



Deakin University
annual report

2004

**Report of operations and audited financial statements
for the year ended 31 December 2004**

22 March 2005

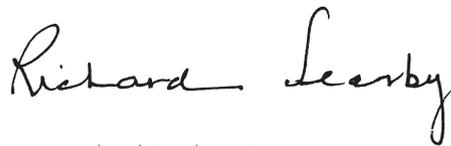
The Honourable Lynne Kosky MP
Minister for Education and Training

Dear Minister,

I have pleasure in presenting to you, on behalf of the Deakin
University Council, the Deakin University Annual Report 2004.

This Annual Report was approved at a Council meeting held on
22 March 2005.

Yours sincerely,

A handwritten signature in black ink that reads "Richard Searby". The signature is written in a cursive style with a large initial 'R' and a long, sweeping tail on the 'y'.

Mr Richard Searby QC
Chancellor

Mission

Deakin University's teaching and learning, its research, its partnerships and its international programs will be:

- > Relevant,
- > Innovative, and
- > Responsive.

Deakin will be recognised as Australia's most progressive University.

Core commitments

Deakin University has three core commitments that shape its distinctive position in higher education in Australia. In pursuing its mission and goals, Deakin takes account of its core commitments to:

- > Rural and regional engagement,
- > Continuing education and life-long learning, and
- > Equity and access for individuals and groups who might not otherwise enjoy the benefits that flow from participation in higher education.

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Report of operations



Professor Sally Walker outside the Geelong Waterfront campus

The year in review

There is a great deal to reflect on in a year that was dominated by substantial changes to Australia's Higher Education System and a quality audit of Deakin University by the Australian Universities Quality Agency. Deakin's response to these and other challenges is characteristic of a university that embraces opportunities and has a strong, shared sense of purpose.

Deakin seeks to be recognised as Australia's most progressive university. Anyone who has an interest in higher education should see Deakin as an early adopter of new initiatives, as welcoming the opportunities that change presents, as constantly seeking to advance as a relevant, innovative and responsive university.

In February Deakin was the first university to announce its response to the higher education reforms in relation to the setting of student contribution rates. Deakin adopted a principled approach to setting these rates designed to recognise the distinctive way it can advance the interests and needs of Victoria and Australia.

During the year Deakin pursued a number of strategies to further its core commitments: to equity and access; to rural and regional engagement; and to lifelong learning and continuing education. Deakin won extra Commonwealth supported student places in nursing, education and occupational therapy and for Indigenous student education. These additional places will assist in addressing critical skills shortages in rural and regional areas. A scholarship program was also introduced to advance Deakin's core commitments.

Deakin's preparations for the AUQA Audit were exhausting, and, at times, the University's honest and diligent process of critical self-review was difficult. Throughout the process, staff demonstrated an obvious commitment to ensuring a good outcome. The Audit visit took place during October and Deakin is already enjoying sustained benefits from the constructive approach it adopted.

Deakin continued to improve its research outcomes and is one of Australia's fastest growing universities in terms of research performance. Paradoxically this outcome means that Deakin is the university most disadvantaged under the funding cap that applies to Commonwealth research grants to institutions.

A number of Deakin staff received external recognition for their achievements. Professor Peter Hodgson was awarded a prestigious Federation Fellowship by the Australian Research Council; Dr Matthew Barnett received a QE11 Fellowship; and Deakin staff were short-listed in three categories of the Australian Awards for University Teaching.

Staff satisfaction reached its highest level since it was first measured in 1998. Deakin embarked upon a major recruitment drive, increasing the overall size of its workforce by more than 200 staff. Appointing more academic staff in areas of strategic importance was a particular priority to address Deakin's student to staff ratio. Pleasingly, the new staff appointments contributed to the dramatic decline in Deakin's 2004 student staff ratio. A significant number of professorial appointments were made as part of plans to expand the proportion of staff in academic leadership positions.

Work continued on improvements to the University's physical infrastructure. Masterplans were approved for the Melbourne campus at Burwood and the Geelong Waterfront campus. The Central Precinct development on Deakin's Melbourne campus at Burwood is ahead of schedule and will open in 2005, providing much needed additional teaching and student support space. Deakin commenced a major refurbishment of the Science Building at the Geelong campus at Waurin Ponds to address pressing occupational health and safety concerns.

Since introducing a new integrated planning and budget model in 2003, Deakin has made considerable progress in ensuring that strategic priorities and operational targets are addressed at every level within the institution. Deakin is moving forward with confidence and has proactively embraced the opportunities that a reformed higher education sector brings. The following sections of this Annual Report document Deakin's performance against its seven strategic planning goals, provide the necessary legislative and compliance information and contain the audited financial statements as at 31 December 2004.



Professor Sally Walker
Vice-Chancellor



Deakin University students during orientation week on the Melbourne campus at Burwood

Establishment of the University

Deakin University was established under the *Deakin University Act 1974* (Vic). The Minister concerned is the State Minister for Education and Training.

For funding purposes and some aspects of the University's operations, the relevant Minister is the Commonwealth Minister for Education, Science and Training.

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

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

Objectives

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

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

Strategic directions

Deakin's Strategic Plan—*Taking Deakin University Forward*—sets out Deakin's long-term goals and strategies designed to advance the University's mission: to be recognised as Australia's most progressive University. The Strategic Plan is reviewed every year and may undergo minor revisions, primarily in response to changes in the external environment.

The seven goals as defined in *Taking Deakin University Forward, 2004*, and performance in relation to them, are set out in the following pages.

Teaching and learning

Deakin's goal is:

To provide excellent teaching in relation to undergraduate, postgraduate and professional development programs of contemporary relevance that are available to students wherever they are located and developed in consultation with potential employers, industry, government and professional bodies.

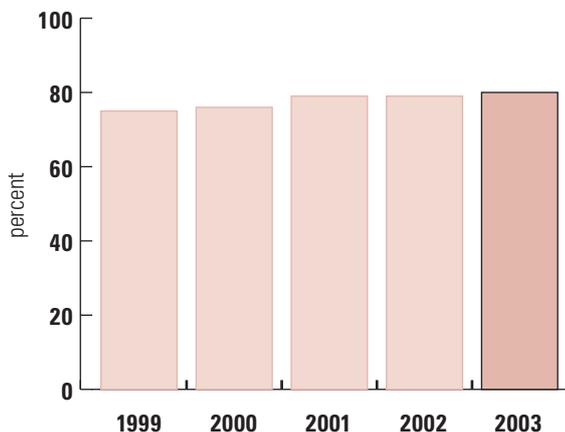
Deakin's priorities for 2004 in teaching and learning continued to focus on sustaining excellence through quality assurance and continuous quality improvement processes; recognising excellence and innovation; advancing the University's commitment to equity and access by fostering student and graduate success; and promoting innovation through online teaching and learning. Good progress was made in all areas and most targets in the 2004 Operational Plan were achieved. In particular:

- > A commitment to teaching excellence means that the provision of quality teaching and learning is highly valued and rewarded. In 2004 Deakin introduced a Graduate Certificate of Higher Education as part of an expanded program of academic professional development activities; allocated \$1 million in strategic teaching and learning grants to support and provide incentives to further develop excellence in teaching; made five nominations for national teaching awards, three of which were short-listed; and achieved continued improvements in student ratings on the quality of teaching.
- > Deakin was successful in securing 130 of the 859 new Commonwealth supported places made available to Victorian universities. Deakin's bids were directed at addressing critical skills shortages in rural and regional areas and will provide extra opportunities in nursing, occupational therapy and education and provide further places for Indigenous students.
- > Deakin introduced a scholarships program as part of measures to advance its core commitments to access and equity; continuing education and life-long learning; and rural and regional engagement.
- > More than 300 Indigenous students were enrolled in 2004 in a range of postgraduate and undergraduate programs taught through Deakin's Institute of Koorie Education in partnership with the faculties. In a special ceremony organised by the Institute of Koorie Education, Deakin celebrated the achievements of 41 Indigenous graduates, the largest number of students to graduate in any one year since the Institute was formed in 1992. Mr Alf Bamblett was awarded an honorary doctorate of laws in recognition of his outstanding services to Indigenous education and advocacy work for Aboriginal people.
- > Deakin Online—a project to fully integrate Deakin's online services and resources for students and staff—continued to progress during 2004. Deakin Studies Online, a learning-management system using WebCT Vista software was fully introduced; it replaced multiple software systems previously in use and is integrated with other University systems, including the student administration and human resources databases.
- > Other online developments included allocation of funding in 2004 to assist faculties to develop two wholly online units; the continuation of the Online Teaching Fellowships, a program that has been externally recognised as innovative and successful in supporting staff to extend the use of online technologies in teaching; and the introduction of a requirement that all commencing undergraduate students will undertake at least one unit of study in a wholly online environment. Providing students with an online learning experience will assist with

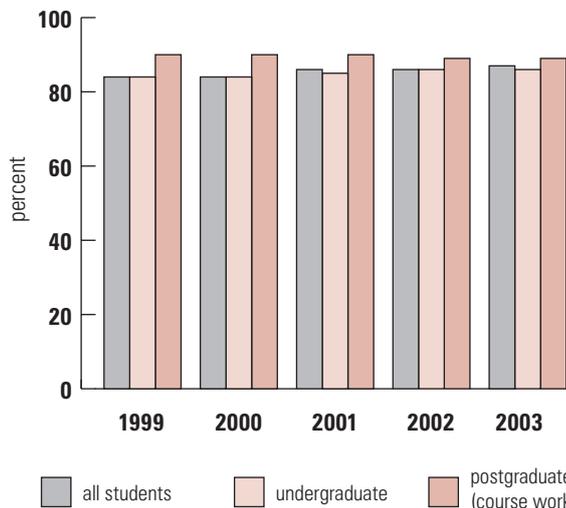
the development of independent learning skills and the capacity to successfully navigate new technologies, attributes that are actively sought after by employers.

> Further improvements were experienced in undergraduate progress and retention and graduate employment outcomes continued to improve. A survey of major employers of Deakin graduates was undertaken in 2004 and the results will influence future course development and improvements.

Undergraduate student retention rates, 1999–2003



Student progress rates, 1999–2003



Course completions, 2001–2003

	2001	2002	2003
Total	7113	6553	7045

By course type

Higher degree by research	109	123	115
Higher degree by coursework	657	895	1094
Other postgraduate	1849	1394	1154
Bachelor	3923	3863	4335
Other undergraduate	575	278	347

By faculty

Arts	1113	1066	1191
Business and Law	3027	2667	2763
Education	892	880	885
Health and Behavioural Sciences	1017	1050	1171
Science and Technology	1064	891	1036

By gender

Female	3669	3716	4002
Male	3444	2837	3043

Student enrolments (persons) as at 31 March 2001–2004

	2001	2002	2003	2004
Total	29040	29512	30752	31641

By faculty

Arts	6661	6370	6522	6061
Business and Law	9366	10271	10968	11603
Education	4193	4068	4101	4107
Health and Behavioural Sciences	3913	3877	3813	4342
Science and Technology	4634	4668	5001	5171
Cross-institutional	273	259	348	358

By course type

Higher degree by research	865	850	895	915
Postgraduate coursework	5185	6139	6872	7491
Undergraduate	22480	21962	22308	22394
Non-award, cross-institutional	510	561	677	841

By campus

Melbourne campus at Burwood	9420	11123	11911	11563
Melbourne campus at Toorak				1052
Melbourne campus at Rusden	1450			
Geelong campus at Waurn Ponds	3772	3903	4053	4193
Geelong Waterfront campus	985	1014	1059	1148
Warrnambool campus	990	1009	1077	1147
Off campus	11808	11643	11442	11278
Offshore	615	820	1210	1260

Student load (EFTSL) by course type as at 31 March 2001–2004

	2001	2002	2003	2004
Total	18834	19583	20460	21075

Course Type

Higher degree by research	599	606	633	660
Postgraduate coursework	1917	2378	2786	3135
Undergraduate	16197	16469	16861	17067
Non-award, cross-institutional	121	130	180	213

Student load (EFTSL) by funding source as at 31 March 2001–2004

Funding source	2001	2002	2003	2004
Commonwealth supported	15305	15320	14944	14469
Domestic fee paying (including fee waived)	1324	1728	2062	2261
International fee paying (including offshore)	1890	2259	3215	4097
Other fee paying	316	277	238	249
Total	18834	19583	20460	21076

Graduate satisfaction with teaching, 2001–2003 (Course Experience Questionnaire results)

	Deakin			National		
	2001 %	2002 %	2003 %	2001 %	2002 %	2003 %
Good teaching	77	77	80	78	80	81
Generic skills	85	86	88	87	88	88
Overall satisfaction	91	91	90	89	89	90

Graduates in full time work, 2001–2003 (Course Experience Questionnaire results)

	2001 %	2002 %	2003 %
Deakin	84.4	78.3	79.5
All Victorian universities	83.1	79.9	80.4
All Australian universities	83.1	81.3	80.1

Note: Represents the number of Australian resident bachelor degree graduates who are in full time work as a proportion of those available for full time work.

Research and research training



Researchers from Deakin's Warrnambool campus 'in the field'

Deakin's goal is:

To have a vibrant culture of research with a critical mass of researchers associated with each major discipline providing every student with the experience of being taught by leading researchers, and to foster internationally competitive research groups in areas of strategic importance.

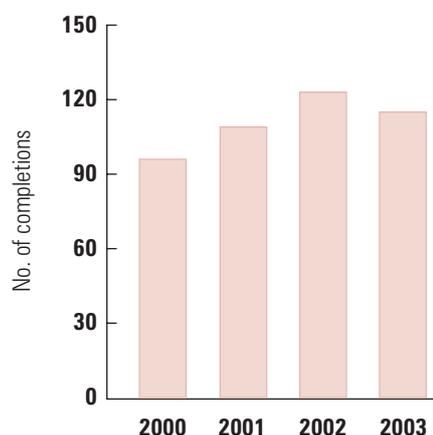
Deakin University is one of Australia's fastest growing universities in terms of research performance. Since 1997, Deakin has focussed research activity into areas of strategic importance and this has significantly improved the University's performance in all major research measures. Unfortunately, under the pernicious funding cap which applies to performance-based research funding, Deakin is poorly rewarded for its recent improved performance. This cap was designed to protect newer universities which it was thought might suffer from a move to performance-based funding for block grants. In Deakin's case the funding cap has served to limit the University's capacity to improve infrastructure in line with the growth in research activity.

Highlights from 2004 in research and research training included:

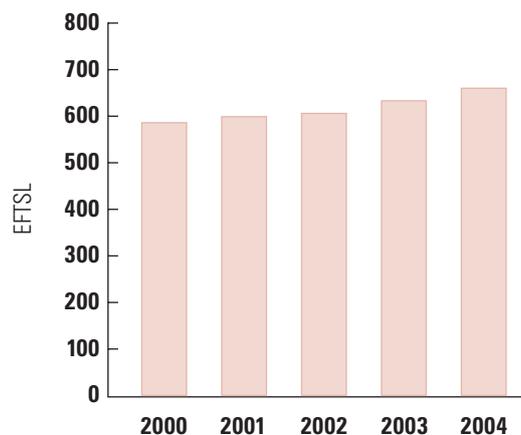
- > The opening of the Geelong Technology Precinct that concentrates in a single research and development hub Deakin's core research capabilities in biotechnology, nanotechnology, wine science and prototyping. The Geelong Technology Precinct was developed with significant support from the State Government's Regional Infrastructure Development Fund and provides a focal point for developing the capability and capacity of Victorian research and innovation. It integrates high-level research capabilities with specialised research equipment and industrial scale infrastructure. Key tenants include the Victorian Centre for Advanced Materials Manufacturing, the National Centre for Cool Climate Wine Science, the International Fibre Centre, the Mobile Architecture and Building Environment Laboratory, and the Cooperative Research Centre for Cast Metals Manufacturing.

- > The award of a Federation Fellowship to Professor Peter Hodgson. The Federation Fellowship is the most prestigious award offered by the Australian Research Council and it is designed to attract and retain the world's best researchers in Australia. Professor Hodgson is one of only 25 researchers to be awarded a Federation Fellowship and it recognises that Professor Hodgson's research group at Deakin is the leader in its field in Australia and one of the very best in the world.
- > Matthew Barnett of the School of Engineering and Technology commenced a prestigious QE11 Fellowship which is funded from the Australian Research Council for five years.
- > Deakin is involved in two successful Cooperative Research Centre (CRC) grants announced in late 2004. Deakin is the lead university in a new CRC for Advanced Automotive Technology and is a partner in the CRC for Cast Metals Manufacturing which received continued funding.
- > An Institute of Biotechnology, known as BioDeakin, was established bringing together major groups of researchers involved in the areas of genetic causes of inherited diseases, genetic causes of diabetes and obesity and depression.
- > The Sustainable Aquaculture Systems Facility was opened at Deakin's Warrnambool campus. The Facility is part of a project funded through the Victorian Government's Science, Technology and Innovation Initiative that utilises new technology in water filtration and recirculation to improve fish production and stock control.
- > Deakin increased its external research income, retaining its position at 20th among Australian universities ranked by the amount of research income secured. This represents an improvement from 23rd position in 2001. Publications output continued to improve and Deakin increased its level of research activity generally.

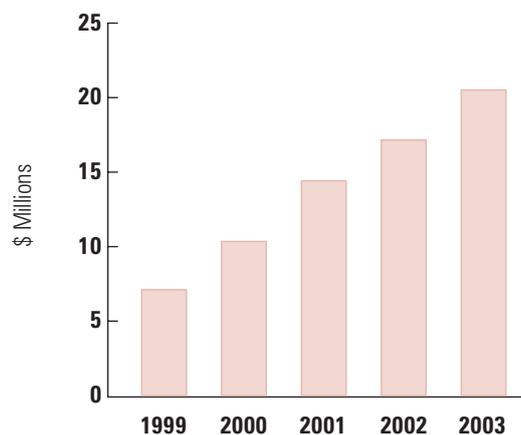
Higher degree by research (HDR) completions, 2000–2003



Higher degree by research student load, 2000–2004



Total research income, 1999–2003



Internationalisation

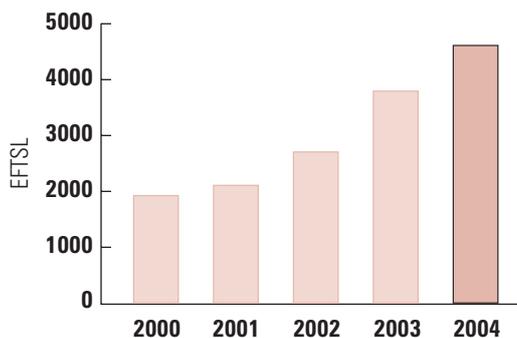
Deakin's goal is:

To promote internationalisation throughout the University in a way that is valued by staff and students.

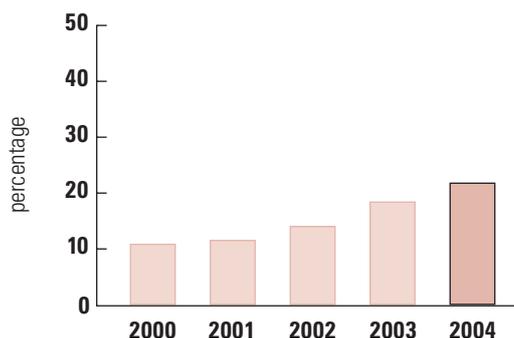
Through its internationalisation goal Deakin seeks to diversify its membership and foster a working environment in which the international dimension is automatically considered in all planning decisions of the University. Highlights from 2004 included:

- > Continued strong growth in demand for international student places at each of Deakin's campuses. International student load increased by 22% in 2004 to represent 22% of Deakin's total student load as at 31 August, 2004. Despite this good performance, Deakin did not achieve its ambitious international student load targets in 2004 with the shortfall entirely attributable to decreases in the numbers of students taught through offshore teaching partners.

International student load, 2000–2004



International student load (EFTSL) as a percentage of total load as at 31 August 2000–2004



- > A major review of the offshore teaching partnerships was undertaken in 2004 which resulted in significant changes to the procedures for establishing and monitoring partnerships. As part of these new measures, each of Deakin's international partners was visited at least once by the Vice-Chancellor or her nominee. There was an increase in the number of overseas visits taken by senior staff to consolidate existing partnerships and establish new international linkages. The Chancellor presided at international graduation ceremonies held in Hong Kong, Malaysia and Singapore and attended the associated alumni functions.
- > By working in partnership with the City of Warrnambool and through an incentives scheme, Deakin is actively encouraging the enrolment of international students at its Geelong and Warrnambool campuses. Over the past two years, international student load has more than doubled at Deakin's rural and regional campuses.
- > More than 200 students participated in an international study experience as part of their course, either at an exchange partner institution or by way of a short-term in-country study tour.
- > Profile-raising initiatives were undertaken in key overseas markets to highlight Deakin's academic program and research strengths. Major successes were achieved in developing new markets for Deakin's flagship education programs.
- > Contributions to public discussions of international significance included an international symposium on Iraq and the Challenges for Human Rights organised by Deakin University's Centre for Citizenship and Human Rights and the Australian Iraqi Forum, and initiating the work of the World Health Organisation Collaborating Centre for Obesity Prevention.

Recruiting and retaining staff

Deakin's goal is:

To attract, retain and develop outstanding staff who are committed to the mission and goals of the University and to increase staff numbers in areas of strategic need by the responsible use of revenue growth.

During 2004 Deakin engaged in a major recruitment campaign to increase the number of academic staff employed in areas of strategic importance. New staff appointments made throughout 2004 produced a dramatic decline in Deakin's student to staff ratio to its lowest level since 2000. Other highlights from 2004 included:

- > Continued improvement in the level of staff satisfaction as measured by the Staff Survey. Deakin's staff survey has been conducted every two years since 1998; the 2004 results were the most favourable recorded to date, revealing a level of staff satisfaction at Deakin which exceeded, for the first time, the benchmark figure for Australian universities. The survey uses a bivariate analysis where items are ranked by importance and performance. A further measure of the improvement in staff satisfaction is evident in the survey outcomes which produced no instances of statistically significant gaps between the importance and performance ratings.
- > Administrative salary increases of 2.25% in April and a further 2.25% in October were paid during 2004 as lengthy negotiations over an enterprise bargaining agreement continued.
- > Amendments were made to the academic staff promotions process in 2004; an encouraging increase in applications occurred and a higher proportion of applicants were successful than in previous years.
- > A wide range of staff development programs were provided for academic and general staff based on developing three core staff capabilities in leadership and management, personal/interpersonal skills and academic/technical/specialist skills. More than 2700 attendances were recorded at these staff development programs.

- > Deakin commenced a range of actions to facilitate the University obtaining Equal Opportunity for Women in the Workplace Agency accreditation as an Employer of Choice for Women. This included an external assessment of Deakin's policies and practices against the accreditation criteria and the development of an action plan in response to this review.

Staff satisfaction survey results, 1998, 2000, 2002 and 2004

1998 %	2000 %	2002 %	2004 %
63	63	67	70

Workforce data

Staff numbers (persons) as at 31 December, 2003 and 2004

	Academic	General	Male	Female	Total 2004	Total 2003
Geelong campus at Waurn Ponds	315	543	367	491	858	831
Geelong Waterfront campus	59	338	176	221	397	339
Melbourne campus at Burwood	479	550	382	647	1029	937
Melbourne campus at Toorak	26	73	33	66	99	82
Warrnambool campus	75	92	72	95	167	149
Total*	954	1596	1030	1520	2550	2338
Australian Human Resources Institute		24	5	19	24	24
Callista Software Services		109	78	31	109	93

*Includes DeakinPrime employee numbers

Equity and equal opportunity

Staff are appointed on the basis of merit in line with the University's appointment policies and are required to conduct themselves in accordance with the Deakin University Code of Conduct.

Equity and equal opportunity strategies continue to be implemented across the University, including the mandatory requirement that all fixed-term and continuing staff members complete online training to raise awareness of responsibilities for preventing harassment and discrimination in the workplace.

The University submits an annual report to the Equal Opportunity for Women in the Workplace Agency to monitor the University's progress in its implementation of equal employment initiatives. In 2005 the University will apply for accreditation from this agency as an employer of choice for women.

The University made a submission to the Department of Education, Science and Training (DEST) on changes to the Higher Education Equity Funding program, urging DEST to consider the effects on students of multiple disadvantages and to consider retaining women in non-traditional areas as a student equity group.

The Access, Equity and Equal Opportunity Subcommittee of the Planning and Resources Committee replaced the Equal Opportunity Advisory Committee in 2004.

Occupational health and safety

Deakin University has a commitment to providing a safe and healthy working environment for all staff, students, contractors and visitors. This commitment is enabled through the University's Occupational Health and Safety (OHS) Management System.

The OHS Management System is the collective name given to the structures, planning, procedures, activities and resources the University applies to the improvement and maintenance of occupational health and safety performance and standards across the University.

The objective of the system is to create a positive culture within the University in relation to health and safety issues, promoting them as standard components of the University's management systems.

The University's OHS System comprises three elements:

- > The University's OHS Plan.
- > Faculty and division health and safety plans. Each plan outlines how the organisational area will manage health and safety during the year, and covers elements such as OHS responsibilities, fire safety, first aid, training, safe working practices, risk assessment and health and well-being.

- > The Service Management Plan of the OHS Unit located within the Human Resources Services Division. This includes the development and review of OHS policy and routine activities covering OHS advice and information, inspections, assessments, training, first aid, emergency planning, support for OHS committees, WorkCover and rehabilitation.

WorkSafe Victoria carried out a Dangerous Goods/Hazardous Substances audit across all Victorian universities in 2004. The audit confirmed the effectiveness of the University's hazardous materials management systems.

During 2004 the University continued to implement a range of stress management initiatives including:

- > adoption of family friendly policies
- > implementation of the University's Employee Assistance program
- > provision of clearer expectations about work performance from managers
- > implementation of strategies to clarify workloads
- > improving management of contracts and contract staff
- > implementing better exit and redundancy processes.

In addition, safety improvement has been a major consideration in various capital works programs, with more than \$2 million having been allocated in 2004 to improve access, remove hazardous materials, increase fire safety and undertake necessary maintenance work on roofs.

Providing or organising training for managers, staff, health and safety representatives, first aiders and fire wardens is a major ongoing component of the OHS Unit's annual program. More than 850 staff attended training sessions of various types during 2004, ranging from short 20-minute awareness presentations, to warden training, to several hours on risk assessment and managerial responsibilities relating to OHS matters.

The University's emergency management system was further improved in 2004 by:

- > purchasing equipment to support emergency management centres on each campus
- > training of staff in the use of this equipment
- > briefings of the University's Senior Executive, Deans and Heads of Division
- > revision of policies and procedures covering emergency management.

The number of lost time injuries and WorkCover claims continued to decline in 2004. Manual handling including overuse injuries remain the most common sources of staff injury at the University (13 claims), with staff being able to remain at work or return to work quickly in most cases. The University's benchmarked health and safety performance continues to compare favourably to other universities.

Workcover indicators, 1997–2004

	Lost time injury frequency rate	WorkCover frequency rate	Average lost time rate < 12 months	Days lost per 100 full time equivalence < 12 months	WorkCover costs per full time equivalence < 12 months	Premium costs per full time equivalence	WorkCover premium rate as a % of remuneration
1997	7.26	16.54	14.3	17.2	\$44.60	\$190	0.38%
1998	5.20	14.79	12.9	11.2	\$33.19	\$328	0.58%
1999	5.07	12.56	17.9	15.3	\$43.54	\$409	0.75%
2000	5.89	12.95	30.5	30.2	\$81.78	\$594	0.95%
2001	4.09	10.50	45.5	31.4	\$83.98	\$408	0.65%
2002	4.03	10.00	63.7	42.8	\$127.03	\$460	0.70%
2003	4.00	7.55	43.0	29.4	\$79.70	\$503	0.72%
2004	2.41	4.76	23.4	9.3	\$38.29	\$452	0.68%

Community responsibilities; rural and regional engagement

Deakin's goal is:

To work in partnership with local communities in Burwood, Geelong and Warrnambool, and with governments, industry, business and the professions, to advance the interests of Victoria and Australia; to champion equity and access; and to be committed to providing: flexible teaching programs; distance and online education; workplace-based learning and continuing education; and research and teaching programs that advance the needs of South Central and South Western Victoria.

Performance in this area seeks to advance the goals for community responsibilities and rural and regional engagement as well as Deakin's commitment to equity and access to higher education for individuals and groups who might not otherwise enjoy the benefits that flow from such participation. Highlights in 2004 included:

- > An expansion of outreach activities to develop closer ties with secondary schools in South Central and South Western Victoria. This includes activities targeting schools with historically low transition rates to higher education; the introduction of student mentoring; promoting alternative admission pathways to University; and opening the University's campuses to provide students and their parents with an experience of campus life.
- > Delivering a community lecture program at Deakin's campuses at Burwood, Geelong and Warrnambool to promote greater interaction between the University and its local communities.
- > Attracting a greater proportion of Aboriginal and Torres Strait Islander students and students from rural or isolated areas than other Victorian universities. This reinforces Deakin's core commitments to equity and access, to rural and regional engagement, to life-long learning and continuing education and the intersection of these commitments with Deakin's goal in relation to community responsibilities; rural and regional engagement. These aims were further advanced by the introduction of Deakin Rural and Regional scholarships and Deakin Life-long Learning scholarships, as well as awarding 164 Commonwealth Learning scholarships allocated to Deakin under the Backing Australia's Future reforms.
- > International recognition for DeakinPrime, an entity of Deakin University established to provide and promote education and development programs that are tailored to the needs of commercial organisations, government bodies, professional associations and industry. Through its partnership with Coles Myer, DeakinPrime was awarded the global Corporate University Xchange Alliance Award for the Coles Myer Institute learning and development model.
- > Providing opportunities for staff to contribute to their communities. In 2004 more than 4300 participants were involved in Relay for Life events held on Deakin campuses, raising more than \$450,000 towards cancer research on behalf of the Cancer Council Victoria.
- > Partnership programs, particularly in health services, continued to grow in stature and importance. The partnership with the Department of Human Services (Barwon-South Western region) was recognised through receipt of a Vice-Chancellor's award for excellence in the category of contribution to community. Through this partnership a jointly funded professorial position in Public Health was established in 2004.

Equity group students as a proportion of domestic student enrolments, 2000–2004

Equity group	2000	2001	2002	2003	2004
Aboriginal and Torres Strait Islander—Deakin	1.1	1.2	1.2	1.5	1.3
Aboriginal and Torres Strait Islander—all Victorian universities	0.5	0.5	0.5	0.5	0.5
Non-English speaking background—Deakin	1.6	1.9	1.7	1.7	1.7
Non-English speaking background—all Victorian universities	4.1	3.8	3.3	3.4	3.7
Low socioeconomic status—Deakin	12.2	14.5	13.9	12.8	12.2
Low socioeconomic status—all Victorian universities	11.5	13.9	13.3	13.0	12.7
Disability—Deakin	1.7	1.7	2.8	2.7	2.2
Disability—all Victorian universities	2.8	2.7	2.9	3.0	3.0
Rural or isolated—Deakin	21.7	23.4	22.9	20.6	20.5
Rural or isolated—all Victorian universities	17.2	17.8	17.4	17.1	16.5



Mentoring program participant students from Presbyterian Ladies College show their gratitude to Dr Mardie Townsend (centre)

Communication, marketing and 'positioning'

Deakin's goal is:

To ensure that Deakin University's distinctive contribution to higher education is recognised in a way that facilitates long-term sustainable growth.

Deakin's distinctive contribution to higher education is conveyed through its relevant, innovative and responsive teaching and learning programs, its research, its partnerships and its international activities. In 2004:

- > Deakin established a University Development function within the Marketing Division to facilitate high-level relationship building to assist the University to advance its mission and core commitments. Community reference groups for Geelong and Warrnambool continued to meet to provide advice and community input into the University's planning processes and to assist in ensuring the relevance of Deakin's activities to South Western and South Central Victoria. Academic advisory boards provided advice on the development and revision of courses.
- > Baseline data was obtained in relation to Deakin's brand association in key markets. This will assist with the evaluation of the success of future advertising and promotions strategies.
- > An active schools liaison program was conducted throughout Victoria. The program involved visits to more than 100 schools as well as bringing similar numbers of school groups on to a Deakin campus. In 2004, special community information sessions were held to provide prospective students and their parents with information on the higher education reforms.
- > The opening of the Geelong Technology Precinct and official launches of other research facilities during 2004 provided opportunities to showcase the contribution Deakin makes to its regions in research, especially in collaboration with industry partners.
- > Initiatives introduced in 2003 to strengthen the University's relationship with its local communities in Melbourne were continued. This included 'Deakin Discussions', the community lecture series that encourages members of the local community on to the University's Melbourne campus at Burwood to discuss current topical issues with experts from among Deakin's staff. The Vice-Chancellor continued to meet with local residents to outline Deakin's campus development plans.
- > The Bachelor of Education (Primary) retained its listing in the top ten courses based on Victorian Tertiary Admission Centre (VTAC) first preferences. The Bachelor of Education (Primary) and the Bachelor of Arts were among the state's top ten courses based on all VTAC preferences.
- > Deakin continued to provide extensive opportunities for study based on alternative teaching delivery methods and admission pathways, reflecting its commitment to life-long learning and continuing education. Approximately 40% of Deakin's students study via distance education; a similar proportion of Deakin's commencing students are non-school leavers and more than 45% of commencing students are more than 25 years of age.

Student enrolments (persons) by mode and type of attendance, 2002–2004

	2002		2003		2004	
	No.	%	No.	%	No.	%
Full time (on campus)	14517	49	15385	50	16226	51
Part time (on campus)	2532	9	2715	9	2877	9
Full time (off campus)	2150	7	2435	8	2461	8
Part time (off campus)	10313	35	10217	33	10077	32
Total	29512	100	30752	100	31641	100

Commencing undergraduate Australian resident students by basis for admission, 2002–2004

Basis for admission	2002		2003		2004	
	No.	%	No.	%	No.	%
Complete secondary school	2892	64	2796	60	2740	61
Complete/incomplete tertiary/TAFE	1486	33	1737	37	1706	38
Mature age/prof. qual./employment experience	70	2	88	2	54	1
Other basis	54	1	30	1	17	0
Total	4502	100	4651	100	4517	100

Deakin University marketing vehicles parked outside the Geelong Technology Precinct at the Geelong campus at Waurn Ponds



Resources, infrastructure and services

Deakin's goal is:

To ensure that the human, financial and capital resources of the University are managed efficiently and effectively; that infrastructure and services are provided to meet the University's needs; and that profitable revenue is increased to strengthen Deakin's immediate and longer term capacity to fulfil its mission, core commitments and goals.

A considerable focus for 2004 was implementing the most significant reforms to the Higher Education sector since the introduction of HECS in 1988. Major undertakings necessitated by the Backing Australia's Future reforms included developing and obtaining Council approval for the University's approach to the setting of fees; installing new versions of Callista, the University's student management system; and developing a new internal budget allocation model. Other 2004 highlights included:

- > Achieving the University's revenue and profit targets for 2004. This included achieving 17% growth in fee paying student load and approximately 30% growth in fee paying revenue.
- > Major new capital works programs were commenced as part of Deakin's sustained investment in improving the physical infrastructure on each of its campuses. Footprints were developed for the International Centre and the Business Building on the Elgar Road side of the Melbourne campus at Burwood, and a substantial refurbishment of the Science Building began at the Geelong campus at Waurm Ponds.
- > Deakin's sound strategic and financial management was acknowledged by DEST during the Institution Assessment Framework Bilateral Discussion that took place in 2004. DEST paid tribute to the long-term management of the University in relation to its financial sustainability and, more recently, for having implemented a sound, integrated strategic planning and quality assurance process.

- > Deakin participated in the 2004 national survey of customer satisfaction with Australian university libraries that is conducted every two years. Deakin's customer satisfaction ratings improved in all categories surveyed, and Deakin's 2004 results established new national benchmarks in relation to overall customer satisfaction, service quality and service delivery.
- > Deakin Careers and Employment Service received the highest Australian customer satisfaction rating in a survey of final year students sponsored by the Australian Association of Graduate Employers and *The Australian*.

Work in progress on the construction of the Central Precinct at the Melbourne campus at Burwood



Resources

Compulsory non-academic fees

Statement of fees and charges

Fees and charges for 2004 assessed as at 31 December 2004	\$5,776,155
Fees collected as at 31 December 2004	\$5,711,246
Fees and charges outstanding as at 31 December 2004	\$64,909

Distribution of fees and charges for 2004

Fees and charges collected as at 31 December 2004	\$5,711,246
Distributed to Deakin University Student Association Inc. (DUSA)—General Service Fees	\$4,443,814
Applied by Deakin University for student services and facilities	\$1,199,555
Undistributed fees and charges	\$67,877

DUSA

Funds received by DUSA, 2004

General service fee (from Deakin University)	\$4,443,814
Other income	\$1,568,905
Total	\$6,012,719

Expenditure associated with services funded by DUSA

Student Council	\$772,162
Administration and finance	\$1,301,954
Communication and marketing	\$620,623
Student rights	\$993,616
Leisure and direct services	\$2,429,378
Total	\$6,117,733
Deficit for 2004	\$105,014

Note 1: Reconciliation of fees and charges collected with the amount distributed for years ended 31 December 2001 to 31 December 2003 inclusive was completed in April 2004. The final distributions were made in May 2004.

Note 2: Reconciliation of fees and charges collected with the amount distributed for the year ended 31 December 2004 will be completed in April 2005 in accordance with the agreement between DUSA and the University.

Significant changes in financial position

The decision of the Commonwealth Government in 2004 not to make its customary December payment of 8% of next year's funding, paying it instead in early January, has had a significant effect on the accounts. It has removed \$13.5 million in revenue and operating profit from the 2004 result and also from the cash position at year end.

The University's reported consolidated operating profit for 2004 is \$10.8 million, compared to \$21.4 million for 2003. Measured on the same basis as previous years, the University's consolidated accounts would have shown an operating profit for 2004 of \$24.3 million. Total revenue for the year was \$379.0 million, \$24.4 million above 2003. Measured on the same basis as previous years, without the impact of changes in grant timing, the University's total revenue for 2004 would have been \$392.5 million, an increase of \$37.9 million or 10.7%, with the main items being:

- > income from royalties, consultancy and contract research is \$0.8 million below 2003, due to royalties from the licensing of the 'Callista' Student Management System ceasing in 2003
- > consultancy and contract research is \$0.9 million above 2003
- > State Government financial assistance was \$3.1 million above 2003 due to the receipt of competitive research funding
- > student fees and charges income increased by \$22.6 million due to higher course fees and larger enrolments, particularly from overseas fee paying students
- > Commonwealth grants and HECS contributions were \$7.4 million lower than in 2003 due to the timing of grant payments
- > proceeds arising from the sale of land in the subdivision adjacent to the University's Geelong campus at Waurin Ponds amounted to \$2.7 million
- > investment income was \$2.5 million above 2003 due to higher levels of invested funds and improved performance of equity markets
- > a reassessment of deferred superannuation contributions by the State Government reduced superannuation expense by \$5.0 million with a consequent decrease also in 2004 income.

Total expenses were \$368.2 million, \$35.0 million greater than last year mainly due to additional employee benefits of \$27.6 million, depreciation and amortisation expense of \$1.6 million and repairs, maintenance and minor refurbishments of \$2.9 million. The increase in employee benefits was significantly due to additional staff appointments. In addition, salary increases were made to all staff during the year, despite the enterprise bargaining agreement having expired.

Total assets have increased by \$39.8 million from 2003. Cash and other financial assets were \$17.6 million lower than last year mainly due to the timing of government grants and increased expenditure on capital works.

Following an independent review of carrying values, a net upward revaluation of \$36.9 million was effected at 31 December 2004 for land and buildings. Cash expenditure on capital items amounted to \$56.4 million, of which \$33.8 million was for new building construction, predominately at the Melbourne campus at Burwood.

Total liabilities decreased by \$8.5 million from last year due to lower levels of income in advance, and principal repayments on loans of \$2.0 million were made. No new borrowings were undertaken in 2004. The University's current ratio, a measure of its capacity to apply current assets to meet current liabilities, has declined from 1.62 to 1 to 1.37 to 1. The decrease is almost entirely due to the deferral of payment of the Government grant.

Proper use of funds

Public funds allocated to the University have been allocated through its budgetary process for the purposes specified by the Government or other public funding body. The University has no evidence that public funds have been used other than for the purposes specified.

Payments to consultants

During the year the University engaged no consultancy costing in excess of \$100,000.

Consultancies costing less than \$100,000 engaged during the year totalled 14. The total cost of these engagements was \$397,973.

Five-year financial summary (consolidated)

	2004 \$000	2003 \$000	2002 \$000	2001 \$000	2000 \$000
Operating income					
Commonwealth Government grants	116,007	120,448	119,184	112,693	107,941
Higher Education Contribution Scheme (HECS)	61,977	64,979	61,867	58,730	56,246
Victorian State Government grants	6,798	3,735	1,858	884	458
Other	194,170	165,437	154,254	143,243	122,877
Total operating income	378,952	354,599	337,163	315,550	287,522
Operating expenses	368,199	333,162	326,477	302,580	279,440
Operating result before income tax	10,753	21,437	10,686	12,970	8,082

Balance sheet information

Current assets

Cash assets	68,598	87,072	55,485	40,238	46,122
Receivables	20,824	20,595	29,408	31,705	21,229
Deferred income—Government contribution for superannuation	12,610	12,241	12,956	11,621	11,044
Other	1,420	1,518	523	5,236	5,504
	103,452	121,426	98,372	88,800	83,899

Non-current assets

Other financial assets	6,017	5,185	9,824	10,440	10,450
Property, plant and equipment	600,449	532,702	514,108	468,976	453,781
Deferred income—Government contribution for superannuation	118,256	123,605	132,104	133,840	132,481
Other	2,598	8,020	11,448	16,844	14,947
	727,320	669,512	667,484	630,100	611,659

Liabilities

Payables	41,654	46,838	34,311	20,284	19,236
Interest bearing liabilities	27,889	29,969	31,819	36,641	37,030
Provision for employee entitlements	35,535	31,770	31,518	29,217	30,644
Deferred employee benefits for superannuation	130,866	135,846	145,060	145,461	143,525
Other	142	142	0	0	0
	236,086	244,565	242,708	231,603	230,435

Net assets	594,686	546,373	523,148	487,297	465,123
Total equity	594,686	546,373	523,148	487,297	465,123

Infrastructure

Environmental initiatives and performance

Deakin University is committed to Environmentally Sustainable Design (ESD) in the design and construction of its buildings, that commitment being articulated in University policy and procedure relating to the management of physical facilities. Deakin University has documented a set of 'Design Standards for Facilities' which specifies design and construction elements to the finest level of detail. ESD is a core objective of the Design Standards which include the following goals:

- > energy minimisation
- > optimal use of natural light
- > minimal chemical usage for cleaning and maintenance
- > minimise water use
- > space use optimisation.

A strong partnership continues between Deakin's Buildings and Grounds Division and the School of Architecture and Building. For some time, the School's Built Environment Research Group (BERG) has been involved in the ESD of all major projects. The Mobile Architecture and Building Environment Laboratory (MABEL) is also involved in the ongoing operation, testing and improvement of the performance of buildings.

Major projects underway in 2004 that embody the principles of ESD are:

- > the Architecture Studio at the Geelong Waterfront campus—this project also received some funding support under the Victorian Solar/ Innovation initiative in 2004 and was completed in 2004
- > the Central Precinct and the International Centre and Business Building (under construction) at the Melbourne campus at Burwood
- > the Geelong Science Building refurbishment at the Geelong campus at Waurn Ponds (in progress).

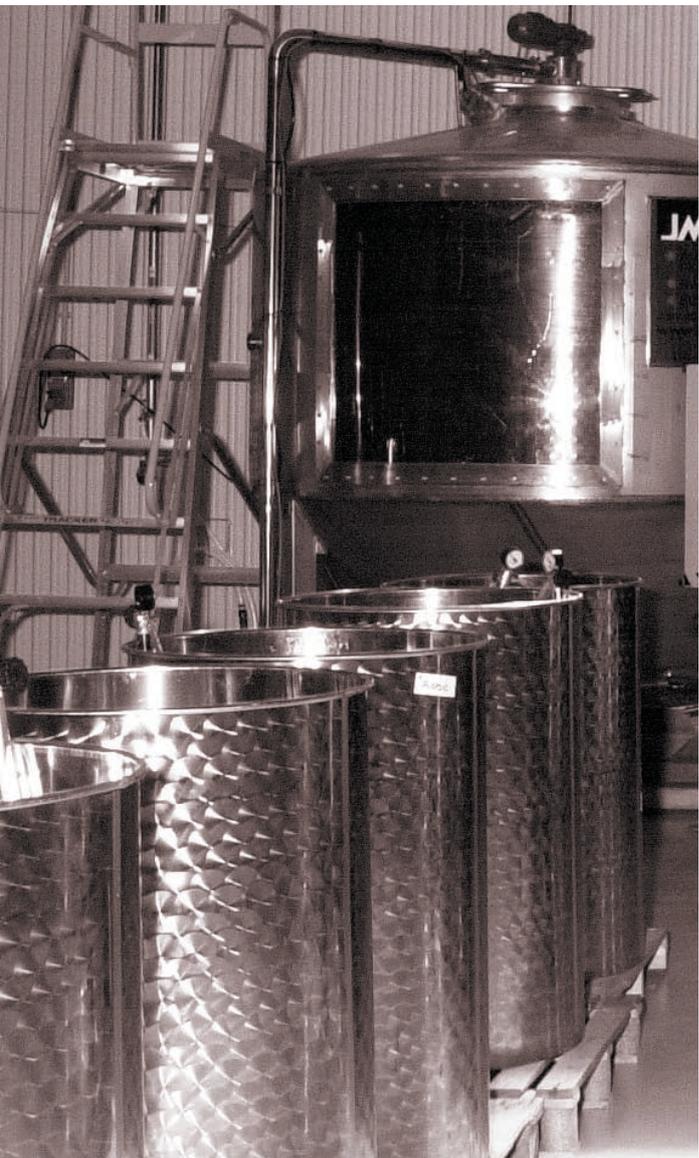
Campus masterplans also embody ESD principles as a core objective. A masterplan for the Geelong Waterfront campus was completed in 2004.

In-house construction management of large projects has provided an opportunity to develop environmentally sensitive construction practices. The following initiatives were implemented in 2004:

- > utilisation of recycled material
- > restricted use of polystyrene foam
- > commencement of waste separation
- > site run-off management
- > site environmental plans developed and implemented for each major construction site
- > design incorporating construction noise minimisation features.

Deakin's Campus Maintenance and Operations group continue to investigate and implement new environmental initiatives. Environmental improvement opportunities developed in 2004 include:

- > mechanical plant upgrades to more efficient systems
- > planned replacement of large hot water units with small local instantaneous systems
- > undertaking water use audits to target opportunities for improvement
- > additional service use metering to enable consumption data to be critically analysed
- > revegetation of significant areas with native and indigenous plants.



Facilities at the National Centre for Cool Climate Wine Science at the Geelong campus at Waurm Ponds

Services

Nature and range of services

The University provides higher education for suitably qualified Australian and full fee paying students through on campus and off campus learning modes in which the place, time and mode of study are flexible.

The University operated across five campuses in 2004: the Geelong campus at Waurm Ponds, the Geelong Waterfront campus, the Melbourne campus at Burwood, the Melbourne campus at Toorak, and the Warrnambool campus. Academic studies were coordinated through the faculties of:

- > Arts
- > Business and Law
- > Education
- > Health and Behavioural Sciences, and
- > Science and Technology.

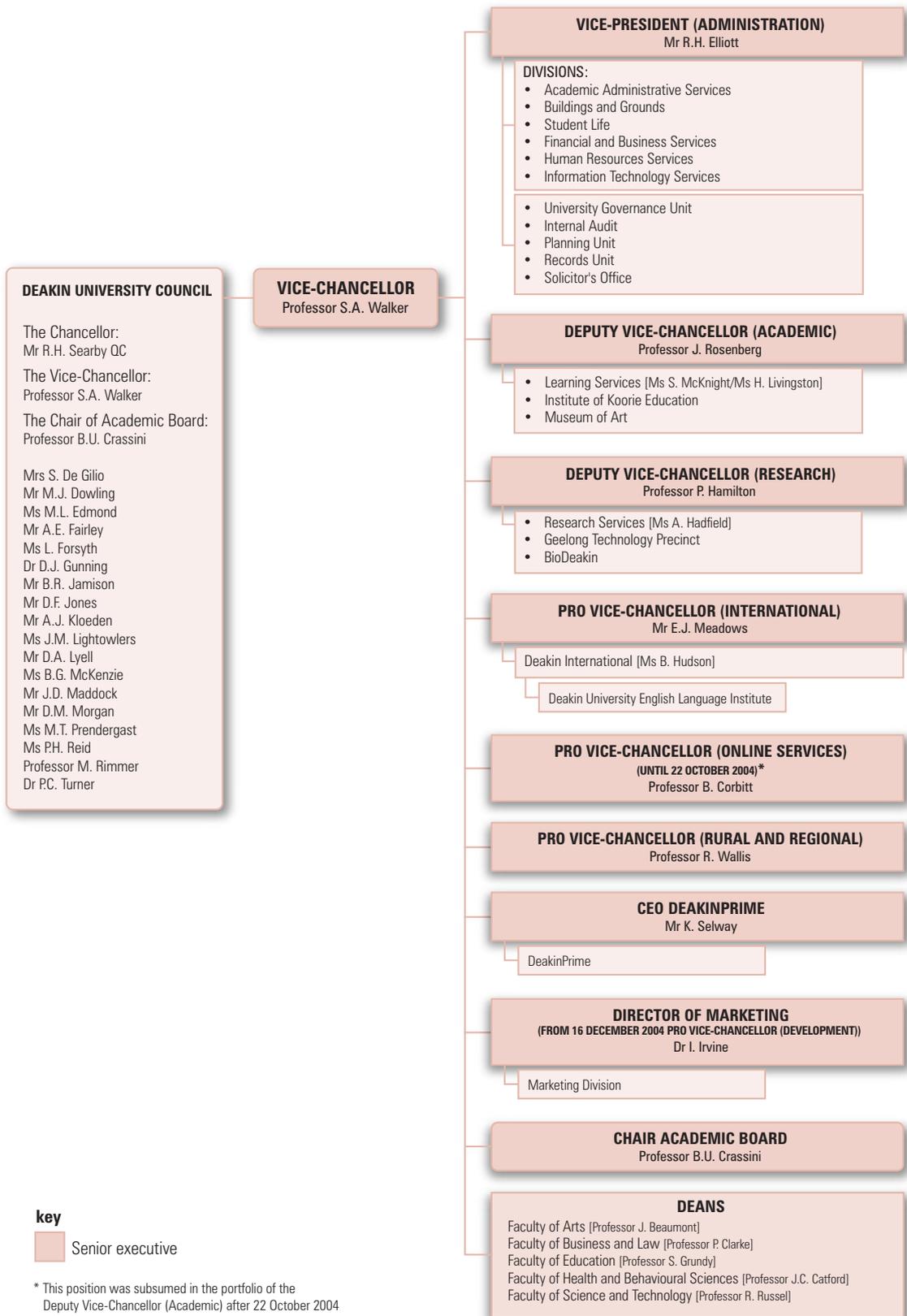
Programs are available at undergraduate and postgraduate levels covering the disciplines in these faculties and including professional courses, mid-career professional development courses and postgraduate studies by coursework and research.

DeakinPrime provides, or promotes, education and development programs that are tailored to the needs of commercial organisations, government bodies, professional associations and industry groups. Award courses promoted by DeakinPrime are awards of the University.

In summary, Deakin University provides services to undergraduate and postgraduate students in award and non-award courses. The professions, industry and government utilise the University's academic and other expertise through its professional development and continuing education programs, its teaching and its research and consultancies.

Corporate governance

Organisational structure



Senior officers

Chancellor

Mr R.H. Searby QC
MA *Oxon*

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

Vice-Chancellor

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

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

Vice-President (Administration)

Mr R.H. Elliott
BSc MEd *Melb*

The Vice-President (Administration) is the head of the administration of the University, responsible to the Vice-Chancellor for the provision of administrative and financial services.

Deputy Vice-Chancellor (Academic)

Professor J. Rosenberg
BSc(Computer Sc) PhD *Monash*

The Deputy Vice-Chancellor (Academic) is responsible to the Vice-Chancellor for the general superintendence and good governance of the principal academic activities of the University.

Deputy Vice-Chancellor (Research)

Professor P.A. Hamilton
BSc PhD DSc *Tas*

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

Pro Vice-Chancellor (International)

Mr E.J. Meadows
BA(Hons) *Syd*, CertAdvMgt *Wharton*

The Pro Vice-Chancellor (International) is responsible to the Vice-Chancellor for the international relations of the University, the development of its international programs and its international marketing and recruitment.

Pro Vice-Chancellor (Online Services)

Professor B. Corbitt (to 22 October 2004)
BA(Hons) DipEd *Melb*, GDipCareers *VicColl*,
MEdStuds PhD *Monash*

The Pro Vice-Chancellor (Online Services) is responsible to the Vice-Chancellor for the integration of systems that support Deakin's commitment to online support for teaching and learning.

Please note: This position was subsumed in the portfolio of the Deputy Vice-Chancellor (Academic) after 22 October 2004.

Pro Vice-Chancellor (Rural and Regional)

Professor R. Wallis
DipEd BSc MSc *Monash*, GDipEdStud *C Sturt*,
GCertMgt *S Qld*, PhD *PWU*

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

Chief Executive Officer, DeakinPrime

Mr K. Selway
BBus(Mktg) *Chisholm*, GDipMgt *VUT*

The Chief Executive Officer of DeakinPrime is responsible for the University's education and commercial services to corporations and professional societies.

Director of Marketing

Dr I. Irvine (from 19 January 2004)
BSc *Glas*, GDipAdmin *Canberra*, DipEd PhD *Melb*

The Director of Marketing is responsible to the Vice-Chancellor for marketing, publications, community liaison, media, alumni, database marketing, government relations/protocol and fundraising.

Please note: The title for this position was changed to Pro Vice-Chancellor (Development) on 16 December 2004.

Dean of Arts

Professor J. Beaumont
BA(Hons) *Adel*, PhD *London*

Dean of Business and Law

Professor P. Clarke
LLB *West Aust*, LLM(Hons) *Auck*

Dean of Education

Professor S. Grundy
BA(Hons) *Qld*, MA *West Aust*, PhD *Murd*

Dean of Health and Behavioural Sciences

Professor J.C. Catford
MA *Camb*, MSc *Lond*, MB BChir *Camb*, DM *S'ton*

Dean of Science and Technology

Professor R. Russell
BSc(Hons) *Tas*, PhD *ANU*, DSc *Tas*

Deans of faculties, subject to the general superintendance of the Vice-Chancellor, are responsible to the Council for the general administration of their faculties.

Executive Director Learning Services and University Librarian

Ms S. McKnight (to 6 August 2004)
BBus *QIT*, MPubAdmin *Qld*

Acting Executive Director Learning Services and University Librarian

Ms H. Livingston (from 7 July 2004)
BA *Monash*, GDipLib *RMIT*

The Executive Director Learning Services and University Librarian is responsible to the Deputy Vice-Chancellor (Academic) for the leadership, management and strategic planning for Learning Services, which encompasses the Library, the Teaching and Learning Support Unit and Learning Resources.

Director of Research Services

Ms A. Hadfield
BA *Macq*, MSc *Syd*

The Director of Research Services is responsible for support services to the Deputy Vice-Chancellor (Research) including advice on policy relating to all aspects of research and research training; developing opportunities for external research funding; and increasing the competitiveness of researchers obtaining external funds.

Executive Director of Deakin International

Ms B. Hudson
BEd *West Aust*, GDipLangStud *WACAE*, MEd *Edith Cowan*

The Executive Director of Deakin International is responsible to the Pro Vice-Chancellor (International) for the management of Deakin's international program, international student support, Education Abroad and manages the Deakin University English Language Institute (DUELI).

Details of indemnity for members of Council and senior officers

The University maintains a comprehensive insurance cover, reviewed annually, including Directors' and Officers' Liability Insurance policies for members of Council, members of committees of Council and directors and officers of the University and certain entities affiliated with the University.

Corporate governance statement

This statement summarises governance practices that were in effect in 2004, including those introduced during that year.

The University is established under the *Deakin University Act 1974* (Vic) with Council as its governing authority. The Act provides that Council is responsible for the “entire direction and superintendence of the affairs, concerns and property of the University”, including conferring degrees and granting diplomas of the University; the appointment of the Vice-Chancellor and staff of the University; making, amending or revoking University legislation; ensuring that all University funds are used solely for University purposes; entering into and performing financial arrangements; dealing with property and forming and participating in certain business entities.

Functions of the University Council

Council has determined the following as being its primary functions

1 The strategic direction

- > shaping, approving and reviewing University strategic and operational plans
- > monitoring University progress generally against performance indicators and, more specifically, against targets
- > determining the future development of the University's campuses

2 The Vice-Chancellor

- > appointing the Vice-Chancellor
- > overseeing review of the Vice-Chancellor's performance and remuneration

3 Key policies, legislation and compliance

- > overseeing the establishment of key University policies
- > defining University policies and procedures consistent with community expectations where those expectations are relevant and can be identified
- > establishing University legislation
- > overseeing University compliance, including with obligations set out in the *Deakin University Act 1974* (Vic)

4 Risk management

- > overseeing University risk management
- > overseeing the protection and enhancement of the University's reputation

5 Control and accountability

- > approving the University's budget and business and financial plans
- > monitoring University performance against the budget and plans
- > overseeing University asset management
- > overseeing the sound management of the University

6 Commercial activities and controlled entities

- > approving major University commercial ventures
- > overseeing the effective operation and performance of significant commercial activities, including those conducted through University controlled incorporated entities

7 Academic standards

- > ensuring adequate procedures for the maintenance and monitoring of University academic standards in teaching, assessment and research

8 University culture

- > satisfying itself that the University is fulfilling its obligations to its students both as regards its academic programs and the general University experience
- > satisfying itself that the University is fulfilling its obligations to staff both as regards its employment practices and their general development
- > satisfying itself that the University culture:
 - > is consistent with the mission and core commitments
 - > facilitates upholding the academic freedom of staff
 - > encourages links with the wider community

9 Council's own affairs

- > establishing procedures to meet Council's responsibilities
- > ensuring clear delegations to the Vice-Chancellor, to Academic Board, to committees of Council and as otherwise required
- > managing Council's own performance

Composition, membership and terms of office

The names, qualifications and experience of the members of Council who held office at the date of this report, the method of their appointment, their term of office, years served on Council, and attendance of meetings is set out below.

Members ex-officio

The Chancellor

Mr R.H. Searby QC

MA Oxon

Term of office:

1 January 2003–31 December 2005

Years on Council: 8

Council Committees Membership:

Chair of Chancellor's Advisory, Nominations, Honorary Degrees and Senior Salaries committees. Ex-officio member of any committee and/or board established by Council, with the exception of one established to search for a chancellor.

Currently a non-executive director of Times Newspapers Holdings Ltd (UK). Past directorships include BRL Hardy Ltd; The News Corporation Ltd (chair); Equity Trustees Ltd (chair); Rio Tinto Ltd and Rio Tinto PLC; Shell Australia Ltd and Woodside Petroleum Ltd. Previously a Reuters trustee; former member of the Council of the National Library of Australia; and the Council of the Melbourne Museum; former chair of the Geelong Grammar School Council. As a QC of 30 years standing has practiced principally in the fields of commercial and company law, intellectual property law, constitutional law and banking law.

The Vice-Chancellor

Professor S.A. Walker

LLB(Hons) LLM Melb

Term of office:

3 January 2003–31 December 2007

Years on Council: 2

Council Committees Membership:

Ex-officio member of each of Council's standing committees. The Vice-Chancellor did not exercise her right to membership of Audit Committee in 2004.

Vice-Chancellor and President of Deakin University since 3 January 2003. Previously (at the University of Melbourne): senior deputy vice-chancellor; Hearn professor of law; president of the Academic Board; and pro-vice chancellor.

Associate to Justice Aickin of the High Court of Australia (1978–March 1979); solicitor (1979); associate partner with Gillotts Solicitors (1980). Extensive teaching experience in public law and media law. Published widely in the field of media law.

The Chair of Academic Board

Professor B.U. Crassini

BA(Hons)(Psy) PhD Qld

Term of office:

16 July 2003–31 December 2004

Years on Council: 7

Council Committees Membership:

Chancellor's Advisory, Honorary Degrees and Nominations committees.

Professor of psychology. Expertise in the field of higher education, including in the areas of teaching, research and academic quality assurance.

Members appointed by the Governor in Council

Mr J.D. Maddock

Grad Dip(Bus) RMIT, Grad Dip (Ed) HIAE

Term of office:

13 August 2002–31 December 2004

Years on Council: 2.5

Council Committees Membership:

Finance and Business Affairs Committee.

Chief Executive Officer, Box Hill Institute of TAFE. Extensive experience in all aspects of vocational education and training (VET). Significant involvement in government agencies and industry organisations including the Victorian Curriculum and Assessment Authority. Formerly chair of the VECCI Regional Development Committee for Geelong and South-West Region. President and chair of Basketball Australia; Australia's representative on the Oceania Basketball Federation Management Committee; delegate on the Australian Olympic Committee and on FIBA. Past board member of the Melbourne Tigers Basketball Club.

Mr A.E. Fairley

LLB Melb

Term of office:

22 January 2003–31 December 2004

Years on Council: 2

Council Committees Membership:

University Appeals Committee (Chair); Finance and Business Affairs Committee (from August); Legislation Committee (until August).

Company director and solicitor; practising as a solicitor in Melbourne since 1974 specialising in equity and superannuation law. Considerable involvement with superannuation industry bodies and in the hospitality and tourism sector. Currently a board member of Ecotourism Australia, and the International Ecotourism Society (Washington, DC). Executive member of the International Hotels Environment Initiative (London); member of the Falls Creek Resort Management Board; director and major shareholder of the Sundowner Motels Group in Australia.

Dr P.C. Turner

BA(Hons) WA, LITTM France, PhD Syd, AMusA, MACE

Term of office:

20 May 2003–31 December 2005

Years on Council: 9

Council Committees Membership:

Legislation Committee (Chair); former deputy chancellor and member of Chancellor's Advisory, Honorary Degrees, Nominations and Senior Salaries committees (1999–2002).

Principal of The Geelong College. Senior teaching and administrative experience in independent schools in Sydney and Adelaide. Formerly tutor and research scholar in French studies at the universities of Western Australia, Paris and Sydney. Seminal involvement in fostering professional development of language teachers, serving on and chairing a number of committees for the NSW Board of Studies and the Association of Independent Schools. Council member of Marcus Oldham College. Trustee of the Geelong Performing Arts Centre until 1999.

Mrs S. De Gilio

MSc Bristol, NZROT, MHSM, CHSM, AFCHSE

Term of office:

20 May 2003–31 December 2005

Years on Council: 1.5

Council Committees Membership:

Finance and Business Affairs Committee.

Chief Executive Officer of Barwon Health. Clinical rehabilitation and health management background. Leadership in health services in the United Kingdom, New Zealand and Australia over the past 15 years.

Ms J.M. Lightowers

BA DipEd WA, LLB LLM Melb

Term of office:

16 March 2004–31 December 2006

Years on Council: 1

Council Committees Membership:

Legislation Committee.

Practising solicitor; partner in the law firm Francis Abourizk Lightowers; admitted to practice in Queensland, New South Wales, Tasmania and Victoria; qualified mediator. Specialises in the areas of corporate governance, fiduciary obligations, space law, alternative dispute resolution, intellectual property generally, mining law, establishment of international consortia, corporate restructuring, labelling laws and comparative advertising, patent and trade mark portfolio management and agreements and assignments of intellectual and industrial property. Board member of International Network for Acid Prevention (INAP) Limited. Prior to practising law, English teacher at secondary school level in WA, SA and Victoria.

Mr D.F. Jones***Term of office:**

March 2004–31 December 2006

Years on Council: 7

Council Committees Membership:

Audit Committee; deputy chancellor and member of Chancellor's Advisory, Honorary Degrees, Nominations and Senior Salaries committees. Former member of Campus Planning Committee (1999–2003). Chair of the Vice-Chancellor's Community Reference Group at Warrnambool.

Company director. Former managing director of Fletcher Jones and Staff Pty Ltd. Former board member of the Australian Wool Board and Corporation (deputy chair 1990–1991); the International Wool Secretariat (London); the Wool R&D Committee and Council. Local government commissioner (1994–1996). State Training Board member (1998–2001). Currently a member of the council of the South West Institute of TAFE, and chair of the Warrnambool Art Gallery Board.

A member appointed by the Minister**Dr D.J. Gunning**

BSc(Hons), MSc(Chem Ed) Glasgow, PhD(Ed) Strathclyde, SecTeachingCert. Jordan Hill College of Education, Glasgow

Term of office:

1 January 2004–31 December 2006

Years on Council: 4

Council Committees Membership:

Legislation Committee.

Director of the Victorian Qualifications Authority. Thirty years experience in public education service in teaching and various management positions in local government and qualification bodies. Former senior manager in the Scottish Vocational Education Council and its successor body, the Scottish Qualifications Authority.

Members appointed by Council**Ms M.L. Edmond***

BArch Melb, LFRAIA, MIArbMA

Term of office:

1 January 2002–31 December 2004

Years on Council: 6

Council Committees Membership:

Campus Planning Committee (Chair); deputy chancellor and member of Chancellor's Advisory, Honorary Degrees, Nominations and Senior Salaries committees.

Architect specialising in institutional architecture, urban design, dispute resolution and design teaching. Member of various associations including the Royal Australian Institute of Architects; the National Trust of Australia; the National Gallery; the Institute of Arbitrators and Mediators and the Building Disputes Practitioners' Association.

Mr D.M. Morgan

BCom Melb

Term of office:

1 January 2002–31 December 2004

Years on Council: 6*Council Committees Membership:*

Finance and Business Affairs Committee (Chair); Audit Committee; former deputy chancellor and member of Chancellor's Advisory, Honorary Degrees, Nominations and Senior Salaries committees (2000–2003). Chair of the advisory board of DeakinPrime.

Company director. Member of the Board of the Australian Trade Commission (Austrade); the Board of the Victorian Centre for Advanced Materials Manufacturing; chair of the National Motor Vehicle Theft Reduction Council; the Geelong Economic Development Board; and Australia Sports International. President of Sports Industry Australia; board member of Sports Employment Australia and SportsSure Pty Ltd. Chaired the review committee for the development of the Federal Government Action Plan on Sport and the implementation committee for that plan for three years. Former president of the Ford Motor Company of Australia and the Federal Chamber of Automotive Industries.

Mr A.J. Kloeden*

BSc(For)(Hons) MSc(BusStud) Lon

Term of office:

1 January 2003–31 December 2005

Years on Council: 8*Council Committees Membership:*

Deputy chancellor and member of Chancellor's Advisory, Honorary Degrees, Nominations and Senior Salaries committees; former member of Finance and Business Affairs Committee (1999–2003). Member of the advisory board, DeakinPrime.

Currently Chief Executive Officer of Serco Group Pty Ltd. Formerly managing director of the Woolmark Company and CEO of Melbourne IT. Leadership and change management roles with leading Australian companies in retail and wholesale industries.

Mr M.J. Dowling

BEc Monash, FCA, KSJ

Term of office:

12 June 2003–31 December 2005

Years on Council: 1.5*Council Committees Membership:*

Finance and Business Affairs Committee and its sub-committee, the Investment Advisory Committee (Chair).

Chartered accountant. Senior partner in large accounting firm for 20 years. Corporate consulting business since 1996. Director of several enterprises. Extensive involvement with Geelong business and communities. Past president of the Geelong Chamber of Commerce.

Ms M.T. Prendergast*Term of office:*

1 January 2004–31 December 2006

Years on Council: 7*Council Committees Membership:*

Campus Planning Committee. Chair of the Museum of Art Committee, an advisory committee to the Vice-Chancellor.

Writer and art administrator; director of Prendergast Publishing; art advisor to the Hotel Sofitel; contributor to newspapers and magazines including The Age. Formerly journalist for The Times, London, and feature writer for Australian Consolidated Press. Member of a number of boards and committees, including the Treasury Building Committee; the National Gallery Women's Committee; and the Brotherhood of St Laurence's Promotions and Marketing Committee.

Mr B.R. Jamison

FCA, FASCPA, ACIS, FAICD, AIArba

Term of office:

1 January 2004–31 December 2006

Years on Council: 4*Council Committees Membership:*

Audit Committee (Chair); former member of Finance and Business Affairs Committee (2002–2003).

Chartered accountant; senior partner at Jamison Alliot. Deputy chair of the World Board of the Alliot Group; chair of the Asia Pacific Regional Board of the Alliot Group. Treasurer of Green Cross Project Inc. Areas of expertise include strategic planning, business valuations, company board evaluations, arbitration and mediation, audit assurance and investigations.

A member elected by and from the professors**Professor M. Rimmer**

MA Oxon, MA Warwick

Term of office:

1 January 2004–31 December 2005

Years on Council: 3*Council Committees Membership:*

University Appeals Committee; Honorary Degrees Committee.

Chair in Management, Faculty of Business and Law, Deakin University. Former head of the Bowater School of Management and Marketing, Deakin University. Chair of Academic Board's Admission and Selection Committee. Current research interests include change management and industrial relations.

*Deputy Chancellors' term of office concludes 31 December 2004

A member elected by and from the academic staff

Ms L. Forsyth

BA DipEd Melb, MA LaTrobe

Term of office:

1 January 2004–31 December 2005

Years on Council: 3

Council Committees Membership:

Finance and Business Affairs Committee.

Lecturer in the School of Literary and Communication Studies, Faculty of Arts, Deakin University. Member of various faculty committees. President of the Deakin branch of the National Tertiary Education Union (NTEU) for the past four years. Research interests include Christina Stead and multicultural writing.

A member elected by and from the general staff

Ms P.H. Reid

BA DipEd GradDip(IndRel) Monash, BEd LaTrobe

Term of office:

1 January 2003–31 December 2004

Years on Council: 2

Council Committees Membership:

Campus Planning Committee.

Coordinator of School Experience, Faculty of Education, Deakin University. National training coordinator with Finance Sector Union (1994–1997). Industrial organiser with Australian Education Union. Principal of Ardoch Windsor English Language Centre (1987–1990).

Members elected by and from the students

Mr D.A. Lyell

BA Deakin

Term of office:

1 January 2003–31 December 2004

Years on Council: 2

Council Committees Membership:

Campus Planning Committee; Nominations Committee; University Appeals Committee; former member of Finance and Business Affairs Committee (2003).

Postgraduate student (MBA). Former vice-president (postgraduate students) of the Deakin University Student Association (DUSA) Inc. Former member of the DUSA Council and the Council of Australian Postgraduate Association's Strategic Planning Committee. Managing Director of Future Echoes Business Solutions.

Ms B.G. McKenzie

Term of office:

1 January 2004–31 December 2004

Years on Council: 1

Council Committees Membership:

Finance and Business Affairs Committee; Legislation Committee.

Undergraduate student, Bachelor of Education and Bachelor of Applied Science double degree. Former member of Student Council and other committees. Former President of the Deakin University Student Association (DUSA).



The Deakin University Council, 2004, pictured in the James Leslie Council Chamber at the Geelong Waterfront campus

As at 31 December 2004 a full complement of 21 members of Council was in place.

The terms of office of members of Council are specified in the Act. External members are appointed for a three-year term, members of University staff are elected for a two-year term and University students are elected for a one-year term. The Chancellor, Vice-Chancellor and the Chair of Academic Board are *ex-officio* members. In accordance with Council Operating Provisions and pursuant to the requirements of Protocol 6 of the National Governance Protocols (as per Table A of the *Higher Education Support Act 2003* (Cth)), the maximum period to be served by Council members (other than *ex-officio* members) shall not exceed 12 years unless otherwise specifically agreed by the majority of the Council.

Appointments to membership of Council are made in accordance with a procedure which is approved and periodically reviewed by Council. When considering potential candidates for Council membership, the Nominations Committee of Council considers the balance of skills and experience across the membership of Council and, in particular, takes into consideration the following matters: an appreciation of the values of a higher education provider and its core activities of teaching and research, its independence and academic freedom; the capacity to appreciate what the University's external community needs from the University; experience relevant to the University's strategic priorities and Council's identified functions; sampling of University community stakeholder groups not already represented by *ex-officio* or elected members of Council; geographic spread of membership; gender; business experience; financial qualifications or like experience; previous board or like experience; senior management experience; in respect of current members of Council seeking reappointment, frequency of attendance at Council and committee meetings; and any other consideration which the Committee may regard as material.

Elections to membership of Council are conducted in accordance with University legislation approved by Council and in accordance with a procedure approved by the Vice-President (Administration) and secretary to Council.

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

Chancellor and Deputy Chancellor

Council elects the Chancellor of the University for a term of three years or less. Council also elects a number of deputy chancellors from among its external members for a term of one year or less.

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

The Chancellor is an *ex-officio* member of every University faculty, board and committee established by resolution of Council, excepting that established to search for a chancellor. The Chancellor may also preside at any of these meetings.

The Chancellor is responsible for conducting the annual review of the Vice-Chancellor's performance (taking into account advice from the Senior Salaries Subcommittee of Chancellor's Advisory Committee), primarily relating to outcomes in respect of the University's strategic objectives, and for reporting to Council that the review has been undertaken.

The Chancellor also receives lists of graduands and confers degrees of the University on Council's behalf and has authority to act on behalf of Council in regard to such matters as Chancellor's Advisory Committee, a standing committee of Council, determines cannot wait until the next meeting of Council.

The role and responsibilities of Council members

Guidelines, approved and periodically reviewed by Council, set out the roles and responsibilities of Council members including information about the legal responsibilities of Council members; their liability and indemnity; the duties of Council members as determined by Council; and the responsibilities of the University in respect of Council members. These responsibilities include providing members with such legal and financial advice as may be necessary to enable them to discharge their fiduciary duties.

Conflicts of interest

The procedure for disclosure by Council members of potential conflicts of interest and for disclosure of recent transactions with the University is approved and periodically reviewed by Council. It is the responsibility of all members to ensure that they comply with this procedure. Members of Council and members of committees of Council are required to declare a potential conflict of interest either before the commencement of a meeting at which matters that a member considers may be in conflict with their own interests are due to be discussed or voted upon; or, during a meeting, at the point at which the potential conflict of interest becomes known to the member. In the event that the chairperson perceives there to be a potential conflict of interest of which a member may be unaware, the chairperson shall raise the matter with that individual.

Where a declaration of interests has been made, except in instances of pecuniary interest, consideration is given to the nature and extent of the conflict and the appropriate action to be taken is considered by Council or the relevant committee. Such action may include: withdrawal of the member from the meeting for the discussion and decision upon the item relevant to their conflict of interest; enabling participation of the member during discussion but requiring withdrawal before any decision is made on the item of business relevant to the conflict of interest; enabling the member to remain present during discussion and decision on the item of business relevant to the conflict of interest with no participation in the discussion and decision process; or enabling the member to remain present and participate in the discussion and to vote.

In instances of pecuniary interest, unless Council or the relevant committee otherwise directs, the member must not be present during any discussion of the matter and must not vote on the matter. If the member does vote, the vote is to be disallowed.

All decisions made by Council or the relevant committee in respect of conflicts of interest and any actions taken as a result are fully minuted in a resolution, identifying the member, the nature and extent of their interest in the matter and its relation to the affairs of the University. The resolution specifies the action determined by Council or the respective committee as appropriate and, where the member is permitted to be present during discussion or permitted to be present during discussion and to vote, confirms that Council or the relevant committee is satisfied that the member's interest should not disqualify them from voting or being present during consideration of the matter.

In the case of a conflict of interest, the Chancellor or chairperson determines whether future agenda papers regarding this matter should be withheld from the member concerned.

All declarations of conflicts of interest are recorded in the minutes of the meeting at which they are declared and, in the event that a member is required to leave the meeting for the duration of an item in which they have a potential conflict of interest, the time of their departure and of their return is also recorded in the minutes.

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

Chancellor Mr Richard Searby QC with the
Attorney General Mr Phillip Ruddock
at the Deakin Law Oration at the Melbourne campus at Toorak >



Council operations

Meetings

University Council—meeting attendance 2004

	A	B	C
Mr R.H. Searby QC (Chair)	7	7	-
Professor B.U. Crassini	7	7 ¹	-
Mrs S. De Gilio	7	6	1
Mr M.J. Dowling	7	7	-
Ms M.L. Edmond	7	7	-
Mr A.E. Fairley	7	5	2
Ms L. Forsyth	7	5	2
Dr D.J. Gunning	7	6	1
Mr B.R. Jamison	7	7	-
Mr D.F. Jones	6 ²	5	1
Mr A.J. Kloeden	7	4	3
Ms J.M. Lightowlers	6	4	2
Mr D.A. Lyell	7	7	-
Ms B.G. McKenzie	7	7	-
Mr J.D. Maddock	7	7	-
Mr D.M. Morgan	7	6	1
Ms M.T. Prendergast	7	5	2
Ms P.H. Reid	7	6	1
Professor M. Rimmer	7	6	1
Dr P.C. Turner	7	6	1
Professor S.A. Walker	7	7	-

- A Number of meetings held during member's term
B Number of meetings attended by each member
C Number of meetings for which leave of absence was granted to each member/apology was received for each member

Council met seven times during 2004. Council meetings are attended by members of the University's Senior Executive to provide a timely response to questions raised by Council members. The Council agenda for each meeting is structured in accordance with the requirements of a schedule of business approved by Council on an annual basis. During 2004 all matters listed in the schedule of business were addressed by Council.

In February 2004 Council members attended the annual Council Planning Conference with the Senior Executive at which the draft revised Strategic Plan was considered together with the University's response to Commonwealth Higher Education reforms.

Council performance review

Council undertakes a formal biennial review of its performance against its agreed functions and a range of other priorities and operational matters. Outcomes of the review are documented in the form of an action plan for the forthcoming year which is approved by Council. Subsequently, Council periodically receives a report of progress until all actions have been implemented. The most recent performance review was conducted in April 2004.

National Governance Protocols

In 2004 Council undertook a review of its policies and procedures against the framework of the National Governance Protocols for Higher Education of the *Higher Education Support (Transitional Provisions and Consequential Amendments) Act 2003* (Cth) to ensure compliance. In the main, legislation, policies and procedures were compliant with the Protocols. Where required the appropriate steps to ensure compliance were undertaken, including requests for amendments to the Deakin University Act to be made by State Government to accommodate the requirements of National Governance Protocols.

The University was subsequently assessed by the Department of Education, Science and Training as having complied with the majority of the Protocols and having taken reasonable steps towards complying with the remainder.

¹Professor C. Gray attended the fourth meeting of Council on 12 August 2004 as Acting Chair, Academic Board, for Professor B.U. Crassini.

²In addition, Mr D.F. Jones attended the first meeting of Council on 26–27 February 2004 as a visitor pending his re-appointment to Council by the Governor in Council.

Committees of Council

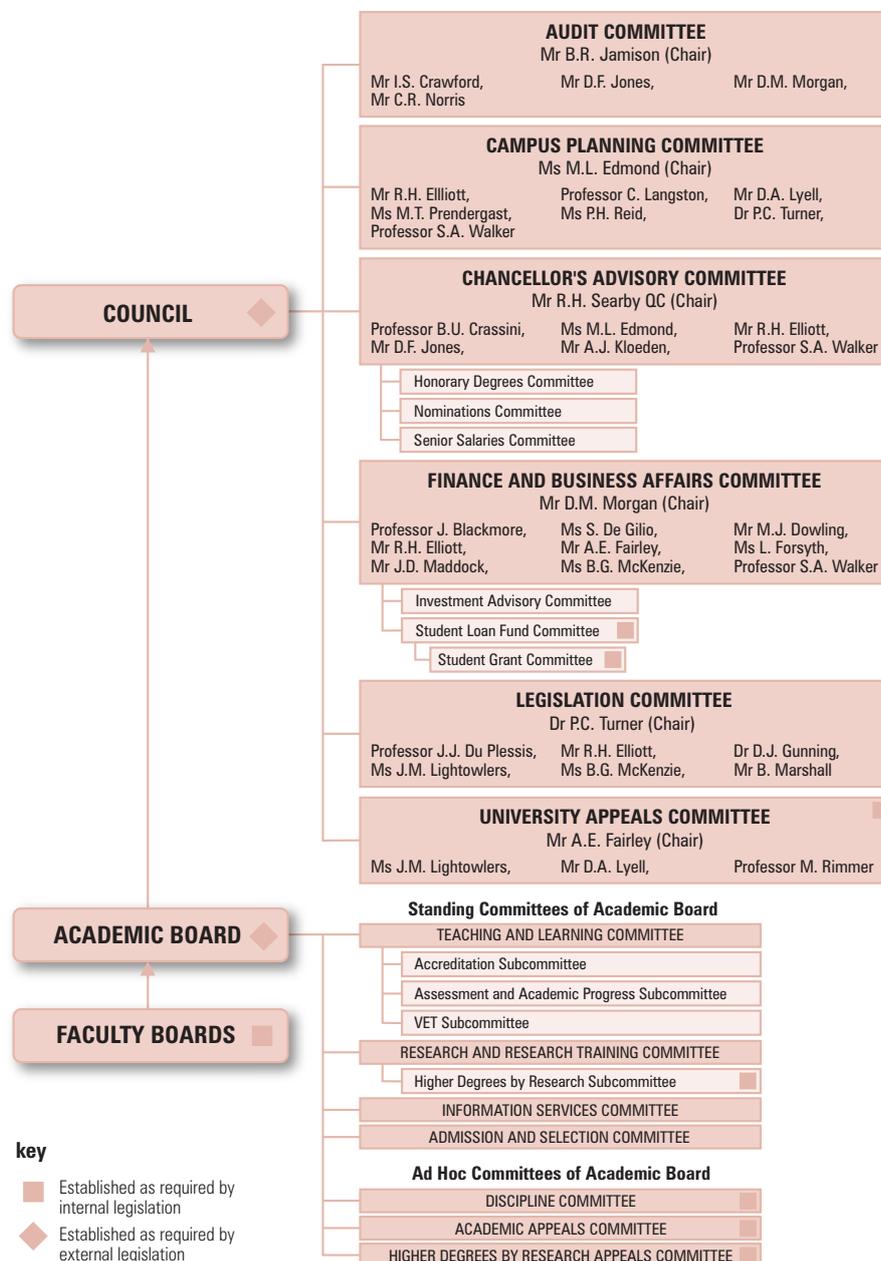
Council is assisted in the discharge of its duties by a number of standing and ad hoc committees. A diagrammatic representation of these, as a component of the University committee system, is set out below.

Terms of reference for each standing committee of Council set out composition and responsibilities of the respective committee, and each committee operates in accordance with a set of common operating provisions for standing committees of Council.

Each committee conducts a formal, biennial performance review against its terms of reference and other specified performance indicators, reporting and making recommendations to Council regarding the outcome. An action plan for the forthcoming year for each committee is then developed to address issues arising from the review, a report of progress against which is received by each committee mid-year.

University committee structure

Committees reporting to Council and Academic Board



Audit Committee

Audit committee comprises five members, each external to the University.

The responsibilities of Audit Committee include:

- > Providing independent advice to Council on University accounting, control and reporting practices and the management of corporate assets.
- > Considering the University's annual financial accounts comprising a report of operations and the audited financial statements, for accuracy and compliance with appropriate standards and, if appropriate, recommending to Council that they be signed for subsequent inclusion in the University's Annual Report.
- > Considering external audit reports, responses and related matters including reports of the Auditor-General and reporting to Council as appropriate.
- > Approving the annual University Internal Audit Plan and reporting to Council as appropriate.
- > Considering internal audit reports, reviewing internal audit policy and reporting to Council as appropriate, in order to provide Council with advice regarding whether the University has an effective internal audit operation and adequate audit coverage.
- > Considering reports on corporate risk assessment and controls, reviewing risk policies and reporting to Council as appropriate.
- > Considering reports on University corporate governance matters and at Council's request, reviewing corporate governance policies and reporting to Council as appropriate.
- > Advising Council on any matters referred to it by Council.

Members of Audit Committee at 31 December 2004 were Mr B.R. Jamison (Chair), Mr I.S. Crawford, Mr D.F. Jones, Mr D.M. Morgan and Mr C.R. Norris.

Meetings are attended by the Vice-Chancellor, the Vice-President (Administration), the Head, Financial and Business Services Division and the Manager of the Internal Audit Unit. External auditors and other senior staff as required attend meetings by invitation.

The Committee met four times during the year.

Audit Committee—meeting attendance 2004

	A	B	C
Mr B.R. Jamison (Chair)	4	4	-
Mr I.S. Crawford	4	3	1
Mr D.F. Jones	3 ³	3	-
Mr D.M. Morgan	4	4	-
Mr C.R. Norris	4	4	-

- A Number of meetings held during member's term
- B Number of meetings attended by each member
- C Number of meetings for which leave of absence was granted to each member/apology was received for each member

³In addition, Mr D.F. Jones attended the first meeting of Audit Committee on 9 March 2004 as a visitor pending his re-appointment to Council by the Governor in Council.

Campus Planning Committee

Campus Planning Committee comprises eight members: the Chancellor or nominee; three members of Council, two of whom are external members and one a member of Council elected by the staff; the Vice-Chancellor or nominee; the Vice-President (Administration) or nominee; the Chair of Academic Board or nominee; and one elected student member of Council.

The responsibilities of Campus Planning Committee include:

- > Considering proposed masterplans for the physical development of each of the University's campuses and making recommendations to Council regarding approval and/or amendments as required.
- > Ensuring that proposed developments are in accordance with approved masterplans or, in the case of a project not being in accordance, determining whether a recommendation for approval should be made to Council.
- > Establishing enabling policy regarding the management of the University's physical facilities and making recommendations to Council in regards to other enabling policy as required to meet the Committee's responsibilities.
- > Establishing the process for selection of architects for major capital works and considering and approving recommendations for the appointment of architects.
- > Considering and approving recommendations regarding design and construction guidelines.
- > Providing advice to the Vice-Chancellor on campus planning aspects of proposals for the University's capital priorities and on proposals for the design of major new University buildings.
- > Considering reports on the progress of major capital works.
- > Making recommendations to Council on significant changes to University landholdings and considering proposals for major new commercial leases of significant landholdings, buildings or facilities.

- > Receiving annual reports on utilisation of University buildings and on the status of leases by other parties of significant University landholdings, buildings or facilities.
- > Considering proposals for the naming of University buildings and facilities in accordance with appropriate policy and making recommendations to Council as required.

Members of Campus Planning Committee at 31 December 2004 were Ms M.L. Edmond (Chair), Mr R.H. Elliott, Professor C. Langston, Mr D.A. Lyell, Ms M.T. Prendergast, Ms P.H. Reid, Dr P.C. Turner, and Professor S.A. Walker.

The Committee met six times during the year.

Campus Planning Committee—meeting attendance 2004

	A	B	C
Ms M.L. Edmond (Chair)	6	6	-
Mr R.H. Elliott	6	6	-
Professor C. Langston	5	5	-
Mr D.A. Lyell	6	6	-
Ms M.T. Prendergast	5	1	4
Ms P.H. Reid	6	4	2
Dr P.C. Turner	5	3	2
Professor S.A. Walker	6	6	-

- A Number of meetings held during member's term
- B Number of meetings attended by each member
- C Number of meetings for which leave of absence was granted to each member/apology was received for each member

Chancellor's Advisory Committee

Chancellor's Advisory Committee comprises seven members: the Chancellor; the Deputy Chancellors; the Vice-Chancellor; the Chair of the Academic Board; and the Vice-President (Administration).

When acting as Nominations Committee, the Committee's membership is augmented by a student member of Council. When acting as Honorary Degrees Committee, membership is augmented by the professor elected to Council, the Deputy Chair of Academic Board and another member of Academic Board nominated by the Board. When acting as the Senior Salaries Committee, membership is restricted to the Chancellor and Deputy Chancellors.

The responsibilities of Chancellor's Advisory Committee include:

- > Advising the Chancellor on matters the Committee considers need to be dealt with before the next scheduled meeting of Council.
- > Making recommendations to the Minister regarding proposed appointments to membership of Council by the Governor in Council and making recommendations to Council regarding proposed appointments by Council (when undertaking this role the Committee is known as Nominations Committee).
- > Undertaking such corporate governance responsibilities as Council may determine from time to time including making recommendations on the appointment of chairpersons and members of Council committees; advising Council on the conduct, maintenance and orderly review of Council operations; and advising Council on the conduct and outcome of periodic reviews of performance by Council and its committees.
- > Advising the Chancellor in confidence on the annual performance of the Vice-Chancellor and determining the conditions of employment and remuneration of the Vice-Chancellor and of senior officers of the University (when undertaking this role the Committee is known as the Senior Salaries Committee).
- > Providing advice and making recommendations to Council in respect of human resources policy and matters in accordance with advice received from the Vice-Chancellor upon such matters.
- > Advising the Vice-Chancellor on recommendations for honorary awards of the University (when undertaking this role the Committee is known as Honorary Degrees Committee).
- > Advising Council on matters referred to it by Council and, if requested by Council, acting on Council's behalf.

Members of Chancellor's Advisory Committee at 31 December 2004 were Mr R.H. Searby (Chair), Professor B.U. Crassini, Mr R.H. Elliott, Ms M.L. Edmond, Mr D.F. Jones, Mr A.J. Kloeden, Professor S.A. Walker.

The Committee met six times during the year.

Chancellor's Advisory Committee—meeting attendance 2004

	A	B	C
Mr R.H. Searby QC (Chair)	6	6	-
Professor B.U. Crassini	6	5 ⁴	1
Ms M.L. Edmond	6	5	1
Mr R.H. Elliott	6	6	-
Mr D.F. Jones	5 ⁵	4	1
Mr A.J. Kloeden	6	4	2
Professor S.A. Walker	6	6	-

A Number of meetings held during member's term

B Number of meetings attended by each member

C Number of meetings for which leave of absence was granted to each member/apology was received for each member

⁴Professor M. Rimmer attended the fourth meeting of Chancellor's Advisory Committee on 13 July 2004 as Acting Chair of Academic Board, for Professor B.U. Crassini.

⁵In addition Mr D.F. Jones attended the first meeting of Chancellor's Advisory Committee on 9 February 2004 as a visitor pending his re-appointment to Council by the Governor in Council.

Finance and Business Affairs Committee

Finance and Business Affairs Committee comprises ten members: the Chancellor or nominee; four members appointed by Council, two of whom are external members of Council, one is a member of Council elected by the staff and one is a member of Council elected by the students; two members appointed by Council who are not required to be members of Council but at least one of whom must have substantial private sector financial management experience; the Vice-Chancellor or nominee; the Vice-President (Administration) or nominee; and the Chair of Academic Board or nominee.

The responsibilities of Finance and Business Affairs Committee include:

- > Advising Council on matters concerning financial and investment matters including the University's rolling financial management plan.
- > Reviewing and approving relevant policies, including those related to the fees and charges levied by the University pursuant to Statute 6.1—*Fees and Charges*.
- > Considering and approving financial statements for the University with regard to content, substance, impact and consistency with the University's strategic objectives.
- > Reviewing the financial performance of University companies and major commercial activities and making recommendations to Council on the proposed establishment of such bodies.
- > Approving material variations to approved University expenditure programs.
- > Advising Council on proposed University business ventures as a means of increasing non-government income.

Members of the Committee at 31 December 2004 were Mr D.M. Morgan (Chair), Professor J. Blackmore, Ms S. De Gilio, Mr M.J. Dowling, Mr R.H. Elliott, Mr A.E. Fairley, Ms L. Forsyth, Mr J.D. Maddock, Ms B.G. McKenzie, Professor S.A. Walker.

The Committee met eight times during the year.

Finance and Business Affairs Committee—meeting attendance 2004

	A	B	C
Mr D.M. Morgan (Chair)	8	6	2
Professor J. Blackmore	8	4	4
Mrs S. De Gilio	7	6	1
Mr M.J. Dowling	8	8	-
Mr R.H. Elliott	8	8	-
Mr A.E. Fairley	3	2	1
Ms L. Forsyth	8	6	2
Mr J.D. Maddock	8	5	3
Ms B.G. McKenzie	8	7	1
Professor S.A. Walker	8	8 ⁶	-

- A Number of meetings held during member's term
- B Number of meetings attended by each member
- C Number of meetings for which leave of absence was granted to each member/apology was received for each member

⁶Professor P. Hamilton attended the third meeting of Finance and Business Affairs Committee on 9 March 2004 in the capacity of Acting Vice-Chancellor, for Professor S.A. Walker.

Legislation Committee

Legislation Committee comprises eight members: the Chancellor or nominee; one external member of Council; the Vice-Chancellor or nominee; the Vice-President (Administration) or nominee; the Chair of Academic Board or nominee; one elected student member of Council; and two additional members appointed by Council.

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

Members of the Committee at 31 December 2004 were Dr P.C. Turner (Chair), Professor J.J. Du Plessis, Mr R.H. Elliott, Dr D.J. Gunning, Ms J.M. Lightowlers, Mr B. Marshall and Ms B.G. McKenzie.

The Committee met four times during the year.

Legislation Committee—meeting attendance 2004

	A	B	C
Dr P.C. Turner (Chair)	4	4	-
Professor J.J. Du Plessis	1	1	-
Mr R.H. Elliott	4	4	-
Dr D.J. Gunning	4	3	1
Ms J.M. Lightowlers	2	1	1
Mr B. Marshall	2	1	1
Ms B.G. McKenzie	4	2	2

A Number of meetings held during member's term

B Number of meetings attended by each member

C Number of meetings for which leave of absence was granted to each member/apology was received for each member

University Appeals Committee

University Appeals Committee comprises four members of Council, two of whom are external members and one of whom is an elected student member. The Committee hears and determines appeals against findings of the University Discipline Committee in respect of matters of general misconduct by students and against decisions of the Vice-Chancellor with regard to exclusion of students for health reasons, those decisions having been made pursuant to Statute 5.6—*Exclusion for Health Reasons*.

Members of the Committee at 31 December 2004 were Mr A.E. Fairley (Chair), Ms J.M. Lightowlers, Mr D.A. Lyell and Professor M. Rimmer. The Committee was not required to meet in 2004.

Risk management

The University's approach to risk management follows the Australian Standard AS/NZS 4360:2004 *Risk Management*.

Within the University, the Vice-Chancellor is responsible to Council for identifying risks and for ensuring the adequacy and effectiveness of the associated treatment or control processes. Council oversees University risk management via Audit Committee. A register of University-level risks sets out the highest-level risks facing the University, and the controls in place to manage them. This register is approved annually by the Vice-Chancellor and is reported to Council via Audit Committee. Each organisational area of the University is also required to establish, monitor and revise a register of risks pertaining to their area, with specialist risk management software being used by each area for this purpose.

During 2004, the Planning and Resources Committee (PRC) (the key advisory body to the Vice-Chancellor on matters linking planning and resourcing decisions and policy) established a risk and compliance management subcommittee to review organisational area risk registers using a peer review process. Findings are reported regularly to PRC, with that committee in turn reporting to the University's Senior Executive and to Council via Audit Committee.

As part of the risk management system, the University's Internal Audit Unit reviews the adequacy and effectiveness of the processes in place to manage risks.

The University continues to review and maintain a comprehensive insurance cover for insurable risks.

A summary of the extent and nature of risk for the University's commercial ventures follows.

Risk assessment for University associates and commercial ventures, 2004

Associate/commercial venture	Principal objects	Level of financial risk	Level of reputational risk
Australian Human Resources Institute Pty Ltd; formerly Australasian Human Resources Institute Pty Ltd	Professional association for human resources managers	Low	Low
Callista Software Services Pty Ltd	Development, maintenance and support of the 'Callista' student administration and management system to Australian universities and TAFE	High	Medium
DeakinPrime (a division of Deakin University)	Provision of training and education services to a range of corporate and government clients	Medium	Low
Deakin Networks Pty Ltd	Company is dormant	Low	Low
Unilink Limited	Provision of staffing services to Deakin University	Low	Low
DeakinPrime USA	Company is dormant	Low	Low
V-CAMM Limited	Administrator of a Victorian Government STI grant jointly awarded to Deakin University, Monash University and CSIRO in 2002	Low	Low
Chirogen Pty Ltd	Research into chiral and molecular technology	Low	Medium
SciVentures Investments Pty Ltd	Approved Pre-seed Fund providing funding to commercially promising R&D opportunities within universities and Commonwealth-owned research agencies	Low	Medium

Compliance

Through the Vice-Chancellor, Council is responsible for ensuring that the University complies with external and internal statutory and regulatory requirements, including government reporting requirements. Council also ensures that the University maintains and is compliant with University policies. Council receives reports of the University's compliance with these obligations on an annual basis.

Council is assisted in meeting its compliance obligations by Audit Committee, which provides advice and recommendations on matters relating to the compliance program and relevant policy.

As part of the University's expanded compliance program, the newly established Risk and Compliance Management Subcommittee of the Planning and Resources Committee reviews the effectiveness of the University's compliance activity. It does

this by, among other things, considering the appropriateness of the tools used within the compliance program, receiving reports from the Compliance Manager, evaluating developments in program practice and their application to the University's program and considering proposed communication and awareness proposals to promote a culture of compliance. The Subcommittee also makes recommendations for the continuous improvement of the compliance program and reviews and makes recommendations on the adequacy of the University's compliance policy.

The Internal Audit Unit conducts a three-year cyclical review of organisational areas' compliance registers which have been established in accordance with the compliance program. The review commenced in 2004.

Procedural and legislative compliance matters

Statutes

Statutes revoked, made or amended during 2004

Statute 2.3	<i>The Faculties</i>	revoked and remade
Statute 5.1	<i>Admission to Courses</i>	revoked and remade
Statute 2.2	<i>The Academic Board</i>	amended
Statute 2.9	<i>Deakin University Centres</i>	revoked and remade as Statute 2.9— <i>University Institutes</i>
Statute 3.2	<i>The Vice-Chancellor</i>	amended
Statute 3.4	<i>Deputy Vice-Chancellors</i>	amended
Statute 3.8	<i>Vice-Presidents</i>	amended
Statute 3.14	<i>Pro Vice-Chancellors</i>	amended
Statute 14.1	<i>Control of University Buildings, Grounds and other Property</i>	amended

Compliance with the *Public Sector Management and Employment Act 1998* (Vic)

Deakin University is required to comply with the reporting under the *Public Sector Management and Employment Act 1998* (Vic) and this occurs biannually.

Compliance with the *Education Services for Overseas Students Act 2000* (Cth)(ESOS)

For the year 2004, the University complied with the *Education Services for Overseas Students Act 2000* (Cth) (ESOS) and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students.

Compliance with the *Freedom of Information Act 1982* (Vic)

Requests for access to documents are made to the Freedom of Information Manager, Mr R.H. Elliott, Vice-President (Administration). The University received four requests for access to documents under the *Freedom of Information Act 1982* (Vic) during 2004. Details of the University's response to each application follow:

- 1 Full access by provision of photocopies was granted.
- 2 Full access to 15 documents and partial access (personal information obscured) to one document by provision of photocopies was granted.
- 3 Full access to 60 documents by provision of photocopied documents was granted. Access was denied to two documents on the grounds of legal professional privilege.
- 4 Full access by provision of photocopies was granted.

Compliance with National Competition policy and competitive neutrality

The University has a manual addressing compliance with National Competition policy including compliance with the requirements of the policy statements *Competitive Neutrality: A Statement of Victorian Government Policy*, and *Victorian Government Timetable for the Review of Legislative Restrictions on Competition* and with subsequent reforms. Staff are made aware of the University's obligations and are advised of best practices in the Competition Code Compliance manual, which is available electronically on 'The Guide'—the repository for University policy, procedures, legislation and other information. Advice to staff in relation to matters covered in the manual is readily available. The University's compliance program includes trade practices and competitive neutrality obligations.

Compliance with the *Whistleblowers Protection Act 2001* (Vic)

In accordance with the requirements of section 104 of the *Whistleblowers Protection Act 2001* (Vic):

- a Deakin University has developed a policy and procedures for reporting disclosures under the Act which may be viewed at <http://theguide.deakin.edu.au/TheDeakinGuide.nsf>
- b one disclosure was made to the University during 2004
- c one disclosure was referred in 2004 by the University to the Ombudsman for determination as to whether it was a public interest disclosure
- d no disclosed matters were referred to the University during 2004 by the Ombudsman
- e one disclosed matter was referred during the year by the University to the Ombudsman to investigate
- f no investigations of disclosed matters were taken over by the Ombudsman from the University during 2004
- g no requests were made under section 74 during the year to the Ombudsman to investigate disclosed matters
- h there were no disclosed matters that the University declined to investigate during 2004
- i there were no disclosed matters that were substantiated on investigation
- j on completion of the investigation referred to in (e) above the person who made the disclosure and the University were notified of the outcome of the investigation
- k no recommendations of the Ombudsman were made under this Act that relate to the University.

Internal grievance and complaint procedures

Deakin University is committed to handling complaints fairly, promptly and efficiently. The University's complaints-handling mechanisms are based on the current Australian Standard. Where possible, matters are resolved at the local level, using internal mechanisms; however the University supports the right of individuals to refer complaints to relevant external bodies. In line with Protocol 7 of the National Governance Protocols, Deakin University has codified its internal grievance procedures and published them, along with information regarding the procedure for submitting complaints to the relevant ombudsman or equivalent agency, on the Web at www.deakin.edu.au/theguide.

The University's Complaints Handling enabling policy was approved on 12 August 2004. Derived from this are operational policies and procedures relating to staff and student complaints.

Deakin University's Staff Complaints procedure enunciates the 'core' complaints procedures available and staff are encouraged to identify the procedure that is most appropriate for their situation. Specific procedures apply to dispute resolution, staff grievances, equal opportunity, prevention of workplace bullying, and privacy. (In addition to these 'core' complaints procedures, other complaints procedures apply to certain specified situations, such as probation, promotion, job evaluation, and reporting disclosures under the *Whistleblowers Protection Act 2001* (Vic).) Each specific procedure contains information such as: definitions; the steps to be taken to resolve the matter and, if relevant, the timelines applying to each step; the individuals responsible for handling the complaint; sources of advice and support; record-keeping requirements; and avenues for appeal.

The Student Complaints operational policy articulates the principles under which Deakin University aims to handle complaints from students. These include that all complaints be dealt with quickly, in a supportive environment, in accordance with the principles of natural justice, and that confidentiality be respected. The Student Complaints procedure outlines: grounds for complaint; stages in

the complaint resolution process (which move from early conciliation and informal complaint resolution through further conciliation and/or investigation, to investigation and determination by the dean of the relevant faculty or head of division); the steps to be taken at, and the deadlines applying to, each stage; sources of advice and support; action that may be taken to resolve the complaint; record keeping requirements; and avenues for appeal (including the Office of the Victorian Ombudsman).

Student complaints may also be handled under the University's statutes, regulations and policies relating to academic progress and student discipline, as well as through the anti-discrimination policies and procedures of the University.

Complaints made to and investigated by the Ombudsman

Two students lodged complaints with the Office of the Victorian Ombudsman in 2004. The matters were referred back to the University and dealt with to the satisfaction of the Ombudsman. No further action was taken.

Compliance with the *Building Act 1993* (Vic)

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

When required, building surveyors issue a Certificate of Occupancy or a Certificate of Final Inspection upon completion of works.

When building practitioners are engaged to carry out works for the University, only registered building practitioners are used and this registration is checked prior to the engagement. Registration is maintained during the engagement and there have been no cases of building practitioners becoming deregistered whilst engaged by the University.

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

Capital works and maintenance, 2004

	Works in progress		Works completed	
	Value \$M	Quantity	Value \$M	Quantity
Major capital works— New buildings	27.5	8	5	6
Minor capital works	6.3	62	1.5	30
Maintenance	N/A	N/A	2.7	N/A
Total	33.8	70	9.2	36

Additional information available on request

Consistent with the requirements of the *Financial Management Act 1994* (Vic), Deakin University has prepared material on the following items, details of which are available on request:

- > publications
- > changes in prices, fees, charges, rates and levies
- > major external reviews
- > overseas visits undertaken
- > shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- > promotional, public relations and marketing activities
- > industrial relations issues, and
- > major committees sponsored by Deakin University.

Enquiries regarding details of the above should be addressed to: Mr R.H. Elliott, Vice-President (Administration).

Details of information available to the public on the University's website

Deakin University's website provides information about

- > the University
- > courses
- > research
- > campuses
- > online and off campus learning
- > faculties, schools and divisions
- > employment
- > legislation; policies, procedures and rules; information on University committees; plans, guidelines and other information; and University forms.

Deakin University's annual reports can be accessed at:

<http://theguide.deakin.edu.au/TheDeakinGuide.nsf>

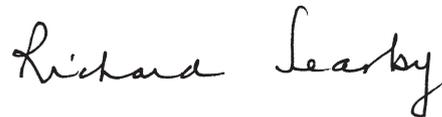
utilising first the *Visitor* link and then the *Publications, Guidelines and other Information* link.

Declaration

No major changes or factors occurred during 2004 which have affected the achievement of the University's operational objectives for the year.

No events occurred subsequent to balance date which may have a significant effect on operations in subsequent years.

Council approved the Annual Report 2004 at its meeting held on 22 March 2005.

A handwritten signature in black ink that reads "Richard Searby". The signature is written in a cursive style with a large, prominent 'R' and 'S'.

Mr Richard Searby QC

Audited financial statements

As at 31 December 2004

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Note</i>	<i>Consolidated</i>		<i>University</i>	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Revenue from ordinary activities	2	378,952	354,599	361,988	342,706
Employee benefits expense	2	(202,998)	(175,356)	(193,126)	(166,918)
Depreciation and amortisation expense	2	(26,792)	(25,102)	(26,018)	(24,269)
Other expenses from ordinary activities	2	(136,486)	(130,620)	(130,449)	(128,016)
Borrowing cost expense	2	(1,923)	(2,084)	(1,923)	(2,084)
Profit from ordinary activities before income tax expense		10,753	21,437	10,472	21,419
Income tax expense		—	—	—	—
Net profit from ordinary activities after income tax expense		10,753	21,437	10,472	21,419
Increase/(decrease) on revaluation of land and buildings	15	36,944	—	36,944	—
Increase/(decrease) on revaluation of art collection	15	—	1,654	—	1,654
Increase/(decrease) on revaluation of investments	15	616	134	616	134
Total revenue, expense and valuation adjustments recognised directly in equity		37,560	1,788	37,560	1,788
Total changes in equity other than those resulting from transactions with owners as owners		48,313	23,225	48,032	23,207

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
CURRENT ASSETS					
Cash assets	3	68,598	87,072	65,735	86,897
Receivables	4	33,434	32,836	32,205	30,811
Inventories	5	161	518	161	518
Assets held for resale	6	1,259	1,000	1,259	1,000
TOTAL CURRENT ASSETS		103,452	121,426	99,360	119,226
NON-CURRENT ASSETS					
Receivables	4	118,336	126,435	119,317	126,448
Other financial assets	7	6,017	5,185	6,887	6,190
Property, plant and equipment	8	600,449	532,702	600,325	532,196
Deferred development and implementation costs	9	2,518	4,844	2,518	4,712
Intangible assets	10	—	346	—	—
TOTAL NON-CURRENT ASSETS		727,320	669,512	729,047	669,546
TOTAL ASSETS		830,772	790,938	828,407	788,772
CURRENT LIABILITIES					
Payables	11	41,547	46,409	40,647	45,592
Interest bearing liabilities	12	5,811	2,371	5,811	2,311
Employee entitlements	13	27,877	25,804	27,209	25,250
Current tax liabilities	14	142	142	—	—
TOTAL CURRENT LIABILITIES		75,377	74,726	73,667	73,153
NON-CURRENT LIABILITIES					
Payables	11	107	429	—	—
Interest bearing liabilities	12	22,078	27,598	22,078	27,598
Employee entitlements	13	138,524	141,812	138,047	141,438
TOTAL NON-CURRENT LIABILITIES		160,709	169,839	160,125	169,036
TOTAL LIABILITIES		236,086	244,565	233,792	242,189
NET ASSETS		594,686	546,373	594,615	546,583
EQUITY					
Asset revaluation reserve	15	344,876	307,316	344,876	307,316
Accumulated funds	16	249,810	239,057	249,739	239,267
TOTAL EQUITY		594,686	546,373	594,615	546,583

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Inflows/(outflows)	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES					
Commonwealth government grants					
Teaching and learning		92,815	100,579	92,815	100,579
HECS and other loan programmes		56,672	62,294	56,672	62,294
Scholarships		2,189	1,482	2,189	1,482
DEST research		11,768	12,500	11,768	12,500
ARC grant - Discovery		2,162	1,679	2,162	1,679
ARC grant - Linkages		2,074	2,865	2,074	2,865
Other Commonwealth		5,221	4,478	5,221	4,478
State government grants		6,798	3,735	6,798	3,735
HECS - Student payments		10,076	9,306	10,076	9,306
Other research grants and contracts		16,493	15,475	12,471	11,509
Fees and charges		120,238	111,967	120,162	112,828
Dividends received		365	545	365	545
Interest received		7,347	4,753	7,392	4,885
Other		45,762	37,695	31,074	26,795
Salaries		(203,632)	(182,407)	(193,977)	(173,947)
Suppliers		(143,968)	(132,416)	(136,561)	(121,163)
Borrowing costs		(1,965)	(2,121)	(1,965)	(2,121)
GST recovered		5,768	4,767	6,622	5,441
Net cash provided by operating activities	17	36,183	57,176	35,358	63,690
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		4,496	6,958	4,496	6,958
Proceeds from sale of investments		—	4,796	—	4,796
Addition to land		(1,138)	(330)	(1,138)	(330)
Addition to buildings		(33,791)	(17,605)	(33,791)	(17,605)
Addition to leasehold improvements		(143)	(2,123)	(144)	(2,122)
Purchase of equipment and furniture		(11,266)	(9,878)	(11,188)	(10,343)
Purchase of motor vehicles		(6,074)	(8,605)	(6,074)	(8,605)
Purchase of library holdings		(3,867)	(3,849)	(3,867)	(3,849)
Purchase of art works		(113)	(55)	(113)	(55)
Receivables - sale of property		—	7,150	—	7,150
Purchase of investments		(681)	(198)	(2,681)	(6,198)
Net cash used in investing activities		(52,577)	(23,739)	(54,500)	(30,203)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		—	82	—	82
Repayment of borrowings		(2,020)	(1,985)	(2,020)	(1,985)
Net cash used in financing activities		(2,020)	(1,903)	(2,020)	(1,903)
Net increase in cash held		(18,414)	31,534	(21,162)	31,584
Cash at the beginning of the financial year		87,012	55,478	86,897	55,313
Cash at the end of the financial year	17	68,598	87,012	65,735	86,897

The accompanying notes form part of these financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements and accompanying notes constitute a general purpose financial report which have been prepared in accordance with the *Victorian Financial Management Act 1994*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.

The financial report is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation.

All amounts in the financial statements have been rounded to the nearest thousand dollars.

Unless otherwise stated, the accounting policies are consistent with those of the prior year.

(a) FINANCIAL EFFECT OF CHANGES TO COMMONWEALTH PAYMENT ARRANGEMENTS FOR 2005 GRANT YEAR

Background

Payment to universities in respect of programmes under the *Higher Education Funding Act 1988 (HEFA)* were made on the second and last Thursdays of each month. In the recent past, the first payment in respect of a grant year (equalling 8% of the total recurrent funding for that year) had been made at the end of December of the previous year.

Funding for most programmes under *HEFA* ended on 31 December 2004 while most new programmes under the *Higher Education Support Act 2003 (HESA)* commenced on 1 January 2005. Continuing the current practice of making the first payment in December 2004 for the 2005 grant year would mean that Commonwealth payments would be made in respect of programmes that were yet to commence and that these payments are treated by the majority of universities as revenue for 2004. This has considerable accountability implications for the Australian Government Department of Education, Science and Training (DEST) in administering and accounting for the programme payments.

Higher Education Providers (HEP) (even those within the same State) do not treat the early payment uniformly and the payment is treated in at least three different ways – as revenue when it is received, as an advance (a liability), and part as revenue and the other as liability. Such varied treatment creates a lack of transparency and distorts both the Commonwealth funding and the HEPs' financial year results.

DEST has announced changes to payment arrangements whereby all recurrent payments in respect of a grant year will be made in that year. For the 2005 grant year, the first payment will be made in January 2005 instead of December 2004.

The change to payment arrangements mean, that from the 2005 reporting period, the financial statements of all higher education providers will accurately reflect the Commonwealth financial assistance in respect of a grant year.

Financial effects for 2004

Changed payment arrangements mean that those HEPs that reported the whole or part of the 8% first payment in respect of the 2004 grant year as revenue in 2003 will have the effect of understating the Commonwealth funding for the 2004 grant year in their 2004 Statement of Financial Performance.

To identify the impact of the changed treatment on the operating result, grants provided for 2004 activities but recognised as 2003 revenue should be adjusted by incorporating the amount received in December 2003 as revenue for the 2004 reporting period. The effect of this is shown below:

	<i>University</i> \$'000
2004 Revenue from Operating Activities (per Statement of Financial Performance)	361,988
Add Grants Received in 2003 for 2004 Activities:	
Commonwealth Government financial assistance	8,903
HECS—Commonwealth payments	4,578
<hr/> Total Restated 2004 Revenue from Operating Activities	<hr/> 375,469
Restated 2004 Operating Result	23,953
Reported 2004 Operating Result	10,472
<hr/> Reduction in 2004 Operating Profit	<hr/> 13,481

The Commonwealth will use the restated figures in all DEST publications, including the Finance 2004 publication, to ensure consistent treatment across all HEPs.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to the International Accounting Standards Board (IASB) interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the year ending 31 December 2005.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained surplus as at 1 January 2004.

Deakin University has established a project team to manage the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. To date the project team has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. Some of these choices are still being analysed to determine the most appropriate accounting policy for the consolidated entity.

Identified major changes that will be required to the consolidated entity's existing accounting policies include the following (references to new AASB standards below are to the Australian equivalents to IFRS issued in July 2004):

(i) Impairment of assets

Under the new AASB 136 Impairment of Assets non-current assets will be subject to assessment for impairment.

Impairment must be measured for non-current assets with indications of impairment and for intangible assets not yet available for use. Impairment is measured by comparing the asset's fair value less costs to sell and its value in use. The greater of these two measurements must not exceed the asset's carrying value. 'Value in use' is determined as either:

- (a) net present value of net cash inflows (for-profit assets); or
- (b) depreciated replacement cost (all other assets).

Deakin University and its controlled entities will adopt AASB 136 Impairment of Assets which will result in a change to current accounting policy, under which the recoverable amount of assets is generally measured where there is an indication of impairment.

(ii) Borrowing costs

Under the new AASB 123 Borrowing Costs borrowing costs are generally expensed. AASB 123 includes the option to capitalise borrowing costs where they relate to qualifying assets. Deakin University has decided that it will expense all of its borrowing costs on adoption of the new accounting standards.

This will result in a change to the current accounting policy, under which borrowing costs related to specific projects are capitalised where they relate to qualified assets.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) PRINCIPLES OF CONSOLIDATION

The consolidated accounts incorporate the assets and liabilities of all entities controlled by Deakin University as at 31 December 2004 and the results of all controlled entities for the year then ended. A list of the controlled entities is included in note 23.

The accounts of the controlled entities are prepared for the same reporting period as the University, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-entity balances and transactions, and unrealised profits arising from intra-economic entity transactions, have been eliminated on consolidation.

(d) REVENUE

Revenue from grants is recognised when the University gains control of the contribution or the right to receive the contributions. Revenue from fees and charges are 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 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.

(e) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions during the year are converted to Australian currency at rates of exchange applicable at the dates of the transactions or, where applicable, the contracted exchange rate. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date or where applicable, the contracted exchange rate. The gains or losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in operating profit as they arise.

Costs or gains arising at the time of hedged transactions for the purchases and sale of goods and services, and exchange differences that occur up to the date of purchase or sale, are deferred and included in the measurement of the purchase or sale.

Translation of Foreign Controlled Entities

Foreign controlled entities are integrated foreign operations, their assets and liabilities are translated into Australian dollars using the temporal method. Any exchange differences arising from translation of monetary items are brought to account as either a revenue or expense unless they relate to qualifying assets.

(f) INCOME TAX

Deakin University is exempt from income tax. Those controlled entities not exempt from income tax adopt the liability method of tax-effect accounting whereby the income tax expense is based on the operating profit adjusted for any permanent differences in accordance with AASB1020 "Income Tax".

Timing differences which arise due to different accounting periods in which the terms of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

(g) CASH

For purposes of the statement of cash flows, cash includes cash, deposits at call, short-term investments and investments with managed funds less bank overdraft.

(h) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Small stocks of materials purchased by budget centres and held under their control are expensed at the time of purchase.

(i) ASSETS HELD FOR RESALE

Deakin University has an approved plan of sub-division for a parcel of land. The value attributed to this land has been recognised in the accounts at valuation 31 December 2002 plus the subsequent improvement costs.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) OTHER FINANCIAL ASSETS

Shares in listed companies are treated as long-term investments and are shown at market value at balance date. Any valuation variations are transferred directly to the Asset Revaluation Reserve. Other unlisted share investments are brought to account at cost less provision for diminution of value at balance date. Dividend income is recognised as revenue when received.

(k) PROPERTY, PLANT AND EQUIPMENT

Land, buildings and art works are carried at independent valuation which are normally conducted every three years or earlier if there is a material movement in property values. Transactions between valuations are carried at cost. The cost of buildings constructed by the University include the cost of materials, direct labour and borrowing costs on specific borrowing over the construction period. Equipment, furniture, motor vehicles, work in progress and library holdings are carried at cost.

Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Revaluations are conducted in accordance with the Victorian Government policy - 'Revaluation of Non-Current Physical Assets'. Land and buildings are treated as separate classes in accordance with that policy.

Library holdings held at valuation at 31 December 2000 were reverted to cost at 1 January 2001 by deeming the net carrying amount at that date to be cost under the transitional provisions of Revaluation of Non-Current Assets AASB 1041. Library purchases since that date are carried at cost. Depreciation of library holdings from 1 January 2001 has been based on the cost amount.

Where non-current assets are revalued, the net revaluation increment or decrement arising in the reporting period is accounted for as follows:

- (i) an increment is credited directly to an asset revaluation reserve except that, to the extent that the increment reverses a revaluation decrement previously recognised as an expense in respect of that same class of assets, it is recognised as revenue for the reporting period; and
- (ii) a decrement is recognised as an expense except that, to the extent that the decrement reverses a revaluation increment previously credited to, and still included in the balance of an asset revaluation reserve in respect of that same class of assets, it is debited directly to that revaluation reserve.

Any gain or loss on the disposal of revalued assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the result of the University in the year of disposal.

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment with a unit value of \$2,000 or more, other than freehold land and art works, over its expected useful life to the entity.

Estimates of useful lives are made on acquisition of all assets and reassessed annually and depreciation rates set accordingly.

Major depreciation periods are:

Freehold buildings	maximum 50 years
Leasehold improvements	the shorter of the term of the lease or the life of the improvement
Computer equipment	maximum 4 years
Motor vehicles	maximum 10 years
Printing equipment and photocopiers	maximum 5 years
All other equipment, furniture, leased assets and library holdings	maximum 15 years

The depreciation rates applied are consistent with the prior year.

(l) LEASED NON-CURRENT ASSETS

The University adopts the provisions of Australian Accounting Standard AASB 1008 "Leases" in respect of the assets of the University which are the subject of finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) DEFERRED DEVELOPMENT AND IMPLEMENTATION COSTS

Development costs are expensed as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those capitalised costs.

Implementation costs are capitalised and upon completion are amortised over a life of seven years for systems used in the administration of the University. Software developed for licensing to external parties is amortised over five years.

(n) RECOVERABLE AMOUNT

Non-current assets are reviewed annually to ensure they are not carried at an amount which is above their recoverable amount. Where the recoverable amount is less than the carrying values of non-current assets, the assets are written down. The recoverable amount of non-current assets is determined on an undiscounted cash flow basis.

(o) EMPLOYEE BENEFITS

A liability has been recognised for recreation and long service leave entitlements estimated to be payable to employees on the basis of statutory and contractual requirements. All recreation leave and long service leave entitlements expected to be settled within twelve months have been accrued at their nominal amount calculated on the basis of wages and salary rates and on-costs expected to apply on settlement. Long service leave entitlements payable later than twelve months have been measured at the present value of expected future payments, including on-costs, to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(p) EQUITY

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

Equity consists of the Asset Revaluation Reserve and Accumulated Funds.

(q) COMPARATIVE FIGURES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Note</i>	<i>Consolidated</i>		<i>University</i>	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
2 OPERATING RESULT					
Revenue from ordinary activities					
Commonwealth government financial assistance					
Commonwealth government grants	2.1	116,007	120,448	116,007	120,448
Higher Education Contribution Scheme					
Student contributions		10,174	9,208	10,174	9,208
Commonwealth payments	2.1	51,803	55,771	51,803	55,771
State government financial assistance	2.2	6,798	3,735	6,798	3,735
Superannuation—deferred government contributions		(4,980)	(9,214)	(4,980)	(9,214)
Fees and charges	2.3	124,779	102,220	125,108	102,517
Investment income	2.4	7,718	5,268	7,763	5,400
Royalties		5,067	6,896	5,067	6,896
Consultancy and contract research	2.5	15,759	14,776	11,974	11,037
Other revenue	2.6	45,827	45,491	32,274	36,908
Total revenue		378,952	354,599	361,988	342,706
Expenses					
Employee benefits	2.7	202,998	175,356	193,126	166,918
Depreciation and amortisation	2.8	26,792	25,102	26,018	24,269
Borrowing costs		1,923	2,084	1,923	2,084
Repairs and maintenance	2.9	19,402	16,526	19,074	16,789
Bad and doubtful debts	2.10	(153)	701	(133)	646
Bad and doubtful debts—controlled entities (movement in provision)		—	—	14	(1,990)
Other expenses	2.11	117,237	113,393	111,494	112,571
Total expenses		368,199	333,162	351,516	321,287
Operating result before income tax		10,753	21,437	10,472	21,419

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
2.1 COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE					
Commonwealth government grants pursuant to the <i>Higher Education Funding Act 1988</i> , including HECS and other Commonwealth loan programmes					
DEST—Teaching and Learning					
Operating Grant		91,584	97,404	91,584	97,404
Capital Development Pool		1,049	—	1,049	—
	26.1	92,633	97,404	92,633	97,404
HECS and other Commonwealth loan programmes					
HECS—Commonwealth payments		51,803	55,771	51,803	55,771
PELS		6,687	6,608	6,687	6,608
BOTPLS		60	83	60	83
	26.2	58,550	62,462	58,550	62,462
Scholarships					
Australian Postgraduate Awards—Pre-2002 funding component		198	505	198	505
Australian Postgraduate Awards—2002 onward funding component		1,258	877	1,258	877
International Postgraduate Research Scholarship		247	100	247	100
Commonwealth Education Costs Scholarships		170	—	170	—
Commonwealth Accommodation Scholarships		316	—	316	—
	26.3	2,189	1,482	2,189	1,482
DEST Research					
Institutional Grants Scheme		2,901	2,953	2,901	2,953
Research Training Scheme		7,404	7,535	7,404	7,535
Systemic Research Infrastructure		—	775	—	775
Research Infrastructure Block Grants		1,463	1,237	1,463	1,237
	26.4	11,768	12,500	11,768	12,500
Total DEST		165,140	173,848	165,140	173,848
Australian Research Council					
Discovery					
Project (Large grants)		2,006	1,679	2,006	1,679
Fellowships		—	—	—	—
Federation Fellowships		156	—	156	—
	26.5	2,162	1,679	2,162	1,679
Linkages					
Infrastructure Equipment & Facilities		—	616	—	616
Special Research Initiatives		—	40	—	40
International Researcher Exchange		41	97	41	97
Projects (SPIRT)		1,993	2,152	1,993	2,152
	26.6	2,034	2,905	2,034	2,905
Other Commonwealth Government financial assistance		5,221	4,478	5,221	4,478
Total Commonwealth Government financial assistance		174,557	182,910	174,557	182,910
Reconciliation					
Commonwealth Government grants	2	116,007	120,448	116,007	120,448
HECS—Commonwealth payments	2	51,803	55,771	51,803	55,771
Commonwealth loan programmes (PELS + BOTPLS)		6,747	6,691	6,747	6,691
Total Commonwealth Government financial assistance		174,557	182,910	174,557	182,910

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
2.2 STATE GOVERNMENT FINANCIAL ASSISTANCE					
Victorian government grants from the following agencies were received during the reporting period:					
VicHealth		676	544	676	544
Department of Education and Training		119	121	119	121
Department of State and Regional Development		3,790	1,614	3,790	1,614
Department of Human Services		613	662	613	662
Parks Victoria		189	140	189	140
Department of Innovation, Industry & Regional Development		66	145	66	145
Department of Infrastructure Multimedia		49	—	49	—
Department of Primary Industries, Water & Environment		194	38	194	38
Agriculture Victoria		—	30	—	30
Department of Justice		165	134	165	134
Department of Victorian Communities		116	—	116	—
Beyond Blue		267	75	267	75
Catchment Management Authority		428	112	428	112
Other		126	120	126	120
		6,798	3,735	6,798	3,735

2.3 FEES AND CHARGES

Course fees and charges					
Fee-paying overseas students		58,899	43,973	58,899	43,973
Fee-paying domestic postgraduate students		17,974	13,798	17,974	13,798
Fee-paying domestic undergraduate students		5,106	4,507	5,106	4,507
Fee-paying domestic non-award students		5,773	3,685	5,773	3,685
		87,752	65,963	87,752	65,963
Other fees and charges					
Student accommodation fees		5,975	5,609	5,975	5,609
Rental income		1,748	1,740	1,748	1,737
Educational materials fees		12,889	13,813	12,889	13,813
Examination fees		2,416	3,665	2,416	3,665
General service fees		5,683	5,328	5,683	5,328
Course delivery fees		3,589	2,333	3,589	2,333
Parking fees		1,752	1,547	1,752	1,547
Other fees		2,975	2,222	3,304	2,522
		37,027	36,257	37,356	36,554
Total fees and charges		124,779	102,220	125,108	102,517

2.4 INVESTMENT INCOME

Interest		4,461	3,872	4,428	3,861
Interest received from controlled entities		—	—	78	143
Dividends		365	545	365	545
Unrealised gain on investments	3	2,892	851	2,892	851
		7,718	5,268	7,763	5,400

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Consolidated</i>		<i>University</i>	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
2.5 CONSULTANCY AND CONTRACT RESEARCH				
Consultancy	6,856	6,670	3,071	2,931
Research	8,903	8,106	8,903	8,106
	15,759	14,776	11,974	11,037
2.6 OTHER REVENUE				
Sales and commercial income	16,271	10,475	10,803	8,817
Donations and bequests	5,257	6,507	5,257	6,507
Scholarship and prizes	24	124	24	124
Advertising income	871	819	—	—
Subscriptions	2,595	2,425	96	118
Convention income	2,952	2,355	—	5
Conference facility hiring	762	467	762	467
Commercial grants	489	961	489	961
Training	1,364	1,206	—	—
Proceeds from sale of property, plant and equipment	4,496	6,958	4,496	6,958
Proceeds from sale of investments	—	4,796	—	4,796
Sales proceeds minor equipment	242	75	237	47
Contributions from learning institutions	312	468	312	468
Other	10,192	7,855	9,798	7,640
	45,827	45,491	32,274	36,908
2.7 EMPLOYEE BENEFITS				
Academic				
Salaries	71,269	64,022	71,269	64,022
Contributions to superannuation and pension schemes:				
Emerging cost—excess over 14%	5,797	5,239	5,797	5,514
Funded	9,882	8,730	9,882	8,730
Non-funded	—	32	—	32
Payroll tax	4,502	4,072	4,502	4,072
WorkCover	624	524	624	524
Long service leave	1,064	(261)	1,064	(261)
Annual leave	660	342	660	342
	93,798	82,700	93,798	82,975
Non-academic				
Salaries	85,478	77,612	77,109	70,541
Contributions to superannuation and pension schemes:				
Emerging cost — excess over 14%	6,272	6,351	6,272	6,076
Funded	10,575	9,250	10,467	9,155
Non-funded	(1)	35	(1)	35
Payroll tax	5,340	4,823	4,872	4,337
WorkCover	648	511	605	474
Long service leave	1,266	(260)	1,152	(287)
Annual leave	821	391	714	377
Other	3,781	3,157	3,118	2,449
	114,180	101,870	104,308	93,157
Total academic and non-academic employee benefits	207,978	184,570	198,106	176,132
Deferred employee benefits for superannuation	(4,980)	(9,214)	(4,980)	(9,214)
Total employee benefits	202,998	175,356	193,126	166,918

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Consolidated</i>		<i>University</i>	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
2.8 DEPRECIATION AND AMORTISATION				
Depreciation				
Buildings	7,795	7,636	7,795	7,636
Leasehold improvements	585	163	583	161
Equipment and furniture	8,097	7,044	7,803	6,471
Motor vehicles	1,256	1,091	1,256	1,091
Library holdings	6,351	5,577	6,351	5,577
Finance leases	36	164	36	164
	24,120	21,675	23,824	21,100
Amortisation				
Amortisation—deferred development and implementation costs	2,326	3,213	2,194	3,169
Amortisation—intangible assets	346	214	—	—
	2,672	3,427	2,194	3,169
	26,792	25,102	26,018	24,269
2.9 REPAIRS AND MAINTENANCE				
Buildings and grounds—maintenance and repairs	11,523	9,457	11,523	9,457
Buildings and grounds—refurbishment and alterations	4,080	3,533	3,834	3,843
Equipment—maintenance and repairs	3,643	3,436	3,599	3,396
Motor vehicles—maintenance and repairs	156	100	118	93
	19,402	16,526	19,074	16,789
2.10 BAD AND DOUBTFUL DEBTS				
Bad debts written off	14	344	14	334
Movement in provision for doubtful debts	(167)	357	(147)	312
	(153)	701	(133)	646
2.11 OTHER EXPENSES				
Advertising, marketing and promotional expenses	7,048	5,995	6,557	5,712
Book value of non-current investment sold	—	4,971	—	4,971
Communication costs	5,903	6,680	5,671	6,478
Consultants and contractors	10,233	9,178	8,165	8,165
Copying, printing, stationery and consumables	7,277	8,713	7,110	8,558
Course materials	1,166	1,031	1,166	1,030
Direct project costs	15,961	16,132	16,090	16,132
Equipment costs	4,106	4,568	3,721	4,356
Fringe benefits tax	1,019	876	901	819
Library expenses	2,910	1,947	2,905	1,941
Non-capitalised equipment	3,081	3,388	3,062	3,377
Operating lease rentals	7,326	6,805	6,546	6,081
Provision for diminution in value of other investments	465	—	465	—
Provision for diminution in value of investments in controlled entities	—	—	2,135	5,091
Rates and energy costs	3,634	3,313	3,596	3,263
Scholarships, grants and prizes	9,031	7,612	9,031	7,612
Staffing and related costs	12,961	11,190	11,903	10,285
Student expenses	10,708	9,064	10,708	9,064
Written-down value of disposed property, plant and equipment	6,286	8,788	6,123	8,756
Other	8,122	3,142	5,639	880
	117,237	113,393	111,494	112,571

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
3 CASH ASSETS					
Cash at bank		8,075	3,235	5,213	3,061
Cash on hand		56	52	55	51
Managed fund		55,070	76,303	55,070	76,303
Income securities		5,397	7,376	5,397	7,376
Bank term deposits		—	106	—	106
		68,598	87,072	65,735	86,897
4 RECEIVABLES					
CURRENT					
Trade debtors		13,255	15,090	12,444	13,292
Provision for doubtful debts		(670)	(845)	(640)	(795)
		12,585	14,245	11,804	12,497
Government grants receivable		—	40	—	40
Deferred government contribution for superannuation		12,610	12,241	12,610	12,241
Accrued income		333	1,915	325	1,912
Prepayments		3,482	3,307	3,021	3,067
GST recoverable		1,631	1,061	1,652	1,027
Owing by other entities		2,793	27	2,793	27
		33,434	32,836	32,205	30,811
NON-CURRENT					
Deferred government contribution for superannuation		118,256	123,605	118,256	123,605
Owing by other entities		80	2,830	80	2,830
Owing by controlled entities		—	—	3,696	2,714
Provision doubtful debt—controlled entities		—	—	(2,715)	(2,701)
		118,336	126,435	119,317	126,448
		151,770	159,271	151,522	157,259
5 INVENTORIES					
Stock on hand at cost		161	518	161	518
		161	518	161	518
6 ASSETS HELD FOR RESALE					
Land held for resale		1,259	1,000	1,259	1,000
		1,259	1,000	1,259	1,000
7 OTHER FINANCIAL ASSETS					
INVESTMENTS					
Shares portfolio—market value		5,335	4,713	5,335	4,713
Other		1,147	472	1,147	472
Shares in controlled entities	23	—	—	11,096	9,096
Provision for diminution in value of other investments		(465)	—	(465)	—
Provision for diminution in value of investments in controlled entities		—	—	(10,226)	(8,091)
		6,017	5,185	6,887	6,190

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
8 PROPERTY, PLANT AND EQUIPMENT					
LAND					
At independent valuation 2004	8(a)	105,235	—	105,235	—
At independent valuation 2002		—	86,485	—	86,485
At cost		—	330	—	330
		105,235	86,815	105,235	86,815
BUILDINGS					
At independent valuation 2004	8(a)	371,555	—	371,555	—
At independent valuation 2002		—	352,121	—	352,121
At cost		—	10,326	—	10,326
Accumulated depreciation		—	(7,635)	—	(7,635)
Work in progress		36,812	8,291	36,812	8,291
		408,367	363,103	408,367	363,103
LEASEHOLD IMPROVEMENTS					
At cost		2,936	2,815	2,936	2,792
Accumulated amortisation		(785)	(207)	(785)	(202)
		2,151	2,608	2,151	2,590
EQUIPMENT AND FURNITURE					
At cost		63,742	57,030	62,196	55,282
Accumulated depreciation		(37,341)	(33,524)	(35,919)	(32,264)
		26,401	23,506	26,277	23,018
MOTOR VEHICLES					
At cost		9,169	8,522	9,169	8,522
Accumulated depreciation		(1,465)	(1,118)	(1,465)	(1,118)
		7,704	7,404	7,704	7,404
LIBRARY HOLDINGS					
At cost		65,170	58,030	65,170	58,030
Accumulated depreciation		(19,801)	(13,898)	(19,801)	(13,898)
		45,369	44,132	45,369	44,132
ART COLLECTION					
At independent valuation 2003	8(b)	5,038	5,038	5,038	5,038
At cost		169	—	169	—
		5,207	5,038	5,207	5,038
FINANCE LEASES—EQUIPMENT					
At cost		116	1,396	116	1,396
Accumulated depreciation		(101)	(1,300)	(101)	(1,300)
		15	96	15	96
		600,449	532,702	600,325	532,196

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) The land and buildings were valued by Craig Cunningham & Co (Real Estate) Pty Ltd at 31 December 2004. The valuation was on the basis of open market value of land and buildings concerned in their existing use.
- (b) The art collection was valued by McWilliam & Associates Pty Ltd at 31 December 2003. The valuation was on the basis of replacement values. 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 carrying amount, \$95,000, of building under Certificate of Title Volume 9145 Folio 537 is pledged to secure mortgage monies advanced by the Commonwealth Government for the childcare centre at the Warrnambool campus.

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year	Additions	Disposals	Depreciation expense	Revaluation/ Transfers	Carrying amount at end of year
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Consolidated						
Land	86,815	1,138	—	—	17,282	105,235
Buildings	363,103	33,791	394	7,795	19,662	408,367
Leasehold improvements	2,608	143	15	585	—	2,151
Equipment and furniture	23,506	11,266	319	8,097	45	26,401
Motor vehicles	7,404	6,074	4,518	1,256	—	7,704
Library holdings	44,132	8,628	1,040	6,351	—	45,369
Artworks	5,038	169	—	—	—	5,207
Finance leases—equipment	96	—	—	36	(45)	15
	532,702	61,209	6,286	24,120	36,944	600,449
University						
Land	86,815	1,138	—	—	17,282	105,235
Buildings	363,103	33,791	394	7,795	19,662	408,367
Leasehold improvements	2,590	144	—	583	—	2,151
Equipment and furniture	23,018	11,188	171	7,803	45	26,277
Motor vehicles	7,404	6,074	4,518	1,256	—	7,704
Library holdings	44,132	8,628	1,040	6,351	—	45,369
Artworks	5,038	169	—	—	—	5,207
Finance leases—equipment	96	—	—	36	(45)	15
	532,196	61,132	6,123	23,824	36,944	600,325

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Consolidated</i>		<i>University</i>	
	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's
9 DEFERRED DEVELOPMENT AND IMPLEMENTATION COSTS				
DEFERRED DEVELOPMENT COSTS				
Student information system	11,714	11,714	11,714	11,714
Callista research system	220	220	—	—
	11,934	11,934	11,714	11,714
Accumulated amortisation	(11,565)	(10,695)	(11,345)	(10,607)
	369	1,239	369	1,107
DEFERRED IMPLEMENTATION COSTS				
Student information system	4,868	4,868	4,868	4,868
Human resources system	405	405	405	405
Oracle financials system	4,923	4,923	4,923	4,923
	10,196	10,196	10,196	10,196
Accumulated amortisation	(8,047)	(6,591)	(8,047)	(6,591)
	2,149	3,605	2,149	3,605
	2,518	4,844	2,518	4,712
10 INTANGIBLE ASSETS				
Management rights	1,072	1,168	—	—
Accumulated amortisation	(1,072)	(822)	—	—
	—	346	—	—
11 PAYABLES				
CURRENT				
Creditors and accrued expenses	26,354	26,210	26,243	26,032
Income received in advance	15,193	20,199	13,060	17,542
Owing to controlled entities	—	—	1,344	2,018
	41,547	46,409	40,647	45,592
NON-CURRENT				
Income received in advance	107	429	—	—
	107	429	—	—
	41,654	46,838	40,647	45,592

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
12 INTEREST BEARING LIABILITIES					
CURRENT					
Unsecured borrowings					
—Bank overdraft		—	60	—	—
—Bank loans		2,109	1,938	2,109	1,938
—DEST loan		3,657	293	3,657	293
—Finance leases	19	36	71	36	71
Secured by mortgage					
—Other		9	9	9	9
		5,811	2,371	5,811	2,311
NON-CURRENT					
Unsecured borrowings					
—Bank loans		21,989	24,099	21,989	24,099
—DEST loan		—	3,365	—	3,365
—Finance leases	19	3	39	3	39
Secured by mortgage					
—Other		86	95	86	95
		22,078	27,598	22,078	27,598
Due later than one year and not later than two years		2,296	5,520	2,296	5,520
Due later than two years and not later than three years		2,496	2,295	2,496	2,295
Due later than three years and not later than five years		4,859	5,198	4,859	5,198
Due later than five years and not later than ten years		11,583	12,155	11,583	12,155
Due later than ten years		844	2,430	844	2,430
		22,078	27,598	22,078	27,598
		27,889	29,969	27,889	29,909

The carrying amount, \$95,000, of building under Certificate of Title Volume 9145 Folio 537 is pledged to secure mortgage monies advanced by the Commonwealth Government for the childcare centre at the Warrnambool campus.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Consolidated</i>		<i>University</i>	
	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's
13 EMPLOYEE ENTITLEMENTS				
CURRENT				
Annual leave	13,048	11,575	12,432	11,062
Long service leave	2,219	1,988	2,167	1,947
Deferred employee benefits for superannuation	12,610	12,241	12,610	12,241
	27,877	25,804	27,209	25,250
NON-CURRENT				
Long service leave	19,979	17,897	19,502	17,523
Deferred employee benefits for superannuation	118,256	123,605	118,256	123,605
Unfunded superannuation liability—SERB	289	310	289	310
	138,524	141,812	138,047	141,438
	166,401	167,616	165,256	166,688

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

	Service Year	2004	2003
		%	%
Wage inflation rate		4.50	4.50
Discount rates	17+	—	—
	16	5.16	5.30
	15	5.07	5.28
	14	5.07	5.35
	13	5.15	5.45
	12	5.20	5.53
	11	5.24	5.56
	10	5.27	5.57
	9	5.29	5.59
	8	5.31	5.59
	7	5.32	5.60
	6	5.34	5.61
	0-5	5.36	5.62

	<i>Consolidated</i>		<i>University</i>	
	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's
14 CURRENT TAX LIABILITIES				
Provision for income tax	142	142	—	—

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

15 ASSET REVALUATION RESERVE

MOVEMENTS IN CARRYING AMOUNTS

	Balance at beginning of year \$000's	Increase (Decrease) on Revaluation \$000's	Carrying amount at end of year \$000's
Consolidated			
Land	85,444	17,282	102,726
Buildings	216,834	19,662	236,496
Art works	3,475	—	3,475
Investments	1,563	616	2,179
	307,316	37,560	344,876
University			
Land	85,444	17,282	102,726
Buildings	216,834	19,662	236,496
Art works	3,475	—	3,475
Investments	1,563	616	2,179
	307,316	37,560	344,876

16 ACCUMULATED FUNDS

	<i>Consolidated</i>		<i>University</i>	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Balance at beginning of year	239,057	217,620	239,267	217,848
Net profit from ordinary activities after income tax expense	10,753	21,437	10,472	21,419
Balance at end of year	249,810	239,057	249,739	239,267

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>Consolidated</i>		<i>University</i>	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
17 STATEMENT OF CASH FLOWS				
RECONCILIATION OF CASH				
Cash at bank and on hand	8,131	3,287	5,268	3,112
Managed fund	55,070	76,303	55,070	76,303
Income securities	5,397	7,376	5,397	7,376
Bank term deposits	—	106	—	106
Bank overdraft	—	(60)	—	—
	68,598	87,012	65,735	86,897
RECONCILIATION OF NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES TO OPERATING RESULT				
Net profit from ordinary activities after income tax expense	10,753	21,437	10,472	21,419
Add non-cash items				
Depreciation and amortisation	26,792	25,102	26,018	24,269
Donations for library holdings	(4,761)	(5,884)	(4,761)	(5,884)
Donations for art works	(56)	(74)	(56)	(74)
<i>Less items classified as investing activities</i>				
Loss/(profit) on disposal of property, plant and equipment	1,790	1,830	1,627	1,798
Provision for diminution of other non-current investments	465	—	465	—
Provision for diminution of investments in controlled entities	—	—	2,135	5,091
Loss/(profit) on sale of investments	—	175	—	175
Decrease/(increase) in:				
Current assets				
Trade debtors	1,660	3,592	693	2,327
Government grants receivable	40	233	40	233
Accrued income	1,582	(1,791)	1,587	(1,813)
Prepayments	(175)	56	46	12
GST recoverable	(570)	(406)	(625)	(238)
Owing by other entities	(16)	(21)	(16)	(21)
Owing by controlled entities	—	—	—	514
Inventories	357	5	357	5
Assets held for resale	(259)	—	(259)	—
Non-current assets				
Owing by controlled entities	—	—	(968)	6
Deferred government contribution for superannuation	4,980	9,214	4,980	9,214
Increase/(decrease) in:				
Current liabilities				
Creditors and accrued expenses	144	3,525	211	3,859
Income received in advance	(5,006)	8,973	(4,482)	9,738
Owing to controlled entities	—	—	(674)	2,018
Employee benefits	2,073	643	1,959	671
Non-current liabilities				
Income received in advance	(322)	172	—	—
Employee benefits	1,713	(437)	1,610	(461)
Deferred employee benefits for superannuation	(4,980)	(9,214)	(4,980)	(9,214)
Unfunded superannuation liability—SERB	(21)	46	(21)	46
Net cash provided by operating activities	36,183	57,176	35,358	63,690
NON-CASH INVESTING ACTIVITIES				
During the year the University received donations for library holdings and art works amounting to:				
Library holdings	4,761	5,884	4,761	5,884
Art works	56	74	56	74
	4,817	5,958	4,817	5,958

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

18 SUPERANNUATION

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 2004, 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 2004, amounted to \$130,866,000 (2003 - \$135,846,000). Unfunded liabilities are met by the Commonwealth Government.

	<i>Consolidated</i>		<i>University</i>	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
(a) Amounts receivable from the Commonwealth Government				
Receivable within 12 months	12,610	12,241	12,610	12,241
Receivable later than 12 months	118,256	123,605	118,256	123,605
Total	130,866	135,846	130,866	135,846
(b) Unfunded superannuation liability				
Payable within 12 months	12,610	12,241	12,610	12,241
Payable later than 12 months	118,256	123,605	118,256	123,605
Total	130,866	135,846	130,866	135,846
(c) During the 2004 year Deakin University's contributions to the various funds are set out below. There were no outstanding employer contributions as at 31 December 2004 (2003—Nil).				

The University contributes to a number of superannuation funds for its employees as follows:

	<i>Employer Contribution</i>		<i>Ratio Employer: Employee Contributions</i>
	2004 \$000's	2003 \$000's	
UniSuper Defined Benefit/Investment Choice Plan (DBP/ICP)	14,922	13,034	2 : 1
UniSuper Award Plus Plan (APP)	6,756	5,888	1 : 0
State Superannuation Fund	12,611	12,247	—
Superannuation Trust of Australia (STA)	617	510	1 : 0
Australian Retirement Fund	35	40	1 : 0
Health Super	15	13	3 : 1
National Mutual	4	1	2 : 1
Construction & Building Unions Superannuation	40	12	1 : 0
Wycombe Superannuation Fund	14	5	1 : 0
State Employees Retirement Benefits Fund (SERB)	20	21	—
	35,034	31,771	—

There was no other unfunded superannuation liability for any other scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

18 SUPERANNUATION (CONTINUED)

UniSuper has advised that at 30 June 2004 the assets of the Defined Benefit Plan (DBP) are greater than the liabilities by \$16,852,949 (2003: \$6,418,502). UniSuper Vested Member Benefits \$156,061,912 (2003: \$140,760,766), Accrued Member Benefits \$134,247,671 (2003: \$117,616,751) and Estimated Net Market Value of Assets \$151,100,620 (2003: \$124,035,253). The accrued benefits have been calculated as the present value of expected future payment of benefits to the members which arise from membership of the Fund up to the reporting date, determined using the actuary's current expectations of earnings of the Fund's assets, future inflation, salary levels and other relevant assumptions.

The adoption of International Accounting Standards for reporting periods beginning on or after 1 January 2005 means that, in future periods, the provision of information relating to employee superannuation entitlements will be driven by the new Australian accounting standard AASB 119 — Employee Benefits.

The new standard is based on a substantially different methodology to the AASB1028 / AAS30 and the current method of allocating assets and benefit liabilities to particular institutions will no longer be appropriate. As a result, the provision of specific information on an individual employer basis (as above) by UniSuper becomes impractical as there is no consistent and reliable basis for allocating the liabilities, assets and costs to individual institutions. Consequently, UniSuper intends to adopt the *multi employer provisions* of this new standard. Therefore, for the 2005 year end and all future periods, UniSuper will only be providing the 'additional information detailing the overall position of the fund' that employers will require to supplement their reporting on a defined contribution basis under the multi employer provisions of AASB 119.

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
19 COMMITMENTS					
At the reporting date the following contracts for capital expenditure had been entered into:					
Within one year		19,342	7,746	19,342	7,746
Later than one year and not later than two years		1,086	53	1,086	53
Later than two years and not later than five years		152	159	152	159
Later than five years		125	185	125	185
		20,705	8,143	20,705	8,143
At the reporting date the following contracts for other expenditure had been entered into:					
Within one year		1,729	1,328	1,672	1,271
Later than one year and not later than two years		1,812	1,313	1,760	1,256
Later than two years and not later than five years		4,524	4,199	4,524	4,147
Later than five years		521	1,023	521	1,023
		8,586	7,863	8,477	7,697
At the reporting date the following obligations under operating leases, which are not shown as liabilities, were in effect:					
Within one year		4,336	3,494	4,058	3,353
Later than one year and not later than two years		2,740	2,275	2,501	2,160
Later than two years and not later than five years		1,065	1,090	877	938
		8,141	6,859	7,436	6,451
At the reporting date the following obligations under finance leases, and which are shown as liabilities, were in effect:					
Within one year		37	75	37	75
Later than one year and not later than two years		3	37	3	37
Later than two years and not later than five years		—	3	—	3
Minimum lease payments		40	115	40	115
Less: future finance charges		(1)	(5)	(1)	(5)
	12	39	110	39	110

20 RESPONSIBLE PERSONS

Name of responsible persons

For the purposes of the *Victorian Financial Management Act 1994*, the Victorian Minister of Education and Training, the Hon. Lynne Kosky, MP, and members of the University Council are the responsible persons of the University. The relevant remuneration of the Minister is included in the financial statements of the Victorian Department of Premier and Cabinet. Members of the University Council received no remuneration for services rendered as members of Council. Council members during 2004 were R.H. Searby (Chancellor), S.A. Walker (Vice-Chancellor and President), B.U. Crassini (Chair of Academic Board), P.C. Turner, A.J. Kloeden, D.F. Jones, M.T. Prendergast, M.L. Edmond, D.M. Morgan, L. Forsyth, B.R. Jamison, J.D. Maddock, M. Rimmer, A.E. Fairley, S. De Gilio, M.J. Dowling, P.H. Reid, J.M. Lightowlers, D.J. Gunning, D.A. Lyell and B.G. McKenzie.

	<i>Consolidated</i>	
	2004	2003
	\$000's	\$000's
Remuneration received or due and receivable from the University and its controlled entities by the responsible persons	921	776

	<i>Consolidated</i>	
	2004	2003
Number of responsible persons whose remuneration from the University and its controlled entities were within the following bands:		
Nil to \$9,999	16	16
\$60,000 to \$69,999	1	2
\$70,000 to \$79,999	1	—
\$130,000 to \$139,999	—	2
\$150,000 to \$159,999	2	—
\$370,000 to \$379,999	—	1
\$470,000 to \$479,999	1	—

Includes all non-cash benefits and payments to responsible persons who have terminated employment with the University. There were no other transactions with responsible persons or related parties.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Consolidated

21 EXECUTIVE OFFICERS' REMUNERATION

	2004 \$000's	2003 \$000's
Remuneration received or due and receivable from the University and its controlled entities by executive officers whose remuneration exceeded \$100,000	6,696	5,325
<hr/>		
	2004	2003
Number of executive officers whose remuneration from the University and its controlled entities were within the following bands		
\$100,000 to \$109,999	—	1
\$110,000 to \$119,999	1	—
\$120,000 to \$129,999	2	—
\$130,000 to \$139,999	1	3
\$140,000 to \$149,999	7	2
\$150,000 to \$159,999	—	3
\$160,000 to \$169,999	3	2
\$170,000 to \$179,999	3	4
\$190,000 to \$199,999	3	5
\$200,000 to \$209,999	5	3
\$210,000 to \$219,999	2	—
\$220,000 to \$229,999	1	1
\$230,000 to \$239,999	1	2
\$240,000 to \$249,999	1	1
\$250,000 to \$259,999	2	—
\$260,000 to \$269,999	1	—
\$300,000 to \$309,999	1	—
\$350,000 to \$359,999	1	—
\$450,000 to \$459,999	—	1

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

Consolidated

22 REMUNERATION OF AUDITORS

Amounts received, or due and receivable, by the auditors for auditing the accounts and consolidated accounts of Deakin University and the accounts of each of its controlled entities

	2004 \$000's	2003 \$000's
Auditor-General of Victoria		
—Deakin University	73	71
—Controlled entities	35	17

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

23 CONTROLLED ENTITIES

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

Entity	Country of incorporation	Principal activity	Ownership interest	
			2004	2003
Australian Human Resources Institute Pty Ltd (formerly Australasian Human Resources Institute Pty Ltd)	Australia	Professional association	100%	100%
Callista Software Services Pty Ltd	Australia	Computer software services	100%	100%
Deakin Networks Pty Ltd	Australia	Non operating	100%	100%
DeakinPrime USA	USA	Non operating	100%	100%
Unilink Limited	Australia	Consultancy services	100%	100%

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

Statement of Financial Performance

Entity	Total Revenue		Total Expenditure		Net Profit/(Loss) after Tax Expense	
	2004	2003	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Australian Human Resources Institute Pty Ltd (formerly Australasian Human Resources Institute Pty Ltd)	8,327	6,873	7,768	6,658	559	215
Callista Software Services Pty Ltd	11,633	7,840	13,768	10,997	(2,135)	(3,157)
Deakin Networks Pty Ltd	—	533	—	533	—	—
DeakinPrime USA	6	61	20	201	(14)	(140)
Unilink Limited	9,508	7,948	9,508	7,948	—	—
	29,474	23,255	31,064	26,337	(1,590)	(3,082)

Statement of Financial Position

(a) Assets

Entity	Note	Current Assets		Non-Current Assets		Total Assets	
		2004	2003	2004	2003	2004	2003
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Australian Human Resources Institute Pty Ltd (formerly Australasian Human Resources Institute Pty Ltd)	(b)	2,540	1,295	196	640	2,736	1,935
Callista Software Services Pty Ltd	(c)	3,524	3,582	69	242	3,593	3,824
Deakin Networks Pty Ltd		—	—	—	—	—	—
DeakinPrime USA		—	15	—	5	—	20
Unilink Limited		—	—	—	—	—	—
		6,064	4,892	265	887	6,329	5,779

23 CONTROLLED ENTITIES (CONTINUED)

(b) Liabilities

Entity	Note	Current Liabilities		Non-Current Liabilities		Total Liabilities	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Australian Human Resources Institute Pty Ltd (formerly Australasian Human Resources Institute Pty Ltd)		2,426	2,197	57	44	2,483	2,241
Callista Software Services Pty Ltd	(c)	1,217	2,060	1,506	759	2,723	2,819
Deakin Networks Pty Ltd		—	—	—	—	—	—
DeakinPrime USA	(d)	2,715	2,721	—	—	2,715	2,721
Unilink Limited		—	—	—	—	—	—
		6,358	6,978	1,563	803	7,921	7,781

(c) Equity and borrowings

Entity	Note	Equity		Internal Borrowings		External Borrowings	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Australian Human Resources Institute Pty Ltd (formerly Australasian Human Resources Institute Pty Ltd)		253	(306)	—	—	—	—
Callista Software Services Pty Ltd	(a)	870	1,005	981	—	—	60
Deakin Networks Pty Ltd		—	—	—	—	—	—
DeakinPrime USA	(a)	(2,715)	(2,701)	2,715	2,714	—	—
Unilink Limited		—	—	—	—	—	—
		(1,592)	(2,002)	3,696	2,714	—	60

(a) Deakin University has provided a letter of comfort to the Directors of Callista Software Services Pty Ltd and DeakinPrime USA. The University has no plans to call in monies owing by these companies to the University and will continue to provide financial support under present terms and conditions to enable these companies to meet their day to day operating expenses.

(b) Current assets includes an amount owing by Deakin University of \$1,344,367 (2003—\$520,622).

(c) Current assets includes an amount owing by Deakin University in 2003 of \$1,496,910 (2004—Nil).
Current liabilities includes an amount owing to Deakin University of \$981,024 (2003—Nil).

(d) Current liabilities includes an amount owing to Deakin University of \$2,715,027 (2003—\$2,713,800).

Australian Human Resources Institute Pty Ltd is expected to continue trading profitably in 2005, building on the results achieved in 2004.

DeakinPrime USA has ceased trading.

Deakin Networks Pty Ltd has ceased trading.

Callista Software Services Pty Ltd has agreed in principle new licence agreements with 10 licensees for their continuing use of 'Callista' student management system. The revised arrangements provide adequate funding for the continuing development of the system and to ensure the functionality required to meet legislative requirements under 'Backing Australia's Future'.

24 JOINT VENTURE OPERATIONS

Deakin University has entered into an agreement with Monash University and the Commonwealth Scientific and Industrial Research Organisation to establish the Victorian Centre for Advanced Material Manufacturing Consortium (VCAMM) for the provision of research, education, training and technology diffusion in materials manufacturing.

The parties have established and operate the Consortium as an unincorporated collaborative joint venture. Deakin University interest in the joint venture is 55.38%.

The Consortium will receive funding from the State of Victoria through the Technology and Innovation Initiative of up to \$5 million.

The University's interest in assets employed and liabilities incurred in the above joint venture operations is detailed below. The amounts are included in the financial statements and consolidated financial statements under their respective asset and liability categories.

	<i>Consolidated</i>		<i>University</i>	
	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's
Current assets				
Cash assets	447	241	447	241
Receivables	45	14	45	14
Total	492	255	492	255
Current liabilities				
Payables	341	22	341	22
Total	341	22	341	22
Net assets	151	233	151	233

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

25 FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policies

The University's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

Recognised financial instruments	Note	Accounting policies	Terms and conditions
(i) Financial assets			
Cash at bank and on hand	3	Cash is carried at the principal amount.	Cash is invested as funds permit at varying interest rates. The interest rate as at 31 December 2004 is 4.73% (2003—4.56%).
Managed fund	3	Managed funds are stated at market value as at balance date.	The weighted average return is 9.74% p.a. (2003—6.62% p.a.).
Income securities	3	Income securities are stated at market value as at balance date.	The weighted average interest rate is 8.10% (2003—8.27%).
Bank term deposits	3	Bank term deposits are stated at principal amount.	The deposit matured on 6 February 2004.
Receivables—Trade Debtors	4	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
Listed shares	7	Listed shares are stated at market value as at balance date. Dividend income is recognised when the dividends are received.	Listed shares held at balance date are fully paid ordinary shares and preference shares.
(ii) Financial liabilities			
Payables	11	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the University. Income received in advance relates to amounts received or receivable at balance date which relate to future periods.	Trade liabilities are normally settled on 30 day terms.
Bank overdraft	12	Bank overdraft is stated as liability to bank.	Facility available for \$3 million overdraft. The interest rate as at 31 December 2004 is 9.10% (2003—9.10%).
Bank loans	12	The bank loans are carried at the principal amount. Interest is charged as an expense as it accrues except where capitalised as part of building projects.	The bank loans are repayable semi-annually with final instalments due on 5 August 2008, 15 November 2012, 1 July 2013, and 7 April 2015 respectively. The weighted average interest rate is 7.24% (2003—7.22%).
DEST loan	12	The DEST loan is stated at the principal amount plus accrued interest as at balance date. Interest is charged as an expense as it accrues.	The DEST loan is repayable bi-monthly with final instalment due on 22 December 2005. The interest rate is 0.00% (2003—2.30%).
Finance lease	12	The lease liability is accounted for in accordance with AASB 1008.	As at balance date, the University has finance leases with an average lease term of 3.8 years (2003—3.7 years). The average interest rate implicit in the leases is 5.96% (2003—5.92%).
Other	12	Principal amount of loan from the Department of Family and Community Services.	The loan from the Department of Family and Community Services is repayable in instalments on 1 January and 1 July each year, with the final instalment due on 1 July 2015. The loan is interest free and secured by the mortgage of the University's building under Certificate of Title Volume 145 Folio 537.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

25 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk

The University's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

Consolidated

Financial instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount per the statement of financial position		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 %	2003 %
(i) Financial assets														
Cash at bank and on hand	8,075	3,235							56	52	8,131	3,287	4.73%	4.56%
Managed fund	55,070	76,303									55,070	76,303	9.74%	6.62%
Income securities	5,397	7,376									5,397	7,376	8.10%	8.27%
Bank term deposits			—	106							—	106	—	0.65%
Receivables —Trade Debtors									12,585	14,245	12,585	14,245	—	—
Listed shares									5,335	4,713	5,335	4,713	—	—
Other									682	472	682	472	—	—
<i>Total financial assets</i>	68,542	86,914	—	106	—	—	—	—	18,658	19,482	87,200	106,502		
(ii) Financial liabilities														
Payables									41,654	46,838	41,654	46,838	—	—
Bank overdraft	—	60									—	60	9.10%	9.10%
Bank loans			2,109	1,938	9,614	9,575	12,375	14,524			24,098	26,037	7.24%	7.22%
DEST loan			3,657	293	—	3,365					3,657	3,658	—	2.30%
Finance leases			36	71	3	39					39	110	5.96%	5.92%
Other									95	104	95	104	—	—
<i>Total financial liabilities</i>	—	60	5,802	2,302	9,617	12,979	12,375	14,524	41,749	46,942	69,543	76,807		

25 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Net fair values

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

	Total carrying amount as per the statement of financial position		Aggregate net fair value	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
(i) Financial assets				
Cash at bank and on hand	8,131	3,287	8,131	3,287
Managed fund	55,070	76,303	55,070	76,303
Income securities	5,397	7,376	5,369	7,339
Bank term deposits	—	106	—	106
Receivables—Trade Debtors	12,585	14,245	12,585	14,245
Listed shares	5,335	4,713	5,309	4,690
Other	682	472	682	472
Total financial assets	87,200	106,502	87,146	106,442
(ii) Financial liabilities				
Payables	41,654	46,838	41,654	46,838
Bank overdraft	—	60	—	60
Bank loans	24,098	26,037	24,167	26,128
DEST loan	3,657	3,658	3,657	3,615
Finance leases	39	110	39	110
Other	95	104	70	74
Total financial liabilities	69,543	76,807	69,587	76,825

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised financial instruments

Cash, cash equivalents and short-term investments:	The carrying amount approximates fair value because of their short term to maturity.
Trade receivables and payables:	The carrying amount approximates fair value for current receivables. Non-current receivables are estimated by discounting future receivables to net present value using discount rates as advised by the Department of Treasury and Finance.
Short-term borrowings:	The carrying amount approximates fair value because of their short term to maturity.
Long-term borrowings:	The fair value of long-term borrowings is estimated by discounting future payments to net present value using the actual rate charged to the University.
Non-current investments/securities:	For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability. For investments 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.

25 FINANCIAL INSTRUMENTS (CONTINUED)

Unrecognised financial instruments

Bank borrowing facility:

Deakin University has available \$40,000,000 of bank borrowing facilities, \$20,000,000 maturing on 2/12/2019 and \$20,000,000 maturing on 1/12/2021. These facilities are at a fixed rate of 6.17% and 6.36% respectively and can be drawn down at any time.

These borrowings are entered as Interest Rate Swaps contracts to borrow money in the future at stipulated interest rates. The objective in entering the interest rate swaps contracts is to protect the University against unfavourable interest rate movements for the anticipated future borrowing from the bank. Gains or losses unrecognised from interest rate swaps contracts. The purpose of the proposed borrowings will be to contribute to capital expenditure in future years.

(d) Credit risk exposures

The University's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

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

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

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

26 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE

26.1 TEACHING AND LEARNING

	<i>University only</i>					
	Operating Grant		Capital Development Pool		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance in cash during the reporting period (total cash received from the Commonwealth for the programmes)	91,766	100,579	1,049	—	92,815	100,579
Net accrual adjustments	(182)	(3,175)	—	—	(182)	(3,175)
Revenue for the period	91,584	97,404	1,049	—	92,633	97,404
Accrual surplus/(deficit) from the previous year	—	—	—	—	—	—
Total accrual revenue	91,584	97,404	1,049	—	92,633	97,404
Less accrual expenses	(91,584)	(97,404)	(1,049)	—	(92,633)	(97,404)
Accrual surplus/(deficit) for reporting period	—	—	—	—	—	—

26.2 HECS AND OTHER COMMONWEALTH LOAN PROGRAMMES

	<i>University only</i>							
	HECS		PELS		BOTPLS		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance in cash during the reporting period (total cash received from the Commonwealth for the programmes)	49,925	55,603	6,687	6,608	60	83	56,672	62,294
Net accrual adjustments	1,878	168	—	—	—	—	1,878	168
Revenue for the period	51,803	55,771	6,687	6,608	60	83	58,550	62,462
Accrual surplus/(deficit) from the previous year	—	—	872	(204)	43	25	915	(179)
Total accrual revenue	51,803	55,771	7,559	6,404	103	108	59,465	62,283
Less accrual expenses	(51,803)	(55,771)	(7,921)	(5,532)	(100)	(65)	(59,824)	(61,368)
Accrual surplus/(deficit) for reporting period	—	—	(362)	872	3	43	(359)	915

26 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

26.3 SCHOLARSHIPS

	<i>University only</i>											
	Australian postgraduate awards— Pre 2002 funding component		Australian postgraduate awards—2002 onwards funding component		International postgraduate research		Commonwealth Education Costs Scholarship		Commonwealth Accommodation Scholarship		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance in cash during the reporting period (total cash received from the Commonwealth for the programmes)	198	505	1,258	877	247	100	170	—	316	—	2,189	1,482
Net accrual adjustments	—	—	—	—	—	—	—	—	—	—	—	—
Revenue for the period	198	505	1,258	877	247	100	170	—	316	—	2,189	1,482
Accrual surplus / (deficit) from the previous year	(141)	(32)	162	77	101	156	—	—	—	—	122	201
Total accrual revenue	57	473	1,420	954	348	256	170	—	316	—	2,311	1,683
Less accrual expenses	(227)	(614)	(1,216)	(792)	(276)	(155)	(170)	—	(316)	—	(2,205)	(1,561)
accrual surplus/ (deficit) for reporting period	(170)	(141)	204	162	72	101	—	—	—	—	106	122

26.4 DEST RESEARCH

	<i>University only</i>									
	Institutional Grants Scheme		Research Training Scheme		System Infrastructure Initiative		Research infrastructure		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance in cash during the reporting period (total cash received from the Commonwealth for the programmes)	2,901	2,953	7,404	7,535	—	775	1,463	1,237	11,768	12,500
Net accrual adjustments	—	—	—	—	—	—	—	—	—	—
Revenue for the period	2,901	2,953	7,404	7,535	—	775	1,463	1,237	11,768	12,500
Accrual surplus/(deficit) from the previous year	—	—	—	—	(3)	(22)	694	506	691	484
Total accrual revenue	2,901	2,953	7,404	7,535	(3)	753	2,157	1,743	12,459	12,984
Less accrual expenses	(2,901)	(2,953)	(7,404)	(7,535)	3	(756)	(2,157)	(1,049)	(12,459)	(12,293)
Accrual surplus/ (deficit) for reporting period	—	—	—	—	—	(3)	—	694	—	691

26 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

26.5 AUSTRALIAN RESEARCH COUNCIL GRANTS

(a) Discovery

	<i>University only</i>							
	Projects		Fellowships		Federation Fellowship		Total	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>
Financial assistance in cash during the reporting period (total cash received from the Commonwealth for the programmes)	2,006	1,679	—	—	156	—	2,162	1,679
Net accrual adjustments	—	—	—	—	—	—	—	—
Revenue for the period	2,006	1,679	—	—	156	—	2,162	1,679
Accrual surplus / (deficit) from the previous year	(90)	(80)	7	7	—	—	(83)	(73)
Total accrual revenue	1,916	1,599	7	7	156	—	2,079	1,606
Less accrual expenses	(1,984)	(1,689)	(7)	—	(156)	—	(2,147)	(1,689)
Accrual surplus / (deficit) for reporting period	(68)	(90)	—	7	—	—	(68)	(83)

26.6 AUSTRALIAN RESEARCH COUNCIL

(b) Linkages

	<i>University only</i>									
	Linkage— Infrastructure Equipment & Facilities		Linkage—Special Research Initiatives		Linkage— International Researcher Exchange		Projects (SPIRT)		Total	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>	<i>\$000's</i>
Financial assistance in cash during the reporting period (total cash received from the Commonwealth for the programmes)	—	616	40	—	41	97	1,993	2,152	2,074	2,865
Net accrual adjustments	—	—	(40)	40	—	—	—	—	(40)	40
Revenue for the period	—	616	—	40	41	97	1,993	2,152	2,034	2,905
Accrual surplus / (deficit) from the previous year	13	—	40	—	69	44	707	546	829	590
Total accrual revenue	13	616	40	40	110	141	2,700	2,698	2,863	3,495
Less accrual expenses	(13)	(603)	(31)	—	(77)	(72)	(1,904)	(1,991)	(2,025)	(2,666)
Accrual surplus / (deficit) for reporting period	—	13	9	40	33	69	796	707	838	829



FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Certification

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

- (a) The attached financial statements and notes thereto present fairly the financial position as at 31 December 2004, and the financial performance for the year ended 31 December 2004 of the University and the consolidated entity;
- (b) The attached financial statements and notes thereto comply with the *Financial Management Act 1994* and with Australian Accounting Standards and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts), Financial Reporting Directions and Business Rules;
- (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 Commonwealth grants expended during the reporting period was for the purposes for which it was granted.

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

A handwritten signature in black ink, appearing to read 'B. Jamison', written over a circular stamp.

BARRY R JAMISON
Member of Council

Date: 22/3/2005
Melbourne

A handwritten signature in black ink, appearing to read 'Sally Walker', written over a circular stamp.

PROFESSOR SALLY WALKER
Vice-Chancellor and President

Date: 22/3/2005
Melbourne

A handwritten signature in black ink, appearing to read 'P. Enlund', written over a circular stamp.

PETER J ENLUND
Principal Accounting Officer

Date: 22/3/2005.
Melbourne



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and Members of the Council of Deakin University

Audit Scope

The accompanying financial report of Deakin University for the financial year ended 31 December 2004, comprising statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Council are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Council as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the University's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of Deakin University as at 31 December 2004 and its financial performance and cash flows for the year then ended.

MELBOURNE
22 March 2005


for J.W. CAMERON
Auditor-General

Compliance index

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

FMA	<i>Financial Management Act 1994</i> (Vic)
FRD	Financial Reporting Directions
SD	Standing Directors of the Minister for Finance issued under the <i>Financial Management Act 1994</i> (Vic)
TEA 1993	<i>Tertiary Education Act 1993</i> (Vic)
PAEC	Decision of Public Accounts and Estimates Committee of Parliament
RUG	Victorian Government response to the Review of University Governance
ESOS	<i>Education Services for Overseas Students Act 2000</i> (Cth)
DEST	Department of Education, Science and Training

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

Clause	Disclosure	Page(s)
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FMA 49(a), (b), (c), (d), (e) **Financial statements**

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SD 4.2 (e)	Reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission	transmittal letter, 48

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Melbourne campus at Burwood

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

Melbourne campus at Toorak

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Australia 3144
Phone: (03) 9244 5100
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Warrnambool campus

PO Box 423
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