Higher Education Support Act 2003 (Financial Statement Guidelines)
- Victorian Financial Management Act 1994 (Standing Direction 4.2(c) and applicable Financial Reporting Directions)

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

Historical cost convention

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

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) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Deakin University as at 31 December 2014 and the results of all subsidiaries for the year then ended. A list of the subsidiaries is included in note 22. Deakin University and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

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

(B) REVENUE RECOGNITION

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

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

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

(C) FINANCE COSTS

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

(D) LEASES

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

(E) INCOME TAX

Deakin University and some of its subsidiaries are exempt from income tax pursuant to Section 50 of the Income Tax Assessment Act 1997. Deakin University has a subsidiary that is 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 Statement of Comprehensive Income.

(G) CASH AND CASH EQUIVALENTS

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

(H) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables and other debtors are due for settlement no more than 30 days from the date that invoice was issued.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) INVENTORIES

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

(J) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity investments.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

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

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

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

(ii) Available-for-sale financial assets

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

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

(iii) Loans and receivables

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

(iv) Held-to-maturity investments

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

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

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Comprehensive Income as gains or losses from investment securities.

Subsequent measurement

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 method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the period in which they arise. 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.

Fair value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

Impairment

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

(K) FAIR VALUE MEASUREMENT

The fair value of assets and liabilities are measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) 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. Individual items of plant and equipment with a cost less than \$5,000 (2013: \$5,000) are charged to the Statement of Comprehensive Income (refer Note 2.11). All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

Major depreciation periods are:	2014	2013
Freehold buildings	1 to 50 years	1 to 50 years
Leasehold improvements	3 to 5 years	3 to 5 years
<i>Plant and Equipment</i>		
Information and communication technology equipment	2 to 6 years	3 to 4 years
Plant and equipment - other	3 to 10 years	3 to 10 years
Motor vehicles	6.5 to 10 years	6.5 to 10 years
Library holdings	2 to 10 years	5 to 10 years

The depreciation rates applied are consistent with the prior year.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal 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

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

Medical School licence fees are fully amortised.

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

(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 proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

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

(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 wholly 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 wholly 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.

The wage inflation rate and the discount rates used in the calculation of the present value are as advised by the Department of Treasury and Finance for the reporting period.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 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 2014. As there is no net impact on the Statement of Financial Position or Statement of Comprehensive Income from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2014) 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, the effects of the unfunded superannuation liabilities of Deakin University were recorded in the Statement of Comprehensive Income and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under provisions, with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not affect the year-end net asset position of Deakin University. Note 16 discloses specific treatment.

(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 Surplus, Investments - available for sale financial assets, Endowment Fund Reserve and Retained Surplus.

(S) GOODS AND SERVICES TAX (GST)

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(V) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

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

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON:	IMPACT ON FINANCIAL STATEMENTS
AASB 9 Financial Instruments:	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed
AASB 139 Financial Instruments: Recognition and Measurement	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.

Deakin University and its subsidiaries did not undertake any Early Adoption of Authoritative Accounting Pronouncements in the current financial year.

	Note	CONSOLIDATED		UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
2. OPERATING RESULT					
Income from continuing operations					
Australian government financial assistance					
Australian Government grants	2.1	353,595	320,371	350,610	320,371
HELP - Australian government payments	2.1	220,791	192,270	220,791	192,270
State Government financial assistance	2.2	6,707	15,414	6,707	15,414
HECS-HELP - Student payments		19,348	20,398	19,348	20,398
Fees and charges	2.3	207,964	196,273	192,714	196,273
Investment income	2.4	18,593	17,414	21,560	17,942
Other investment income	2.4	352	1,662	352	1,662
Royalties		15,823	13,081	15,823	13,081
Consultancy and contract research	2.5	22,623	26,890	19,644	22,987
Other revenue	2.6	32,757	32,748	21,480	22,379
Income from continuing operations		898,553	836,521	869,029	822,777
Expenses from continuing operations					
Employee related expenses	2.7	500,740	459,474	488,457	447,760
Depreciation and amortisation	2.8	69,271	59,169	63,334	58,952
Other expenses from continuing operations					
Repairs and maintenance	2.9	47,556	43,626	45,445	43,542
Impairment of assets	2.10	1,139	584	1,126	584
Investment losses	2.4	-	-	885	-
Other expenses	2.11	211,675	194,577	206,458	194,193
		260,370	238,787	253,914	238,319
Expenses from continuing operations		830,381	757,430	805,705	745,031
Net result before income tax		68,172	79,091	63,324	77,746
Income tax expense	8	-	(843)	-	-
Net result after income tax		68,172	78,248	63,324	77,746

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

Including Australian Government loan programs (HELP)

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
Commonwealth Grants Scheme and Other Grants					
Commonwealth Grants Scheme		250,115	224,776	250,115	224,776
Indigenous Support Program		1,545	1,524	1,545	1,524
Partnership and Participation Program		5,360	5,306	5,360	5,306
Disability Performance Funding		48	46	48	46
Additional Support for Students with Disabilities		211	252	211	252
Promotion of Excellence in Learning and Teaching		330	634	330	634
Reward funding		-	542	-	542
Superannuation Program		13,221	13,141	13,221	13,141
	25.1	270,830	246,221	270,830	246,221
Higher Education Loan Programs					
HECS-HELP		178,097	154,432	178,097	154,432
FEE-HELP		39,363	35,361	39,363	35,361
SA-HELP		3,331	2,477	3,331	2,477
	25.2	220,791	192,270	220,791	192,270
Scholarships					
Australian Postgraduate Awards		4,546	4,385	4,546	4,385
Indigenous Commonwealth Scholarships		47	-	47	-
Grandfathered Scholarship / National Priority Scholarships (refund)		-	(157)	-	(157)
Commonwealth Accommodation Scholarships		30	-	30	-
Indigenous Access Scholarships		254	3	254	3
International Postgraduate Research Scholarship		365	367	365	367
	25.3	5,242	4,598	5,242	4,598
EDUCATION Research					
Research Infrastructure Block Grants		2,573	2,364	2,573	2,364
Research Training Scheme		11,199	11,073	11,199	11,073
Joint Research Engagement Program		4,972	4,495	4,972	4,495
Joint Research Engagement Engineering Cadetships		-	39	-	39
Sustainable Research Excellence in Universities		1,797	1,719	1,797	1,719
	25.4	20,541	19,690	20,541	19,690
Other Capital Funding					
Education Investment Fund		14,060	4,457	14,060	4,457
	25.7	14,060	4,457	14,060	4,457
Total funding					
		531,464	467,236	531,464	467,236
Australian Research Council					
Discovery					
Projects		4,129	4,160	4,129	4,160
Fellowships		3,052	2,103	3,052	2,103
Early Career Researcher Award		1,645	673	1,645	673
	25.5	8,826	6,936	8,826	6,936
Linkages					
Infrastructure		654	-	654	-
Projects		2,557	2,746	2,557	2,746
	25.6	3,211	2,746	3,211	2,746

2.1 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

including Australian Government loan programs (HELP) (Continued)

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
Other Australian Government financial assistance					
Capital		-	7,518	-	7,518
Non-Capital		30,885	28,205	27,900	28,205
Other Australian Government financial assistance		30,885	35,723	27,900	35,723
Total Australian Government financial assistance		574,386	512,641	571,401	512,641
Reconciliation					
Australian Government grants	2	353,595	320,371	350,610	320,371
HECS-HELP payments		178,097	154,432	178,097	154,432
FEE- HELP payments		39,363	35,361	39,363	35,361
SA-HELP payments		3,331	2,477	3,331	2,477
	2	220,791	192,270	220,791	192,270
Total Australian Government financial assistance		574,386	512,641	571,401	512,641
Australian Government grants received - cash basis					
Commonwealth Grants Scheme and other EDUCATION grants	25.1	271,243	249,984	271,243	249,984
Higher Education Loan Programs	25.2	223,165	196,806	223,165	196,806
Scholarships	25.3	5,242	3,782	5,242	3,782
EDUCATION research	25.4	20,541	19,690	20,541	19,690
Other Capital Funding	25.7	8,900	6,600	8,900	6,600
ARC grants - Discovery	25.5	8,826	6,936	8,826	6,936
ARC grants - Linkages	25.6	3,211	2,746	3,211	2,746
Other Australian Government grants		27,563	29,395	24,578	29,395
Total Australian Government grants received - cash basis		568,691	515,939	565,706	515,939
OS-HELP (net)	25.8	642	(12)	642	(12)
Total Australian Government funding received - cash basis		569,333	515,927	566,348	515,927
2.2 STATE GOVERNMENT FINANCIAL ASSISTANCE					
State government grants received during the reporting period:					
Capital		-	8,138	-	8,138
Non-Capital		6,707	7,276	6,707	7,276
Total State Government financial assistance	2	6,707	15,414	6,707	15,414

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
2.3 FEES AND CHARGES					
Course fees and charges					
Fee-paying onshore overseas students		147,309	132,848	147,309	132,848
Fee-paying offshore overseas students		187	412	187	412
Fee-paying domestic undergraduate students		50	174	50	174
Fee-paying domestic postgraduate students		14,277	14,075	14,277	14,075
Fee-paying domestic non-award students		12,423	10,785	12,423	10,785
		174,246	158,294	174,246	158,294
Other non-course fees and charges					
Student accommodation fees		15,442	12,040	194	12,040
Rental income		986	972	985	972
Educational materials fees		-	2	-	2
Examination fees		-	8,082	-	8,082
Student Service fees from students		2,462	2,652	2,462	2,652
Course delivery fees		2,064	3,101	2,064	3,101
Parking fees		4,766	4,812	4,766	4,812
Other fees		7,997	6,318	7,997	6,318
		33,717	37,979	18,468	37,979
Total fees and charges	2	207,963	196,273	192,714	196,273
2.4 INVESTMENT INCOME					
Interest and distributions from managed funds		17,424	15,715	17,305	15,563
Interest received from subsidiaries		-	-	3,086	-
Dividends		1,169	1,699	1,169	2,379
Investment income	2	18,593	17,414	21,560	17,942
Cumulative gain reclassified from equity on disposal of available-for-sale financial assets		352	1,426	352	1,426
Profit on sale of financial assets at fair value through profit or loss		-	236	-	236
Other investment income	2	352	1,662	352	1,662
Provision for diminution in value of financial assets available for sale - subsidiaries	6	-	-	(885)	-
Investment losses	2	-	-	(885)	-
Net investment income		18,945	19,076	21,027	19,604
2.5 CONSULTANCY AND CONTRACT RESEARCH					
Consultancy		3,546	4,570	567	667
Contract research		19,077	22,320	19,077	22,320
Total consultancy and contract research	2	22,623	26,890	19,644	22,987
2.6 OTHER REVENUE					
Sales and commercial income		20,204	21,457	8,829	11,088
Donations and bequests		1,377	1,327	1,377	1,327
Scholarship and prizes		638	479	638	479
Subscriptions		6	12	6	12
Training and conference income		1,125	761	1,125	761
Gain on disposal of property, plant and equipment		-	-	138	-
Other		9,408	8,712	9,367	8,712
Total other revenue	2	32,758	32,748	21,480	22,379

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
2.7 EMPLOYEE RELATED EXPENSES					
Academic					
Salaries		190,251	170,507	190,251	170,507
Contributions to superannuation and pension schemes:					
Emerging cost		6,919	6,824	6,919	6,824
Funded contributions		28,907	25,728	28,907	25,728
Non-funded contributions		(27)	(34)	(27)	(34)
Payroll tax		11,214	9,994	11,214	9,994
Workers compensation		1,035	1,027	1,035	1,027
Long service leave		6,753	6,602	6,753	6,602
Annual leave		678	1,805	678	1,805
Other		9,156	9,099	9,156	9,099
		254,886	231,552	254,886	231,552
Non-academic					
Salaries		183,953	167,536	173,308	157,359
Contributions to superannuation and pension schemes:					
Emerging cost		6,303	6,297	6,303	6,297
Funded contributions		26,603	23,904	25,625	23,006
Non-funded contributions		(24)	(31)	(24)	(31)
Payroll tax		10,889	9,972	10,303	9,410
Workers compensation		974	984	943	961
Long service leave		6,454	6,207	6,215	6,007
Annual leave		566	1,423	652	1,689
Other		10,136	11,630	10,246	11,510
		245,854	227,922	233,571	216,208
Total employee related expenses	2	500,740	459,474	488,457	447,760
2.8 DEPRECIATION AND AMORTISATION					
Depreciation					
Buildings		20,939	17,166	18,860	17,166
Leasehold improvements		1,049	2,703	1,008	2,609
Plant and equipment		43,178	34,460	39,361	34,337
Motor vehicles		980	1,081	980	1,081
Library holdings		2,636	3,397	2,636	3,397
		68,782	58,807	62,845	58,590
Amortisation					
Amortisation - intangible assets		489	362	489	362
		489	362	489	362
Total depreciation and amortisation	2	69,271	59,169	63,334	58,952
2.9 REPAIRS AND MAINTENANCE					
Buildings and grounds - refurbishment, maintenance and repairs		44,475	40,963	42,419	40,889
Equipment - maintenance and repairs		2,796	2,418	2,743	2,410
Motor vehicles - maintenance and repairs		285	245	283	243
Total repairs and maintenance	2	47,556	43,626	45,445	43,542
2.10 IMPAIRMENT OF ASSETS					
Movement in provision for impaired receivables		1,139	584	1,126	584
Total impairment of assets	2	1,139	584	1,126	584

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
2.11 OTHER EXPENSES					
Advertising, marketing and promotional expenses		10,802	9,628	10,713	9,623
Communication costs		4,454	4,950	4,195	4,700
Consultants and contractors		10,734	7,483	10,437	7,420
Contributions to learning institutions		5,999	6,452	5,999	6,452
Copying, printing, stationery and consumables		8,858	8,788	8,786	8,771
Course materials		187	276	187	276
Direct project costs		4,422	7,310	4,376	7,310
Equipment costs		14,743	10,082	14,380	9,882
infrastructure payments		5,545	3,750	5,545	3,750
International agents commission		10,078	8,328	10,078	8,328
Library expenses		8,244	7,666	8,242	7,665
Loss on disposed property, plant and equipment		386	723	-	722
Non-capitalised equipment	1(l)	7,453	6,545	7,343	6,545
Operating lease rentals		9,834	9,776	9,565	9,314
Rates and energy costs		8,538	8,229	7,775	8,177
Scholarships, grants and prizes		36,552	33,106	36,552	33,106
Staffing and related costs		22,626	21,399	21,908	20,761
Student expenses		24,865	25,853	24,663	25,853
Other		17,355	14,233	15,714	15,538
Total other expenses	2	211,675	194,577	206,458	194,193
3. CASH AND CASH EQUIVALENTS					
Cash at bank		2,970	4,246	2,970	4,246
Cash on hand		19	42	18	41
Bank deposits - on call		183	1,163	183	1,163
Bank term deposits		20,400	51,500	17,000	51,500
	15,23	23,572	56,951	20,171	56,950
4. RECEIVABLES					
CURRENT					
Student fees		25,973	23,053	25,973	23,053
Provision for impaired receivables		(1,000)	(1,000)	(1,000)	(1,000)
		24,973	22,053	24,973	22,053
Trade debtors - other		13,324	16,920	12,786	15,619
Provision for impaired receivables		(966)	(323)	(953)	(323)
		12,358	16,597	11,833	15,296
	23	37,331	38,650	36,806	37,349
Government grants receivable		7,170	2,677	7,170	2,677
Deferred government contribution for superannuation	16	13,290	13,233	13,290	13,233
Accrued income		5,997	5,363	3,011	5,340
Prepayments		13,413	11,834	14,787	13,519
GST recoverable		5,805	4,062	5,832	4,130
		83,006	75,819	80,896	76,248
NON-CURRENT					
Deferred government contribution for superannuation	16	152,397	156,644	152,397	156,644
		152,397	156,644	152,397	156,644
		235,403	232,463	233,293	232,892

4. RECEIVABLE (CONTINUED)

IMPAIRED RECEIVABLES

As at 31 December 2014, current receivables of the Group with a nominal value of \$1,966k (2013: \$1,323k) were impaired. The amount of the provision was \$1,966k (2013: \$1,323k). 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	
	2014	2013
	\$000's	\$000's
The ageing of these receivables is as follows:		
1 to 6 months	22	-
Over 6 months	1,944	1,323
	1,966	1,323
As at 31 December 2014, trade receivables of \$4,195k (2013: \$4,397k) 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:		
1 to 3 months	1,900	3,104
3 to 6 months	934	1,065
Over 6 months	1,361	228
	4,195	4,397
MOVEMENTS IN THE PROVISION FOR IMPAIRED RECEIVABLES		
At 1 January	1,323	1,323
Provision for impairment recognised during the year	1,190	585
Receivables written off during the year as uncollectible	(547)	(585)
At 31 December	1,966	1,323

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

FAIR VALUES AND CREDIT RISK

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

	CARRYING AMOUNT		FAIR VALUE	
	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's
Deferred government contribution for superannuation	152,397	156,644	152,397	156,644
	152,397	156,644	152,397	156,644

Deferred government contribution for superannuation is offset by a liability to the Victorian Government of equal value. An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for Deakin University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation.

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 Group.

	Note	CONSOLIDATED		UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
5. INVENTORIES					
Stock on hand at cost		321	243	321	243
		321	243	321	243
6. OTHER FINANCIAL ASSETS					
CURRENT					
Financial assets held-to-maturity					
Bank term deposits		221,000	149,400	221,000	146,000
	23	221,000	149,400	221,000	146,000
Changes in fair value of current other financial assets at market value are taken through the Statement of Comprehensive Income and are recorded in unrealised gain or loss on other financial assets in the Statement of Comprehensive Income (refer Note 2.4).					
NON-CURRENT					
Financial assets available for sale					
Managed funds - fixed interest, Australian listed and global equities		186,222	147,256	186,222	147,256
Shares in subsidiaries - at cost	22	-	-	94,436	11,000
Provision for diminution in value of investments in subsidiaries		-	-	(8,885)	(8,000)
		-	-	85,551	3,000
Unlisted equity securities - at cost		12,693	2,745	12,693	2,745
Provision for diminution in value of unlisted equity securities		(447)	(447)	(447)	(447)
		12,246	2,298	12,246	2,298
Loan receivables					
Loans to subsidiaries		-	-	47,476	-
		-	-	47,476	-
	23	198,468	149,554	331,495	152,554
		419,468	298,954	552,495	298,554

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

Deakin University and its subsidiaries did not hold any Investment Properties, as defined in AASB 140 Investment property, in the current financial year.

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
7. PROPERTY, PLANT AND EQUIPMENT					
LAND					
At independent valuation 2013	7(a)	159,110	159,110	159,110	159,110
At cost		1,150	-	-	-
		160,260	159,110	159,110	159,110
BUILDINGS					
At independent valuation 2013	7(a)/(e)	684,296	685,411	594,040	685,411
At cost		158,631	63,485	156,968	63,485
Accumulated depreciation		(24,073)	(3,133)	(21,517)	(3,133)
		818,854	745,763	729,491	745,763
CONSTRUCTION IN PROGRESS					
Construction in progress		38,914	129,917	38,914	129,917
LEASEHOLD IMPROVEMENTS					
At cost		11,600	10,035	11,166	9,602
Accumulated amortisation		(8,131)	(7,082)	(7,611)	(6,603)
		3,469	2,953	3,555	2,999
PLANT AND EQUIPMENT					
At cost		452,139	397,324	414,285	396,050
Accumulated depreciation		(177,354)	(137,499)	(170,930)	(136,805)
		274,785	259,825	243,355	259,245
MOTOR VEHICLES					
At cost		7,384	7,594	7,384	7,594
Accumulated depreciation		(2,907)	(2,653)	(2,907)	(2,653)
		4,477	4,941	4,477	4,941
LIBRARY HOLDINGS					
At cost		45,300	44,877	45,300	44,877
At independent valuation 2012	7(b)	6,787	6,787	6,787	6,787
Accumulated depreciation		(37,192)	(35,367)	(37,192)	(35,367)
		14,895	16,297	14,895	16,297
ART COLLECTION					
At independent valuation 2014	7(c)	8,783	-	8,783	-
At independent valuation 2011		-	8,201	-	8,201
At cost		48	488	48	488
		8,831	8,689	8,831	8,689
		1,324,485	1,327,495	1,202,628	1,326,961

(a) The land and buildings were valued by Cunningham Property Consultants (Property Consultants and Valuers) at 31 October 2013. In completing the valuation of property and assets of Deakin University, the following valuation model has been adopted:-

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

(ii) Non-Core Assets - comprising non-purpose built buildings have an estimated fair value derived from the depreciated replacement cost approach.

(b) The special collections of the Library holdings were valued by John Sainsbury and Michael Stone, members of the antiquarian book trade and accredited valuers, and were assessed as at 20 September 2012 based on the guidelines set out in the Department of Treasury and Finance document Victorian Government Policy: Revaluation of Non-Current Physical Assets (March 2009).

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

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

(c) The art collection was valued by McWilliam & Associates Pty Ltd as at October 2014. The valuation was carried out on the basis of market value.

(d) Land, buildings, special collections of the Library holdings and art collection purchased since the date of the last valuation are shown at cost.

(e) A building (under Certificate of Title Volume 9145 Folio 537) with a carrying amount of \$113,631 is pledged to secure mortgage monies advanced by the Australian Government for the childcare centre at the Warrnambool Campus.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

 MOVEMENTS IN
CARRYING AMOUNTS

	Balance at beginning of year	Additions	Disposals	Depreciation expense	Transfers	Transfer to Income Statement	Revaluation	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
2014								
Consolidated								
Land	159,110	1,150	-	-	-	-	-	160,260
Buildings	745,763	1,662	-	(20,939)	92,368	-	-	818,854
Construction in progress	129,917	54,338	-	-	(140,288)	(5,053)	-	38,914
Leasehold improvements	2,953	1	-	(1,049)	1,564	-	-	3,469
Plant and Equipment	259,825	12,180	(276)	(43,178)	46,234	-	-	274,785
Motor vehicles	4,941	1,153	(759)	(980)	122	-	-	4,477
Library holdings	16,297	1,234	-	(2,636)	-	-	-	14,895
Art collection	8,689	277	-	-	-	-	(135)	8,831
	1,327,495	71,995	(1,035)	(68,782)	-	(5,053)	(135)	1,324,485
University								
Land	159,110	-	-	-	-	-	-	159,110
Buildings	745,763	-	(89,780)	(18,860)	92,368	-	-	729,491
Construction in progress	129,917	54,338	-	-	(140,288)	(5,053)	-	38,914
Leasehold improvements	2,999	-	-	(1,008)	1,564	-	-	3,555
Plant and Equipment	259,245	12,099	(34,862)	(39,361)	46,234	-	-	243,355
Motor vehicles	4,941	1,153	(759)	(980)	122	-	-	4,477
Library holdings	16,297	1,234	-	(2,636)	-	-	-	14,895
Art collection	8,689	277	-	-	-	-	(135)	8,831
	1,326,961	69,101	(125,401)	(62,845)	-	(5,053)	(135)	1,202,628
2013								
Consolidated								
Land	133,864	-	-	-	-	-	25,246	159,110
Buildings	643,969	-	(591)	(17,166)	73,324	-	46,227	745,763
Construction in progress	143,271	144,029	-	-	(157,383)	-	-	129,917
Leasehold improvements	5,645	-	-	(2,703)	11	-	-	2,953
Plant and Equipment	193,866	16,544	(173)	(34,460)	84,048	-	-	259,825
Motor vehicles	5,743	1,569	(1,290)	(1,081)	-	-	-	4,941
Library holdings	17,900	1,794	-	(3,397)	-	-	-	16,297
Art collection	8,392	298	(1)	-	-	-	-	8,689
	1,152,650	164,234	(2,055)	(58,807)	-	-	71,473	1,327,495
University								
Land	133,864	-	-	-	-	-	25,246	159,110
Buildings	643,969	-	(591)	(17,166)	73,324	-	46,227	745,763
Construction in progress	143,271	144,029	-	-	(157,383)	-	-	129,917
Leasehold improvements	5,596	1	-	(2,609)	11	-	-	2,999
Plant and Equipment	193,526	16,180	(172)	(34,337)	84,048	-	-	259,245
Motor vehicles	5,743	1,569	(1,290)	(1,081)	-	-	-	4,941
Library holdings	17,900	1,794	-	(3,397)	-	-	-	16,297
Art collection	8,392	298	(1)	-	-	-	-	8,689
	1,152,261	163,871	(2,054)	(58,590)	-	-	71,473	1,326,961

	Note	CONSOLIDATED		UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
11. BORROWINGS					
CURRENT					
Unsecured borrowings					
Bank overdraft	23	-	1	-	-
Secured by mortgage					
Other	23	9	9	9	9
		9	10	9	9
NON-CURRENT					
Secured by mortgage					
Other	23	-	9	-	9
		-	9	-	9
		9	19	9	18
Maturity analysis					
6 months or less		5	6	5	5
6 - 12 months		4	4	4	4
2 - 5 years		-	9	-	9
		9	19	9	18

Assets pledged as security

A building (under Certificate of Title Volume 9145 Folio 537) is pledged to secure mortgage monies of \$9,000 (2013: \$18,000) advanced by the Australian Government for the childcare centre at the Warrnambool Campus.

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
12. PROVISIONS - EMPLOYEE BENEFITS					
CURRENT					
Current provisions expected to be settled wholly within 12 months at nominal value					
Annual leave		23,622	21,605	22,957	20,871
Long service leave		3,935	3,602	3,700	3,602
		27,557	25,207	26,657	24,473
Provisions for employee benefit on-costs expected to be settled wholly within 12 months at nominal value					
Annual leave		5,350	4,906	5,200	4,739
Long service leave		897	819	843	819
		6,247	5,725	6,043	5,558
Current provisions expected to be settled wholly after more than 12 months at present value					
Annual leave		1,619	2,610	1,619	2,610
Long service leave		32,744	29,971	31,890	28,916
		34,363	32,581	33,509	31,526
Provisions for employee benefit on-costs expected to be settled wholly after more than 12 months at present value					
Annual leave		367	593	367	593
Long service leave		7,459	6,819	7,264	6,579
		7,826	7,412	7,631	7,172
Current provision for employee benefits		75,993	70,925	73,840	68,729
Deferred employee benefits for superannuation					
Victorian State Superannuation Fund	16	13,290	13,233	13,290	13,233
		89,283	84,158	87,130	81,962
NON-CURRENT					
Long service leave at present value		16,280	13,213	15,886	12,792
Provisions for employee benefit on-costs at present value		3,709	3,006	3,619	2,910
		19,989	16,219	19,505	15,702
Deferred employee benefits for superannuation					
Victorian State Superannuation Fund	16	152,397	156,644	152,397	156,644
Unfunded superannuation liability - State Employees Retirement Benefit (SERB)		155	217	155	217
		172,541	173,080	172,057	172,563
		261,824	257,238	259,187	254,525

MOVEMENTS IN PROVISIONS - CONSOLIDATED	ANNUAL LEAVE		LONG SERVICE LEAVE	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
	\$000's	\$000's	\$000's	\$000's
Carrying amount at start of year	29,714	-	41,211	16,219
Additional provisions recognised	26,841	-	7,679	3,487
Amount used	(25,597)	-	(4,423)	-
Increase in discounted amount	-	-	568	283
Carrying amount at end of year	30,958	-	45,035	19,989

	DEFERRED EMPLOYEE BENEFITS FOR SUPERANNUATION		UNFUNDED SUPER - SERB
	CURRENT	NON-CURRENT	NON-CURRENT
	\$000's	\$000's	\$000's
Carrying amount at start of year	13,233	156,644	217
Additional provisions recognised	57	(4,247)	(62)
Carrying amount at end of year	13,290	152,397	155

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
13. RESERVES	\$000's	\$000's	\$000's	\$000's
Balance at beginning of year	351,021	262,177	351,021	262,177
Asset revaluation surplus				
Increase / (decrease) in asset valuation of non-current assets are:				
Land (valuation date: 31 October 2013)	-	25,246	-	25,246
Buildings (valuation date: 31 October 2013)	-	46,227	-	46,227
Art Collection (valuation date: October 2014)	(135)	-	(135)	-
Investments - available for sale financial assets (valuation date: 31 December 2014)	6,251	16,438	6,251	16,438
	6,116	87,911	6,116	87,911
Endowment fund reserve	218	933	218	933
Balance at end of year	357,355	351,021	357,355	351,021

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.

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year	Transfer from retained earnings	Transfer to Comprehensive Income on date of sale	Increase/ (decrease) on revaluation	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's	\$000's
Consolidated					
Asset Revaluation Surplus					
Land	102,781	-	-	-	102,781
Buildings	210,916	-	-	-	210,916
Library holdings	1,535	-	-	-	1,535
Artworks	1,637	-	-	(135)	1,502
Investments - available for sale financial assets	27,512	-	(352)	6,603	33,763
Endowment Fund Reserve	6,640	218	-	-	6,858
	351,021	218	(352)	6,468	357,355
University					
Asset Revaluation Surplus					
Land	102,781	-	-	-	102,781
Buildings	210,916	-	-	-	210,916
Library holdings	1,535	-	-	-	1,535
Artworks	1,637	-	-	(135)	1,502
Investments - available for sale financial assets	27,512	-	(352)	6,603	33,763
Endowment Fund Reserve	6,640	218	-	-	6,858
	351,021	218	(352)	6,468	357,355

14. RETAINED EARNINGS

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's
Retained earnings at beginning of year	1,117,903	1,040,588	1,115,011	1,038,198
Net result after income tax for the year	68,172	78,248	63,324	77,746
Transfer to from Reserves	(218)	(933)	(218)	(933)
Retained earnings at end of year	1,185,857	1,117,903	1,178,117	1,115,011

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's
15. CASH FLOW STATEMENT				
RECONCILIATION OF CASH				
Cash at bank and on hand	2,989	4,288	2,988	4,287
Bank deposits - on call	183	1,163	183	1,163
Bank term deposits	20,400	51,500	17,000	51,500
Total Cash and Cash Equivalents	23,572	56,951	20,171	56,950
Bank overdraft	-	(1)	-	-
Balance as per Statement of Cash Flows	23,572	56,950	20,171	56,950
RECONCILIATION OF NET RESULT AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Net result after income tax for the year	68,172	78,248	63,324	77,746
Add / (less) non-cash items				
Depreciation and amortisation	69,271	59,169	63,334	58,952
Donations for art works	(28)	(134)	(28)	(134)
Donations for property, plant & equipment	(9)	-	(9)	-
Work in progress transferred to Income Statement	5,053	-	5,053	-
Loss/(profit) on disposal of property, plant and equipment	386	723	(138)	722
Provision for diminution of investments in subsidiaries	-	-	885	-
Loss/(profit) on sale of other financial assets	(352)	(1,662)	(352)	(1,662)
Decrease / (increase) in:				
Current assets				
Trade debtors	1,319	(4,968)	543	(4,369)
Government grants receivable	(4,493)	(102)	(4,493)	(102)
Accrued income	(634)	(2,605)	2,329	(2,703)
Prepayments	(1,579)	(1,980)	(1,268)	(3,500)
GST recoverable	(1,743)	346	(1,702)	278
Inventories	(78)	(53)	(78)	(53)
Deferred government contribution for superannuation	(57)	(308)	(57)	(308)
Non-current assets				
Deferred tax assets	-	843	-	-
Deferred government contribution for superannuation	4,247	63,147	4,247	63,147
Increase / (decrease) in:				
Current liabilities				
Creditors and accrued expenses	(2,861)	5,318	(3,472)	5,263
Income received in advance	12,157	20,619	12,846	20,085
Owing to subsidiaries	-	-	10,859	2,308
Employee benefits	5,068	8,008	5,111	8,447
Deferred employee benefits for superannuation	57	308	57	308
Non-current liabilities				
Employee benefits	3,770	2,662	3,803	2,791
Deferred employee benefits for superannuation	(4,247)	(63,147)	(4,247)	(63,147)
Unfunded superannuation liability - SERB	(62)	(80)	(62)	(80)
Net cash provided by operating activities	153,357	164,352	156,485	163,989

16. SUPERANNUATION

UniSuper Defined Benefit Plan

Deakin University has a number of present staff members who are members of The UniSuper Defined Benefit Division (DBD) and in respect of whom defined benefits are payable on termination of employment. The UniSuper Trust Deed was amended in December 2006 to classify the plan as a defined contribution plan under 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 2014, the assets of the DBD in aggregate were estimated to be \$271 million in deficiency of vested benefits, after allowing for various reserves. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.

As at 30 June 2014 the assets of the DBD in aggregate were estimated to be \$2,071 million above accrued benefits, after allowing for various reserves. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Ms Kate Maartensz and Mr Bill Buttler, using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2014. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return - DBD pensions	6.10% p.a.	7.80% p.a.
Gross of tax investment return - commercial rate indexed pensions	3.70% p.a.	3.70% p.a.
Net of tax investment return - non pensioner members	5.50% p.a.	7.00% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long-term	3.75% p.a.	3.75% p.a.

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

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations. Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

DBD membership after 1 January 2015.

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

The unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by Catherine Nance, FIAA and relate to the estimates of net liabilities at 30 June 2014. The methodology for measurement of the net liabilities uses the discount rate of 4.08% based on the government bond rate and assumed salary increases of 4% and pension indexation of 2.5%.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for Deakin University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation.

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 2014, 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 2014, amounted to \$165,687,000 (2013: \$169,877,000). Unfunded liabilities are met by the Australian Government.

	Note	CONSOLIDATED		UNIVERSITY	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
Amounts receivable from Australian Government					
Receivable within 12 months	4	13,290	13,233	13,290	13,233
Receivable later than 12 months	4	152,397	156,644	152,397	156,644
Total deferred government contribution for superannuation		165,687	169,877	165,687	169,877
Movements in deferred government contribution for superannuation		(4,190)	(62,839)	(4,190)	(62,839)
Unfunded superannuation liability					
Payable within 12 months	12	13,290	13,233	13,290	13,233
Payable later than 12 months	12	152,397	156,644	152,397	156,644
Total deferred employee benefits for superannuation		165,687	169,877	165,687	169,877
Movements in deferred employee benefits for superannuation		(4,190)	(62,839)	(4,190)	(62,839)

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's
17. COMMITMENTS				
Capital commitments				
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:				
Property, plant and equipment				
Within one year	22,078	56,267	22,078	56,267
Later than one year	97	637	97	637
	22,175	56,904	22,175	56,904
Operating leases				
Commitments for minimum lease payments in relation to operating leases are payable as follows:				
Within one year	7,324	8,063	6,992	7,794
Between one and five years	7,074	8,537	6,853	8,329
	14,398	16,600	13,845	16,123

18. CONTINGENCIES

There are no material contingent liabilities and no material contingent assets at balance date (2013: nil).

Bank guarantees totalling \$885,383 (2013: \$952,097) have been issued to third parties primarily in relation to properties.

19. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Deakin University has entered into a sale agreement and completed the sale of its wholly owned subsidiary, Callista Software Services Pty Ltd, as at 28 February 2015. The terms of the sale is a premium of \$1m, before transaction costs, over net assets. This transaction does not materially affect the financial position of the Group at 31 December 2014. There are no other events occurring after the balance date that would materially affect the financial position of the Group (2013: nil).

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

Name of Responsible Persons

University

For the purposes of the Financial Management Act 1994 (Vic), the Victorian Minister for Higher Education and Skills The Hon. Peter Hall MLC (from 1 January to 17 March 2014), the Victorian Minister for Higher Education and Skills The Hon. Nick Wakeling MP (from 17 March to 3 December 2014), the Victorian Minister for Education and Training The Hon Steve Herbert MP (from 3 December to 31 December 2014) and members of the University Council are the responsible persons of the University.

The remuneration of the Minister is included in the financial statements of the Victorian Department of Premier and Cabinet. Members of the University Council received remuneration for services rendered. The following persons held office as the members of the University Council during the financial year.

Mr DM Morgan (Chancellor)	Ms JM Lightowers	Ms G Phillpot
Professor JE den Hollander (Vice-Chancellor and President)	Ms HF Bender	Ms M Douglas-Crane
Ms HE Buckingham	Mr J Stanhope	Mr S Hamilton
Mr P Meehan	Professor D Ashbridge	Mr D Joyce
Ms K Grigg	Professor R Rentschler	Ms P Kelly
Mr PD Niblett	Ms J Bonnington	

Professor JE den Hollander is the Accountable Officer.

Subsidiaries

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

Professor JE den Hollander
Dr M Stokie
Mr N Osborne
Mr A Jenkins
Mr S Hann
Mr PD Niblett
Mr S Hamilton

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

Mr K J Selway
Mr A Walters
Mr W Confalonieri

RESPONSIBLE PERSONS REMUNERATION

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

Base remuneration
Bonuses
Total remuneration

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's
Base remuneration	1,609	1,545	1,175	1,114
Bonuses	173	116	106	91
Total remuneration	1,782	1,661	1,281	1,205

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

Nil to \$9,999
\$10,000 to \$19,999
\$20,000 to \$29,999
\$30,000 to \$39,999
\$40,000 to \$49,999
\$130,000 to \$139,999
\$180,000 to \$189,999
\$190,000 to \$199,999
\$270,000 to \$279,999
\$320,000 to \$329,999
\$800,000 to \$809,999
\$860,000 to \$869,999

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
Nil to \$9,999	8	8	8	8
\$10,000 to \$19,999	1	8	1	6
\$20,000 to \$29,999	7	-	5	-
\$30,000 to \$39,999	1	1	1	1
\$40,000 to \$49,999	-	1	-	1
\$130,000 to \$139,999	1	1	-	-
\$180,000 to \$189,999	-	1	-	1
\$190,000 to \$199,999	1	-	1	-
\$270,000 to \$279,999	-	1	-	-
\$320,000 to \$329,999	1	-	-	-
\$800,000 to \$809,999	-	1	-	1
\$860,000 to \$869,999	1	-	1	-
	21	22	17	18

20. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

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

	TOTAL REMUNERATION		BASE REMUNERATION			TOTAL REMUNERATION		BASE REMUNERATION	
	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY		CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2014	2014	2014	2014		2013	2013	2013	2013
\$10,000 to \$19,999	-	-	1	-	\$20,000 to \$29,999	1	1	2	1
\$50,000 to \$59,999	1	1	1	1	\$30,000 to \$39,999	-	-	2	2
\$90,000 to \$99,999	1	-	-	-	\$80,000 to \$89,999	1	1	-	-
\$130,000 to \$139,999	-	-	1	-	\$130,000 to \$139,999	1	-	-	-
\$190,000 to \$199,999	-	-	1	-	\$150,000 to \$159,999	-	-	2	-
\$210,000 to \$219,999	1	-	-	-	\$160,000 to \$169,999	1	-	-	-
\$220,000 to \$229,999	-	-	1	-	\$170,000 to \$179,999	1	-	1	-
\$250,000 to \$259,999	1	-	-	-	\$190,000 to \$199,999	-	-	1	-
\$260,000 to \$269,999	1	-	-	-	\$200,000 to \$209,999	1	1	1	1
\$280,000 to \$289,999	-	-	1	-	\$210,000 to \$219,999	1	-	-	-
\$300,000 to \$309,999	2	-	1	-	\$240,000 to \$249,999	-	-	1	-
\$320,000 to \$329,999	-	-	1	1	\$250,000 to \$259,999	1	-	-	-
\$330,000 to \$339,999	-	-	1	1	\$260,000 to \$269,999	1	-	-	-
\$340,000 to \$349,999	-	-	2	2	\$280,000 to \$289,999	-	-	1	1
\$350,000 to \$359,999	1	1	1	1	\$300,000 to \$309,999	-	-	2	2
\$360,000 to \$369,999	1	1	1	1	\$310,000 to \$319,999	1	1	-	-
\$370,000 to \$379,999	-	-	2	2	\$330,000 to \$339,999	2	2	3	3
\$380,000 to \$389,999	3	3	2	2	\$340,000 to \$349,999	-	-	2	2
\$400,000 to \$409,999	3	3	1	1	\$350,000 to \$359,999	1	1	-	-
\$410,000 to \$419,999	1	1	-	-	\$360,000 to \$369,999	2	2	-	-
\$420,000 to \$429,999	1	1	1	1	\$370,000 to \$379,999	2	2	1	1
\$430,000 to \$439,999	1	1	-	-	\$380,000 to \$389,999	-	-	1	-
\$480,000 to \$489,999	1	1	-	-	\$400,000 to \$409,999	2	2	1	1
	19	13	19	13	\$410,000 to \$419,999	-	-	1	1
					\$430,000 to \$439,999	1	1	-	-
					\$440,000 to \$449,999	1	-	-	-
					\$450,000 to \$459,999	1	1	-	-
						22	15	22	15

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

20. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

	CONSOLIDATED		UNIVERSITY	
	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's
Remuneration received or due and receivable from the University and its subsidiaries by executive officers				
Base remuneration	5,629	5,425	4,479	4,088
Bonuses	479	462	399	345
Termination payments	197	596	-	394
Total remuneration	6,305	6,483	4,878	4,827

Other transactions with key management personnel

A member of Council, Professor D. Ashbridge is the Chief Executive Officer of Barwon Health. Deakin University and Barwon Health conducted collaborative research and health projects and Deakin University students were provided with clinical supervision by Barwon Health on the normal terms and conditions attaching to clinical placements. Barwon Health, St John of God Healthcare and Deakin University supported the St John of God and Barwon Health Chair in Orthopaedic Surgery at Deakin University.

The Vice-Chancellor, Professor Jane den Hollander is a member of the Geelong Performing Arts Centre Trust. Deakin University sponsored the Geelong Performing Arts Centre Theatre Season in 2014.

A member of Council, Ms J. Bonnington was a Director of St John of God Healthcare Group in 2014. Deakin University students were provided clinical supervision by St John of God Healthcare group on the normal terms and conditions attaching to clinical placements. Barwon Health, St John of God Healthcare and Deakin University supported the St John of God and Barwon Health Chair in Orthopaedic Surgery at Deakin University.

A member of Council, Ms H. Buckingham is a Board member of the Box Hill Institute of TAFE. Box Hill TAFE is a member of the Deakin-TAFE Alliance, which involves the shared use of facilities and joint education and training pathways.

A member of Council, Mr D. Joyce was President of the Deakin University Student Association in 2014. The Association received funding from the University to deliver services to students.

A member of Council, Ms G. Phillpot is Chairperson of the Warrnambool City Art Advisory Committee. Deakin University toured and sponsored art exhibitions at the Warrnambool Art Gallery on the University's normal terms and conditions.

A member of Council, Mr J. Stanhope is Chairman of Australia Post. Deakin University conducted business transactions with Australia Post on normal commercial terms and conditions.

Ex-gratia payments

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

21. REMUNERATION OF AUDITORS

Amounts received, or due and receivable, by the Auditor-General of Victoria for auditing the financial statements and consolidated financial statements of Deakin University and the financial statements of each of its subsidiaries:

	2014	2013
	\$000's	\$000's
Deakin University	175	169
Subsidiaries	34	25

22. SUBSIDIARIES

The Deakin University Act 2009 (Vic), Section 48 permits the University to form limited liability companies. At the reporting date the University controlled the following entities:

Name of Entity	Principal place of business	Principal activity	OWNERSHIP INTEREST	
			2014	2013
Callista Software Services Pty Ltd	Australia	Computer software services	100%	100%
Unilink Limited	Australia	Provision of human resource services to Deakin University	100%	100%
Deakin Residential Services Pty Ltd	Australia	Provision of residential services	100%	100%
Deakin Digital Pty Ltd	Australia	Provision of educational services	100%	100%

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

22. SUBSIDIARIES (CONTINUED)

Statement of Comprehensive Income

Entity	TOTAL REVENUE		TOTAL EXPENDITURE		NET PROFIT/(LOSS) AFTER TAX EXPENSE	
	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Callista Software Services Pty Ltd	16,248	16,002	14,329	13,976	1,919	1,183
Unilink Limited	5,877	9,463	5,877	9,463	-	-
Deakin Residential Services Pty Ltd	18,929	-	16,000	-	2,929	-
Deakin Digital Pty Ltd	-	-	885	-	(885)	-
	41,054	25,465	37,091	23,439	3,963	1,183

Statement of Financial Position

(a) Assets

Entity	Note	CURRENT ASSETS		NON-CURRENT ASSETS		TOTAL ASSETS	
		2014	2013	2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Callista Software Services Pty Ltd	(a)	13,480	11,887	574	697	14,054	12,584
Unilink Limited	(b)	456	636	-	-	456	636
Deakin Residential Services Pty Ltd	(c)	13,240	1,550	121,446	-	134,686	1,550
Deakin Digital Pty Ltd		108	-	-	-	108	-
		27,284	14,073	122,020	697	149,304	14,770

(b) Liabilities

Entity	CURRENT LIABILITIES		NON-CURRENT LIABILITIES		TOTAL LIABILITIES	
	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Callista Software Services Pty Ltd	5,760	6,034	338	513	6,098	6,547
Unilink Limited	268	578	188	58	456	636
Deakin Residential Services Pty Ltd	1,731	1,550	47,476	-	49,207	1,550
Deakin Digital Pty Ltd	97	-	11	-	108	-
	7,856	8,162	48,013	571	55,869	8,733

(c) Equity and Borrowings

Entity	EQUITY		INTERNAL BORROWINGS		EXTERNAL BORROWINGS	
	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Callista Software Services Pty Ltd	7,956	6,037	-	-	-	-
Unilink Limited	-	-	-	-	-	-
Deakin Residential Services Pty Ltd	85,479	-	47,476	-	-	-
Deakin Digital Pty Ltd	-	-	-	-	-	-
	93,435	6,037	47,476	-	-	-

(a) Current assets includes an amount owing by Deakin University of \$9,369,088 (2013: \$6,961,859).

(b) Current assets includes an amount owing by Deakin University of \$456,280(2013: \$635,649).

(c) Current assets includes an amount owing by Deakin University of \$10,078,913 (2013: \$1,550,000).

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 risks. The Finance and Business Affairs Committee provide advice to Council on the management of corporate assets.

The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

(a) MARKET RISK

(i) Foreign exchange risk

The Group's foreign exchange exposure is limited. Sources of potential foreign exchange risk may include occasional transactions such as contracts for the supply of goods and services expressed in foreign currency e.g. library books and journals. The Group's practice is to hedge significant foreign currency commitments by using appropriate hedging instruments. The Group also has limited foreign exchange exposure within its non-current financial assets available for sale - global equities investment. This exposure, as part of a broader diversified investment portfolio, is monitored by the Investment Committee.

(ii) Price risk

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

(iii) Interest rate risk

Investment of funds is monitored by the Investment 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. The Group's practice is to eliminate the potential loss resulting from adverse movements in floating market rates by using appropriate hedging instruments.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)
(b) Credit risk

The Group's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. The Group minimises concentrations of credit risk in relation to trade accounts receivable, by undertaking transactions with a large number of customers primarily associated with the higher education industry. However, the majority of customers are concentrated in Australia. Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days from the date that invoice was issued.
- debt collection policies and procedures including use of a debt collection agency.

(c) Liquidity risk

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

	FLOATING INTEREST RATE		FIXED INTEREST RATE MATURING IN:						NON-INTEREST BEARING		TOTAL CARRYING AMOUNT AS PER THE STATEMENT OF FINANCIAL POSITION		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE OR EARNINGS RATE	
	2014	2013	LESS THAN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		2014	2013	2014	2013	2014	2013
	\$000's	\$000's	2014	2013	2014	2013	2014	2013	\$000's	\$000's	\$000's	\$000's	%	%
Financial instruments														
(i) Financial assets														
Cash at bank and on hand	2,970	4,246							19	42	2,989	4,288	2.30%	2.31%
Bank deposits - at call	183	1,163									183	1,163	2.50%	2.50%
Bank term deposits			20,400	51,500					37,331	38,650	20,400	51,500	3.08%	3.50%
Receivables - Trade Debtors									32,262	25,335	32,262	25,335	-	-
Receivables - Other Current									152,397	156,644	152,397	156,644	-	-
Receivables - Other Non-Current														
Financial assets held-to-maturity			221,000	149,400					12,246	2,298	221,000	149,400	3.45%	3.67%
Other financial assets - non-current	186,222	147,256									198,468	149,554	10.15%	20.86%
Total financial assets	189,375	152,665	241,400	200,900	-	-	-	-	234,255	222,969	665,030	576,534		
(ii) Financial liabilities														
Payables									202,398	193,101	202,398	193,101	-	-
Bank overdraft	-	1									-	1	-	-
Other									9	18	9	18	-	-
Total financial liabilities	-	1	-	-	-	-	-	-	202,407	193,119	202,407	193,120		

24. FAIR VALUE MEASUREMENTS

(a) Fair value measurements

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

	Note	TOTAL CARRYING AMOUNT AS PER THE STATEMENT OF FINANCIAL POSITION		AGGREGATE FAIR VALUE	
		2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's
Consolidated					
<i>Financial assets</i>					
Cash at bank and on hand	3	2,989	4,288	2,989	4,288
Bank deposits - at call	3	183	1,163	183	1,163
Bank term deposits	3	20,400	51,500	20,400	51,500
Receivables - Trade Debtors	4	37,331	38,650	37,331	38,650
Receivables - Other Current	4	32,262	25,335	32,262	25,335
Receivables - Other Non-Current	4	152,397	156,644	152,397	156,644
Other financial assets - current	6	221,000	149,400	221,000	149,400
Other financial assets - non-current	6	198,468	149,554	198,468	149,554
Total financial assets		665,030	576,534	665,030	576,534
<i>Financial liabilities</i>					
Payables	10	202,398	193,101	202,398	193,101
Bank overdraft	11	-	1	-	1
Other	11	9	18	9	17
Total financial liabilities		202,407	193,120	202,407	193,119

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

<i>Cash and cash equivalents</i>	The carrying amount approximates fair value because of their short term to maturity.
<i>Trade receivables and payables</i>	The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair value due to their short-term nature.
<i>Non-current receivables</i>	The fair value of non-current receivables, Deferred Government Contribution for Superannuation is measured at nominal value, which is offset by a liability to the Victorian Government of equal value (refer to Note 1(q)).
<i>Other financial assets - current at fair value</i>	For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.
<i>Other financial assets - non-current</i>	For unlisted securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same, or is calculated based on the expected cash flows, or the underlying net asset base of the investment/security.
<i>Short-term borrowings</i>	The carrying amount approximates fair value because of its short term to maturity.
<i>Long-term borrowings</i>	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.

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

- Financial assets at fair value through profit or loss
- Financial assets available-for-sale
- Land and buildings
- Special collections of Library holdings
- Art collection

24. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Fair value hierarchy

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

Fair value measurements at 31 December 2014
Recurring fair value measurements

		Total	LEVEL 1	LEVEL 2	LEVEL 3
Consolidated		\$000's	\$000's	\$000's	\$000's
<i>Financial assets</i>					
Financial assets available for sale	6	198,468	186,222	-	12,246
Total financial assets		198,468	186,222	-	12,246
<i>Non-financial assets</i>					
Land	7	160,260	-	1,150	159,110
Buildings	7	818,854	-	153,532	665,322
Library holdings (special collection)	7	6,787	-	6,787	-
Art collection	7	8,831	-	8,831	-
Total non-financial assets		994,732	-	170,300	824,432

Fair value measurements at 31 December 2013
Recurring fair value measurements

		Total	LEVEL 1	LEVEL 2	LEVEL 3
Consolidated		\$000's	\$000's	\$000's	\$000's
<i>Financial assets</i>					
Financial assets available for sale	6	149,554	147,256	-	2,298
Total financial assets		149,554	147,256	-	2,298
<i>Non-financial assets</i>					
Land	7	159,110	-	-	159,110
Buildings	7	745,763	-	60,352	685,411
Library holdings (special collection)	7	6,787	-	6,787	-
Art collection	7	8,689	-	8,689	-
Total non-financial assets		920,349	-	75,828	844,521

There were no transfers between levels 1 and 3 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair value

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

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

The fair values of held-to-maturity investments that are disclosed in Note 6 were determined by reference to published price quotations in an active market (level1).

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

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

24. FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Valuation techniques used to derive level 2 and level 3 fair values

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

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

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

Land, buildings, library holdings and art collection (classified as property, plant and equipment) are valued independently every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

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

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

The following table is a reconciliation of level 3 items for the years ended 31 December 2014 and 2013.

Level 3 Fair value measurements 2014	UNLISTED EQUITY SECURITIES	LAND	BUILDINGS	TOTAL
	\$000's	\$000's	\$000's	\$000's
Opening balance	2,298	159,110	685,411	846,819
Acquisitions	9,948	-	-	9,948
Sales	-	-	(1,115)	(1,115)
Recognised in profit or loss	-	-	(18,974)	(18,974)
Closing balance	12,246	159,110	665,322	836,678

Level 3 Fair value measurements 2013	UNLISTED EQUITY SECURITIES	LAND	BUILDINGS	TOTAL
	\$000's	\$000's	\$000's	\$000's
Opening balance	2,298	133,864	642,317	778,479
Recognised in profit or loss	-	-	(3,133)	(3,133)
Recognised in other comprehensive income	-	25,246	46,227	71,473
Closing balance	2,298	159,110	685,411	846,819

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

24. FAIR VALUE MEASUREMENTS (CONTINUED)

DESCRIPTION	FAIR VALUE AT 31/12/14 \$'000	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE OF INPUTS (WEIGHTED AVERAGE)	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
Unlisted equity securities	12,246	Net asset base	A reasonable estimate of the fair value is determined by reference to the underlying net asset base of the investment / security.	n/a	A significant increase or decrease in the net asset of the investment / security would result in a significantly higher or lower fair value
Land	159,110	Market approach	Community Service Obligation (CSO) adjustment	10% - 35%	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Buildings	665,322	Depreciated replacement cost	Direct cost per square metre	\$96 - \$7,325 per square meter (\$3,053)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value
			Useful life of specialised buildings	1-50 years (30 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Total	836,678				

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

(ii) Valuation process

The group engages external, independent and qualified valuers to determine the fair value of the group's land and buildings at least every three years. The land and buildings were valued by Cunningham Property Consultants (property Consultants and Valuers) at 31 October 2013.

25. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

UNIVERSITY ONLY

25.1 EDUCATION - CGS AND OTHER EDUCATION GRANTS	COMMONWEALTH GRANTS SCHEME #1		INDIGENOUS SUPPORT PROGRAM		PARTNERSHIP AND PARTICIPATION PROGRAM #2		DISABILITY SUPPORT PROGRAM	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	250,234	229,321	1,545	1,658	5,360	5,306	259	298
Net accrual adjustments	(119)	(4,545)	-	(134)	-	-	-	-
Revenue for the period	250,115	224,776	1,545	1,524	5,360	5,306	259	298
Surplus / (deficit) from the previous year	-	-	-	209	497	164	-	-
Total revenue including accrual revenue	250,115	224,776	1,545	1,733	5,857	5,470	259	298
Less expenses including accrual expenses	(250,115)	(224,776)	(1,545)	(1,733)	(5,545)	(4,973)	(259)	(298)
Surplus / (deficit) for reporting period	-	-	-	-	312	497	-	-

UNIVERSITY ONLY

25.1 EDUCATION - CGS AND OTHER EDUCATION GRANTS (CONTINUED)	PROMOTION OF EXCELLENCE IN LEARNING & TEACHING IN HE		REWARD FUNDING		SUPERANNUATION PROGRAMME		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	330	634	-	542	13,515	12,225	271,243	249,984
Net accrual adjustments	-	-	-	-	(294)	916	(413)	(3,763)
Revenue for the period	330	634	-	542	13,221	13,141	270,830	246,221
Surplus / (deficit) from the previous year	-	-	-	-	-	-	497	373
Total revenue including accrual revenue	330	634	-	542	13,221	13,141	271,327	246,594
Less expenses including accrual expenses	(300)	(634)	-	(542)	(13,221)	(13,141)	(270,985)	(246,097)
Surplus / (deficit) for reporting period	30	-	-	-	-	-	342	497

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading

#2 Includes Equity Support Program

25. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

UNIVERSITY ONLY

	HECS - HELP (Australian government payments only)		FEE - HELP		SA-HELP		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
25.2 HIGHER EDUCATION LOAN PROGRAMMES								
Cash payable / (receivable) at beginning of year	874	528	(3,917)	(2,929)	196	(93)	(2,847)	(2,494)
Financial assistance received in cash during the reported period	180,070	158,537	39,645	35,503	3,450	2,766	223,165	196,806
Cash available for the year	180,944	159,065	35,728	32,574	3,646	2,673	220,318	194,312
Net accrual adjustments	(1,644)	(3,759)	(407)	(1,130)	-	-	(2,051)	(4,889)
Revenue earned	(178,097)	(154,432)	(39,363)	(35,361)	(3,331)	(2,477)	(220,791)	(192,270)
Cash payable / (receivable) at end of year	1,203	874	(4,042)	(3,917)	315	196	(2,524)	(2,847)

25. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

		UNIVERSITY ONLY							
		AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS		COMMONWEALTH EDUCATION COST SCHOLARSHIPS #3		INDIGENOUS COMMONWEALTH ACCOMMODATION SCHOLARSHIPS	
		2014	2013	2014	2013	2014	2013	2014	2013
25.3	SCHOLARSHIPS	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	4,546	4,385	365	367	-	(872)	30	-
	Net accrual adjustments	-	-	-	-	-	677	-	-
	Revenue for the period	4,546	4,385	365	367	-	(195)	30	-
	Surplus / (deficit) from the previous year	1,191	1,904	248	126	-	892	-	-
	Total revenue including accrual revenue	5,737	6,289	613	493	-	697	30	-
	Less expenses including accrual expenses and amount returned during the year	(4,907)	(5,098)	(351)	(245)	-	(697)	-	-
	Surplus / (deficit) for reporting period	830	1,191	262	248	-	-	30	-

		UNIVERSITY ONLY					
		INDIGENOUS COMMONWEALTH EDUCATION COST SCHOLARSHIPS		INDIGENOUS ACCESS SCHOLARSHIPS		TOTAL	
		2014	2013	2014	2013	2014	2013
25.3	SCHOLARSHIPS (CONTINUED)	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	47	(50)	254	(48)	5,242	3,782
	Net accrual adjustments	-	60	-	79	-	816
	Revenue for the period	47	10	254	31	5,242	4,598
	Surplus / (deficit) from the previous year	108	220	28	309	1,575	3,451
	Total revenue including accrual revenue	155	230	282	340	6,817	8,049
	Less expenses including accrual expenses and amount returned during the year	(58)	(122)	(188)	(312)	(5,504)	(6,474)
	Surplus / (deficit) for reporting period	97	108	94	28	1,313	1,575

#3 includes Grandfathered Scholarships, CECS, CAS, National Priority and National Accommodation Priority Scholarships respectively.

25. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

UNIVERSITY ONLY

	JOINT RESEARCH ENGAGEMENT		JOINT RESEARCH ENGAGEMENT - ENGINEERING CADETSHIPS		RESEARCH INFRASTRUCTURE BLOCK GRANTS	
	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
25.4 EDUCATION RESEARCH						
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	4,972	4,495	-	39	2,573	2,364
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	4,972	4,495	-	39	2,573	2,364
Surplus / (deficit) from the previous year	-	-	39	-	-	-
Total revenue including accrual revenue	4,972	4,495	39	39	2,573	2,364
Less expenses including accrual expenses	(4,972)	(4,495)	(39)	-	(2,573)	(2,364)
Surplus / (deficit) for reporting period	-	-	-	39	-	-

UNIVERSITY ONLY

	RESEARCH TRAINING SCHEME		SUSTAINABLE RESEARCH EXCELLENCE IN UNIVERSITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
25.4 EDUCATION RESEARCH (CONTINUED)						
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	11,199	11,073	1,797	1,719	20,541	19,690
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	11,199	11,073	1,797	1,719	20,541	19,690
Surplus / (deficit) from the previous year	-	-	-	-	39	-
Total revenue including accrual revenue	11,199	11,073	1,797	1,719	20,580	19,690
Less expenses including accrual expenses	(11,199)	(11,073)	(1,797)	(1,719)	(20,580)	(19,651)
Surplus / (deficit) for reporting period	-	-	-	-	-	39

25. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

		UNIVERSITY ONLY					
		PROJECTS ^{#4}		FELLOWSHIPS		TOTAL	
25.5	AUSTRALIAN RESEARCH COUNCIL GRANTS	2014	2013	2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
DISCOVERY							
	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	5,774	4,833	3,052	2,103	8,826	6,936
	Net accrual adjustments	-	-	-	-	-	-
	Revenue for the period	5,774	4,833	3,052	2,103	8,826	6,936
	Surplus / (deficit) from the previous year	2,430	1,959	953	1,495	3,383	3,454
	Total revenue including accrual revenue	8,204	6,792	4,005	3,598	12,209	10,390
	Less expenses including accrual expenses	(4,968)	(4,362)	(3,220)	(2,645)	(8,188)	(7,007)
	Surplus / (deficit) for reporting period	3,236	2,430	785	953	4,021	3,383

^{#4} includes Discovery Early Career Researcher Award.

		UNIVERSITY ONLY					
		INFRASTRUCTURE		PROJECTS		TOTAL	
25.6	AUSTRALIAN RESEARCH COUNCIL GRANTS (CONTINUED)	2014	2013	2014	2013	2014	2013
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
LINKAGES							
	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	654	-	2,557	2,746	3,211	2,746
	Net accrual adjustments	-	-	-	-	-	-
	Revenue for the period	654	-	2,557	2,746	3,211	2,746
	Surplus / (deficit) from the previous year	-	-	2,754	2,870	2,754	2,870
	Total revenue including accrual revenue	654	-	5,311	5,616	5,965	5,616
	Less expenses including accrual expenses	-	-	(2,823)	(2,862)	(2,823)	(2,862)
	Surplus / (deficit) for reporting period	654	-	2,488	2,754	3,142	2,754

25. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

		UNIVERSITY ONLY								
		BETTER UNIVERSITIES RENEWAL FUND		TEACHING AND LEARNING CAPITAL FUND		EDUCATION INVESTMENT FUND		TOTAL		
		2014	2013	2014	2013	2014	2013	2014	2013	
25.7	OTHER CAPITAL FUNDING	Notes	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	2.1	-	-	-	-	8,900	6,600	8,900	6,600
	Net accrual adjustments		26	27	2	2	(4)	21	24	50
	Liability for the period ^{#5}		26	27	2	2	8,896	6,621	8,924	6,650
	Balance b/f from the previous year		1,019	992	78	76	2,164	-	3,261	1,068
	Total liabilities		1,045	1,019	80	78	11,060	6,621	12,185	7,718
	Less expenses including accrual expenses (the same amounts are recognised as revenue)	2.1	-	-	-	-	(14,060)	(4,457)	(14,060)	(4,457)
	Unspent balance at the end of reporting period		1,045	1,019	80	78	(3,000)	2,164	(1,875)	3,261

^{#5} The Capital funding received during the year is recognised as income in advance (liability). Income will be recognised in accordance with the progress of the capital projects.

		UNIVERSITY ONLY	
		2014	2013
		\$000's	\$000's
25.8	OS-HELP		
	Cash received during the reporting period	7,364	3,014
	Cash spent during the reporting period	(6,722)	(3,026)
	Net cash received	642	(12)
	Cash surplus / (deficit) from the previous period	292	304
	Cash surplus / (deficit) for the reporting period	934	292

		UNIVERSITY ONLY	
		2014	2013
		\$000's	\$000's
25.9	STUDENT SERVICES AND AMENITIES FEE		
	Unspent / (overspent) revenue from previous period	1,052	1,826
	SA-HELP revenue earned	3,331	2,477
	Student services fees direct from students	2,462	2,652
	Total revenue expendable in period	6,845	6,955
	Student services expenses during period	(4,842)	(5,903)
	Unspent / (overspent) student services revenue	2,003	1,052

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Certification

We, as members of the Council of Deakin University and the Chief Financial Officer, state that in our opinion:

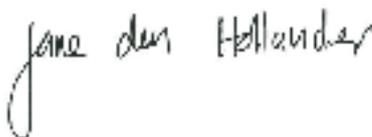
- (a) The attached financial statements and notes thereto present fairly the financial position of the University and the consolidated group as at 31 December 2014, and the financial performance for the year ended 31 December 2014;
- (b) The attached financial statements and notes thereto comply with the Financial Management Act 1994, the applicable Financial Reporting Directions, Australian Accounting Standards, the AASB Interpretations and the requirements of the Department of Education
- (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.
- (e) Deakin University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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.



David Morgan
Chancellor

Date: 5 March 2015
Geelong



Jane den Hollander
Vice-Chancellor and President

Date: 5 March 2015
Geelong



Andrew Walters
Chief Financial Officer

Date: 5 March 2015
Geelong

INDEPENDENT AUDITOR'S REPORT

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
comments@audit.vic.gov.au
www.audit.vic.gov.au

TO THE COUNCIL MEMBERS, DEAKIN UNIVERSITY

The Financial Report

The accompanying financial report for the year ended 31 December 2014 of Deakin University which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the Chancellor, Vice-Chancellor and Chief Financial Officer's certification has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising Deakin University and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 22 to the consolidated financial statements.

The Council members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Independence

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

Basis for Qualified Opinion

Deakin University has deferred the recognition of \$27.9 million (2013 \$33.2 million) of Australian Government Financial Assistance grant income received in 2014 and recognised it as Trade and Other Payables in its statement of financial position as at 31 December 2014.

As discussed in Note 1(b) to the financial report, the University regards the receipt of such income as a reciprocal transfer and recognises the revenue in the reporting periods in which the services are provided. In my opinion, these grants are non-reciprocal in nature and the income should be recognised in the reporting period in which the associated cash is received. As such the University's accounting policy constitutes a departure from Australian Accounting Standards. The University adopted this accounting policy in the year ended 31 December 2007 and has caused me to qualify my audit opinion on the financial reports since that time.

Deakin University's records indicate that had management recognised the grants as income when the associated cash was received, the following adjustments to the financial report would be required:

Financial Report Item	2014 adjustment	2013 adjustment
Trade and Other Payables	Reduced by \$27.9 million	Reduced by \$33.2 million
Australian Government Financial Assistance income	Reduced by \$5.3 million	Reduced by \$3.8 million
Retained Earnings	Increased by \$33.2 million	Increased by \$37.0 million

Qualified Opinion

In my opinion, except for the effect on the financial report of the matters described in the Basis for Qualified Opinion paragraphs, the financial report presents fairly, in all material respects, the financial position of Deakin University and the economic entity as at 31 December 2014 and 2013, its financial performance and its cash flows for the years then ended in accordance with applicable Australian Accounting Standards and the financial reporting requirements of the Financial Management Act 1994.



MELBOURNE
5 March 2014

John Doyle
Auditor-General

FIVE-YEAR FINANCIAL SUMMARY (consolidated)

	2014	2013	2012	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income					
Commonwealth Government grants	353,595	320,371	319,425	267,718	236,804
HECS-HELP	197,445	174,830	142,340	122,777	110,566
State government grants	6,707	15,414	9,363	7,400	8,572
Other	340,806	325,906	314,944	309,160	291,115
Total operating income	898,553	836,521	786,072	707,055	647,057
Operating expenses	830,381	757,430	677,617	632,033	563,534
Operating result before income tax	68,172	79,091	108,455	75,022	83,523
BALANCE SHEET INFORMATION					
Current assets					
Cash assets	23,572	56,951	73,238	19,593	21,674
Receivables	69,716	62,586	53,277	56,072	49,253
Other financial assets	221,000	149,400	146,340	217,100	212,652
Deferred government contribution for superannuation	13,290	13,233	12,925	13,408	13,070
Other	321	243	190	384	464
	327,899	282,413	285,970	306,557	297,113
Non-current assets					
Other financial assets	198,468	149,554	118,092	94,452	85,140
Property, plant and equipment	1,324,485	1,327,495	1,152,650	1,006,360	926,523
Deferred government contribution for superannuation	152,397	156,644	219,791	177,575	180,715
Other	4,194	3,176	3,341	3,706	3,791
	1,679,544	1,636,869	1,493,874	1,282,093	1,196,169
Liabilities					
Payables	202,398	193,101	167,565	145,702	133,732
Borrowings	9	19	27	48	44
Provision for employee entitlements	96,137	87,361	76,771	68,454	56,093
Deferred employee benefits for superannuation	165,687	169,877	232,716	190,983	193,785
Other	-	-	-	-	-
	464,231	450,358	477,079	405,187	383,654
Net assets	1,543,212	1,468,924	1,302,765	1,183,463	1,109,628
Total equity	1,543,212	1,468,924	1,302,765	1,183,463	1,109,628

PAYMENTS TO CONSULTANTS 2014

During the year the University engaged six consultancy firms costing more than \$100,000, totalling \$3,178,340. Details are as follows:

\$ 992,830	Charter Mason	Replacement of student management system
\$ 709,692	Price Waterhouse Coopers	Social media and digital marketing
\$ 654,175	Nous Group	Optimising student services and support
\$ 408,875	Tribal Group	Replacement of student management system
\$ 272,326	Blackbaud Pacific	Replacement of student management system
\$ 140,442	Baynton Consulting	Installation of IBM Watson

\$ 3,178,340 Total combined cost of the six consulting firms

\$ 446,205 The combined cost of six consulting firms costing less than \$100,000

UNIVERSITY DISCLOSURE INDEX 2014

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT	Page
STANDING DIRECTIONS OF THE MINISTER FOR FINANCE			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	17-34
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	33
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.	16
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; and • Business Rules. 	44, 81
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> • Balance Sheet and income statement; • Statement of Recognised Income and Expense; • Cash Flows Statement; and • Notes to the financial statements. 	40-80
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; and • Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	44, 81
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; and • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	46
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	11
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	36
FINANCIAL REPORTING DIRECTIONS			
10	FRD 03A	Accounting for Dividends	n/a
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements	47
12	FRD 9A	Administered assets and liabilities	n/a
13	FRD 10	Disclosure Index	85-86
14	FRD 11	Disclosure of Ex-gratia Payments	67
15	FRD 17B	Long Service Leave Wage Inflation and Discount Rates	46
16	FRD 19	Private Provision of Public Infrastructure	n/a
17	FRD 21B	Responsible Person and Executive Officer Disclosure in the Financial Report	65-67
18	FRD 22E	Consultants: Report of Operations must include a statement disclosing each of the following <ol style="list-style-type: none"> 1. Total number of consultancies over \$10,000 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period AND publication on university website required, for each consultancy more than \$10,000, of a schedule listing: <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved • Expenditure for reporting period • Any future expenditure committed to the consultant for the project 	84
19	FRD 22E	Manner of establishment and the relevant Minister	10
20	FRD 22E	Objectives, functions, powers and duties	10
21	FRD 22E	Nature and range of services provided including communities served	10, 27
22	FRD 22E	Organisational structure and chart, including accountabilities	15
23	FRD 22E	Names of Council members	12
24	FRD 22E	Operational and budgetary objectives, performance against objectives and achievements	17-34
25	FRD 22E	Occupational health and safety statement including performance indicator and performance against those indicators and how they affected outputs	28
26	FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles	28

UNIVERSITY DISCLOSURE INDEX 2014 (CONTINUED)

27	FRD 22E	Summary of the financial results for the year including previous 4 year comparisons	84
28	FRD 22E	Significant changes in financial position during the year	16
29	FRD 22E	Major changes or factors affecting performance	16
30	FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods	16
31	FRD 22E	Summary of application and operation of the Freedom of Information Act 1982	38
32	FRD 22E	Statement of compliance with building and maintenance provisions of the Building Act 1993	38
33	FRD 22E	Statement on National Competition Policy	38
34	FRD 22E	Summary of application and operation of the Protected Disclosure Act 2012	38
35	FRD 22E	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	28
36	FRD 22E	Summary of Environmental Performance.	16, 29-30
37	FRD 22E	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD))	38
38	FRD 24C	Reporting of office based environmental impacts	30
39	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	n/a
40	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	n/a
41	FRD 101	First time adoption	47
42	FRD 102	Inventories	41,45,55
43	FRD 103E	Non-current physical assets	41,46,56-57
44	FRD 104	Foreign currency	44,69
45	FRD 105A	Borrowing Costs	44
46	FRD 106	Impairment of assets	44,45,46,48,51
47	FRD 107	Investment properties	55
48	FRD 109	Intangible assets	41,46,58
49	FRD 110	Cash Flow Statements	43,62
50	FRD 112D	Defined benefit superannuation obligations	63
51	FRD 113	Investments in Subsidiaries, Jointly Controlled Associates and Entities	55, 67-8
52	FRD 119A	Transfers through contributed capital	n/a
53	FRD 120H	Accounting and reporting pronouncements applicable to the reporting period	47
FINANCIAL MANAGEMENT ACT 1994 (FMA)			
54	FRD 120H 49 (a) 49 (b) 49 (c) 49 (d) 49 (e)	Financial Statements: <ul style="list-style-type: none"> • Contain such information as required by the Minister; • Are prepared in a manner and form approved by the Minister; • Present fairly the financial transactions of the university during the relevant financial year to which they relate; • Present fairly the financial position of the university as at the end of that year; and • Are certified by the accountable officer in the manner approved by the Minister. 	40-81
EDUCATION AND TRAINING REFORM ACT 2006 (ETRA)			
55	ETRA, s.3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	32
DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT			
56	PAEC	Financial and other information relating to the university's international operations.	18,25, 38, 51
UNIVERSITY COMMERCIAL ACTIVITIES			
57		<ul style="list-style-type: none"> • Summary of the university commercial activities • If the university has a controlled entity, include the accounts of that entity in the university's Annual Report 	36, 67-68

KEY TO ABBREVIATIONS

FRD = Financial Reporting Directions – available at: www.dtf.vic.gov.au/Government-Financial-Management/Financial-reporting-policy/Financial-reporting-directions-and-guidance
SD = Standing Directions – available at: www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance

This report was designed and printed in accordance with FRD 30A Standard requirements for the design and print of annual reports.

GLOSSARY

ACID	Australian Centre for Infrastructure Durability	EIF	Education Investment Fund
ADRI	Alfred Deakin Research Institute	ERA	Excellence in Research for Australia
AFFRIC	Australian Future Fibres Research and Innovation Centre	ESD	Environmentally Sustainable Design
AGS	Australian Graduate Survey	ESOS	Educational Services for Overseas Students
AINSE	Australian Institute of Nuclear Science and Engineering	GCEID	Geelong Centre for Emerging Infectious Diseases
AIS	Australian Intercultural Society	GRI	Global Reporting Initiative
AQF	Australian Qualifications Framework	GRP	Gross Regional Product
ARC	Australian Research Council	HDR	Higher Degree by Research
AAHL	Australian Animal Health Laboratory	IFM	Institute for Frontier Materials
CADET	Centre for Advanced Design in Engineering Training	IKE	Institute of Koorie Education
CeRRF	Centre for Regional and Rural Futures	MIBT	Melbourne Institute of Business and Technology
CRADLE	Centre for Research in Assessment and Digital Learning	MOOC	Massive Open Online Course
CRC	Co-operative Research Centre	NHMRC	National Health and Medical Research Council
CRE	Centre of Research Excellence	NRAS	National Rental Affordability Scheme
DAAC	Deakin Alumni Advisory Committee	RCEES	Research Centre for Eco-Environmental Sciences
DECRA	Discovery Early Career Researcher Award	REACH	Regional Community Health Hub
DifHR	Deakin Institute for Health Research	TEQSA	Tertiary Education Quality Standards Agency
DIRI	Deakin India Research Institute	TEFMA	Tertiary Education Facilities Management Association
DPO	Deakin Portfolio Office	TNE	Transnational Education
DRC	Disability Resource Centre	VAGO	Victorian Auditor General's Office
DUELI	Deakin University English Language Institute	VCAMM	Victorian Centre for Advanced Materials Manufacturing
DUPPP	Deakin University Participation and Partnership Program	WIL	Work Integrated Learning
DUSA	Deakin University Student Association	WISCO	Wuhan Iron and Steel Group
EFTSL	Equivalent Full-Time Student Load	WUST	Wuhan University of Science and Technology

USEFUL WEBSITES

Deakin University www.deakin.edu.au

Faculties and Schools www.deakin.edu.au/about-deakin/faculties-and-schools

Research at Deakin www.deakin.edu.au/research

Learning at Deakin www.deakin.edu.au/learning

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