



Commercial Activities and Entities procedure

Section 1 - Preamble

(1) This Procedure is effective from 1 January 2021.

Section 2 - Purpose

(2) This Procedure documents the establishment and operation of controlled entities and membership of, or participation in, affiliated entities.

Section 3 - Scope

(3) This Procedure applies throughout the University.

Section 4 - Policy

(4) This Procedure is pursuant to the [Commercial Activities and Entities policy](#).

Section 5 - Procedure

Review and approval

(5) Prior to engaging in an Exempt Commercial Activity or a Commercial Activity or establishing or participating in a Controlled Entity, a sponsor must:

- a. seek endorsement for the concept and/or business case from the head(s) of the relevant faculty, institute or other area
- b. confer with the General Counsel on the concept and/or business case, including to obtain advice on the governance approvals required
- c. seek endorsement of the assessments and measures undertaken in accordance with the Guidelines from the Office of the Chief Financial Officer and the Office of the General Counsel, using the [Commercial Activity Due Diligence Checklist](#)
- d. prepare a business case and/or commercialisation plan, incorporating an assessment commensurate with the proposed activity (Proposal), including:
 - i. the endorsed due diligence assessment.
 - ii. a thorough and prudent risk assessment, which describes the risk mitigation strategies to be implemented to manage and monitor the risks as appropriate to the scale and nature of the activity.
 - iii. the required expenditure and/or financial commitment required by the University over the life cycle of the activity and/or the first 2 years of the activity
- e. seek endorsement of the Proposal from the Commercialisation Committee

- f. if endorsed, the Commercialisation Committee shall be responsible for referring the proposal to the Vice-Chancellor for consideration, approval and/or endorsement if approval of Council is required.

Controlled Entities

(6) In addition to the requirements specified in clause (5), where an entity is a Controlled Entity:

- a. the constituent documents must be approved by General Counsel and either the Vice-Chancellor or Council (as required), and be duly executed by the University
- b. reports by the Victorian Auditor-General's Office (VAGO) are required to be made every 12 months and submitted to Council within three months of the end of each 12 months period, where the entity's income exceeds, or may be expected to exceed, \$1 million in that period
- c. the accounts of the Controlled Entity must be included in the University's Annual Report where required by section 45 of the [Financial Management Act 1994](#) to do so, and if not required to comply with section 45, the accounts must be forwarded to the Minister by 30 June of each year
- d. within 14 days of lodging a material report, statement or return to the Australian Securities and Investments Commission or the Australian Tax Office, these documents must also be submitted to the Minister and Treasurer
- e. the VAGO's approval to be appointed as auditor must be sought, and where approved, VAGO is to be so appointed
- f. the General Counsel is responsible for notifying the Director, Academic Governance and Standards of any relevant changes to arrangements involving controlled entities that may need to be notified to Tertiary Education Quality and Standards (TEQSA) under the [Tertiary Education Quality and Standards Agency Act 2011](#). The Director, Academic Governance and Standards will ensure that TEQSA is duly notified where required.

Dissolution or divestment of entities

(7) A proposal to:

- a. dissolve, wind-down, or divest a University Controlled Entity;
- b. sell a business operated by a Controlled Entity as a going-concern;
- c. merge a Controlled Entity with another entity;
- d. sell all or part of the University's interest in or agree to a dilution of the University's interest in a Controlled Entity; or
- e. cease participation in a University Controlled Entity; or
- f. otherwise terminate a Commercial Activity,

must be sent to the Chief Financial Officer for ratification before being approved by the Vice-Chancellor (or delegate) and reported to Council via the Finance and Business Affairs Committee (FBAC), or alternatively endorsed by the Vice-Chancellor and considered by FBAC and approval by Council.

Section 6 - Definitions

(8) For the purpose of this Procedure:

- a. Commercialisation Committee: means the committee with that name established under Deakin's [Intellectual Property policy](#).

Status and Details

Status	Current
Effective Date	1st January 2021
Review Date	1st January 2026
Approval Authority	University Council
Approval Date	10th December 2020
Expiry Date	To Be Advised
Responsible Executive	Kerrie Parker Chief Financial Officer evpr@deakin.edu.au
Implementation Officer	Tom FitzGerald Director, Procurement and Commercial Finance tom.fitzgerald@deakin.edu.au
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