



OUTCOMES FROM DEAKIN UNIVERSITY COUNCIL SPECIAL MEETING 7 MAY 2020

Deakin University Council held a special meeting on 7 May 2020 in accordance with Council's Operating Provisions to deal with a specific item of business, being the University's Response Plan to the COVID-19 crisis. The meeting was held by videoconference in line with the provisions for approved methods of communication for Council meetings under the *Deakin University Act 2009*.

COVID-19 Response Plan

Council considered the financial impact of the COVID-19 crisis:

- the University can meet all its legal and financial obligations for 2020 but will incur a significant operating deficit for the year
- the major impact of the COVID-19 crisis will be felt in 2021 and 2022; income in 2021 is anticipated to be 18-22% below 2019
- the multi-year impact means that it is not possible just to 'ride out' the problems in 2020 and resume business as usual in 2021.

Council considered in detail management's Response Plan to the COVID-19 crisis, which involves two main components:

- Budget Sustainability Program to deliver savings
- Borrowing Program to fund University operations in the context of spending exceeding earnings.

Council noted that 55% of the University's total revenue goes towards staff salaries. Inevitably the Budget Sustainability Program involves the potential displacement of staff. Council discussed the need for the University to ensure that staff facing redundancy receive strong support not only in terms of their financial entitlements but also their mental health and general wellbeing.

Council also noted that the Borrowing Program will require approval from the Victorian Government and any actual borrowing must be approved by Council. In the prevailing economic environment borrowing is a better economic option than drawing down on the University's Future Fund, which comprises illiquid assets and is delivering a rate of return above interest rates. Council emphasised that management must continue to weigh up the cost-effectiveness of borrowing as against drawing down on the Future Fund.

Council discussed the significant challenges and difficult decisions faced by the University. Council considered that the Response Plan represented the best way for the University to meet these challenges, being a cogent and coordinated whole of University approach. Council set a goal of a return to a small operating surplus in 2023.

Following careful consideration Council endorsed management's overall response to the impact of COVID-19 as achieving the right balance between cost cutting and debt funding.

Council expressed its strong support for the Vice-Chancellor in addressing all staff on Monday 11 May.