



Annual Report
2004

Annual Report 2004

For and on behalf of the Council



Jerry Ellis
Chancellor

Monday, 21 March 2005

Report of the Council of Monash University
for the period 1.1.2004 to 31.12.2004

Approved by Council at its meeting held
on Monday, 21 March 2005

**Monash University
Annual Report 2004**

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Overview

Chancellor's statement

Monash had an outstanding year in 2004, with continued growth across its Australian and international campuses and remarkable achievements among its staff and students.

Across all our campuses there is a strong sense of excitement and confidence in Monash's potential to become one of the best universities in the world.

Throughout the year our researchers continued to break new ground in the fields of science, technology and humanities. We established new international collaborations and established centres of excellence to further our research.

The university's performance in attracting consistently high levels of NHMRC Program Grants reflected our leading reputation in research.

Our students continued to excel, receiving national and international acclaim, and we produced another 9000 graduates across all campuses.

Our regional campuses reflected a growing self-confidence – for example, changes in the management structure at Gippsland campus will enable it to have a greater degree of responsiveness to opportunities in the region.

Important international milestones included the announcement of plans for a new Malaysian campus and a new medical school, and the growth in enrolments at Monash South Africa coupled with the completion of phase three of that campus.

The Monash University Council welcomed four new members and provided continued support to the vice-chancellor and the university.

For these and many other achievements in 2004 and for their continued commitment to Monash, I express my sincere appreciation to the staff, students and my fellow council members.

Jeremy Ellis
Chancellor

Vice-chancellor's statement

The past year reflected the continuing success of Monash University's commitment to the twin platforms of excellence in research and in education. A very successful planning conference early in the year assisted in the preparation of an agreed statement of purpose, a set of values and a strategic framework which will guide it for the next five years. We recognise the opportunities that come from our multicampus structure, our strong international emphasis and the quality and commitment of our staff and students.

Monash staff members were responsible for significant advances in the fight against malaria and cancer and made major contributions to motor accident research, materials science, industrial design, astrophysics, transplant technology, synchrotron science and history along with many other areas of research and scholarship. Monash performed extremely well in the NHMRC Program Grant round, achieving the best results Australia-wide for the second successive year, and there were substantial increases in funding for research from government, industry and international sources. Our education programs continued to perform well with the Monash-wide Monash Experience Questionnaire showing a generally high level of appreciation of the educational and campus experience by the students while also identifying areas where improvements are required. Our growing international reputation was reflected by strong showings in surveys of Australian and international universities by the *Times Higher Education Supplement* and the Melbourne Institute of Applied Economic Research. Monash staff and students also won major state, national and international accolades.

There were significant changes in the Monash leadership team in the past year. Professor Stephen Parker was appointed senior deputy vice-chancellor. We welcomed Professor Edwina Cornish to the position of deputy vice-chancellor (research) in February. Professors Max King, Merran Evans and Graham Webb were named pro vice-chancellors. Professor Phillip Steele became the first academic director of the Berwick campus, in addition to his role of academic director of the Peninsula campus, with the additional responsibility of coordinating and integrating the use of information technology to link our Melbourne campuses for educational purposes. He was also designated pro vice-chancellor Monash Melbourne. Professors Ron Weber and Arie Freiberg took up positions as deans of the faculties of Information Technology and Law respectively. Professor Denise Kirkpatrick was appointed as director of learning and teaching. Meanwhile, the foundation director of the Monash University Prato Centre, Professor Bill Kent, retired from that role; an annual research fellowship will be named in his honour. Ms Meredith Jackson, the executive director of Marketing and Public Affairs, who was responsible for refreshing the Monash brand as well as enhancing the public profile and level of community engagement in visual and performing arts, left to pursue further study. And sadly, Professor Xiaokai Yang, who held a personal chair in Monash's Department of Economics, died in July.

Noteworthy developments in 2004 included the following:

- Monash University Malaysia announced plans to offer a Bachelor of Medicine/Bachelor of Surgery in 2005, in line with development of a new campus in Bandar Sunway and a new clinical school based at the Sultana Aminah Hospital in Johor Bahru.
- Progress on the development of the Australian Synchrotron at Monash's Clayton campus continued, with Monash providing \$5 million to fund beamlines and the building of an electricity substation capable of lighting a small suburb to power the facility.
- The Partners for Advanced Collaboration in Engineering Education, a \$16 million program in 3D computer design in the faculties of Art and Design and Engineering, showed the potential for external funding of education programs allied with industry. Monash is the only Australian university to be invited to join the PACE program.
- Australia's newest and largest business school, the Monash Graduate School of Business, based in the Faculty of Business and Economics, was unveiled.
- Planning commenced for stages two and three of the \$300 million dollar Monash Science Technology Research and Innovation Precinct (STRIP).
- For the second year, Monash's social and environmental performance has been included in this year's report to parliament, affirming the commitment to sustainability reporting.
- The head of the School of Political and Social Inquiry, Professor Gary Bouma, took up the UNESCO Chair in Intercultural and Inter-religious Relations at Monash.
- Monash in-vitro fertilisation pioneer Professor Alan Trounson was awarded the 2004 Bertarelli Foundation Award in Reproductive Health for his contribution to assisted reproductive technology.
- Dr Jamie Rossjohn from the Department of Biochemistry won the Prime Minister's Science Prize in Life Sciences Award.
- Mr Hugh Evans, a law student, was named as the Young Australian of the Year at the Australia Day awards and was named one of 12 outstanding young people of the world for his work in establishing the Oaktree Foundation, a philanthropic organisation run entirely by young people that supports education and community initiatives in developing countries.
- Ms Farnaz Sabet, a medical student, was named the Victorian Rhodes Scholar for 2004, the fourth year in a row that a Monash student has received this award.
- Associate Professor Euan Heng received the Australian Council of University Art and Design Schools Distinguished Research Award, for a lifetime of excellence in fine arts research.
- Prudence Flint, a Master of Fine Arts student at the Caulfield campus, won the \$100,000 Doug Moran National Portrait Prize – Australia's richest art prize – for her entry 'A Fine Romance #9'.

- Six Monash students were part of Australia's team at the Athens Olympic Games.
- Monash South Africa continued its development with the completion of phase three of the campus. The new building provides extensive facilities for teaching that include three seminar rooms, seven tutorial rooms, laboratories, offices and a students' atrium.
- Professors David Smyth and Marelyn Wintour-Coghlan were elected to the Australian Academy of Science.
- Associate Professor David Garrioch, from the History department, was made a Fellow of The Australian Academy of The Humanities.
- Monash South Africa's postgraduate programs in business and economics and information technology received accreditation.

The university's efforts and achievements in 2004 underline its potential to be one of the best universities in the world. The competitive environment for universities in Australia and throughout the world, together with the greater funding pressure on universities, means a major effort is required for that to occur. But in the new global environment, the strong emphasis that Monash University has placed and continues to place on its international activities and linkages together with the quality of Monash's staff and students put it in an excellent situation to achieve this.

Professor Richard Larkins
Vice-chancellor and president

Establishment

Monash University was established under an Act of the Victorian Parliament on 30 May 1958. A body politic and corporate under the name 'Monash University', it had perpetual succession, a common seal and was capable in law of suing and being sued. The responsible minister in the Victorian Parliament was the Minister for Education and Training.

Objectives, functions, powers and duties

The objectives of the university, as stated in section 5 of division 1 of the *Monash University Act*, were:

- to provide facilities for study and education and to give instruction and training in all such branches of learning as may from time to time be prescribed by the Statutes, including, without limiting the generality of the foregoing, pure science, applied science and technology, engineering, agriculture, veterinary science, medicine, law, arts, letters, education and commerce;
- to aid by research and other means the advancement of knowledge and the pursuit of the benefits of its practical application to primary and secondary industry and commerce;
- to promote critical enquiry within the university and in the general community;
- to confer after examination the several degrees of bachelors, masters and doctorates and such other degrees and diplomas as are prescribed by the Statutes; and

iversity shall aim to foster a desire for learning and culture and for a knowledge of the social and cultural as well as the technical and practical aspects of that branch of learning and an understanding of its relation to the whole field of human life and knowledge.

The governing authority of the university was the Council. Its subordinate standing committees, other boards and committees, the vice-chancellor and senior officers of the university advised the Council.

Services

The university provided post-secondary education and study facilities primarily to the Victorian community on campuses at Berwick, Caulfield, Clayton, Gippsland, Parkville and Peninsula, and at campuses in Malaysia and South Africa. In addition, the university had more than 100 bilateral institutional links which enabled academic and research collaboration and student exchange programs. It also provided off-campus learning to students in approximately 40 countries.

Faculties of the university were: Art and Design; Arts; Business and Economics; Information Technology; Education; Engineering; Law; Medicine, Nursing and Health Sciences; Science; and the Victorian College of Pharmacy. Each provided undergraduate and postgraduate degrees and diplomas. In addition to these faculties, there were centres that expressed the research interests of staff members and provided specialised nuclei for postgraduate and some undergraduate study. Many of these acted as a focus for interdisciplinary research. The work of the university was expanded and supported by affiliated institutions, which cooperated in various ways with teaching and research courses at Monash.

Administrative structure

From 1 January 2004 to 31 December 2004, the following members constituted the University Council.

• CHANCELLOR

Jeremy Kitson Ellis, MA Oxon HonDEng C. Qld FTSE FAICD
FAusIMM Hon.FIEAustCPEng

• VICE-CHANCELLOR AND PRESIDENT

Richard Graeme Larkins, AO, MD BS *Melb.* PhD *Lond.* HonLLD
Melb. FRACP FRCP London FRCPI FAM Malaysia FAM
Singapore HonFRCP Thailand HonFACP USA HonFCeylon CP

• CHAIRPERSON OF THE ACADEMIC BOARD

Alan William Lindsay, BSc DipEd MEd(Hons) *Syd.* PhD *Macq.* to
23 February 2004

Christopher Aidan Browne, BA *York* DPhil *Oxon* from 24
February 2004

• THREE PERSONS ELECTED BY AND FROM THE STAFF OF THE UNIVERSITY PRESCRIBED BY THE STATUTES

Professorial staff member

Tam Sridhar, BTech *Madras* ME *IISc* PhD *Monash* FISE FIEAust

Non-professorial academic staff member

David Suter, BSc DipEd *Flinders* GradDipComp *RMIT* PhD *La Trobe*

General staff member

Dale Halstead, BA BSocWork *Melb.* GradDipEdAdmin
HwthnInst

• TWO PERSONS ELECTED BY AND FROM THE STUDENTS ENROLLED AT THE UNIVERSITY PRESCRIBED BY THE STATUTES

Undergraduate member

Michael Josem

Postgraduate member

Alastair McKenzie BA *Monash*

• SIX PERSONS APPOINTED BY THE GOVERNOR-IN-COUNCIL

Lesley J Boston, BA BEd *Melb.* MACE

John Charles Hutchinson, DipMechEng ED FIEAust. MAICD
MAIM

Wendy Peter, BJuris LLB *Monash* LLM *Cantab*.

Paul Henry Ramler, AM, DipBusMktg MBus (Hons) *CIT ACIT*
FAIM AFAMI

Brian Robinson, AM, BSc(Hons) *Belfast* PhD *Melb.* to 27
February 2004

Rhonda Galbally AO BEc *Monash* DipEd HonDSc *La Trobe* to
23 March 2004

John William Zillman, AO, BA BSc(Hons) MSc PhD HonDSc
Monash from 23 November 2004

- ONE PERSON APPOINTED BY THE MINISTER

Jennifer Samms, BEc *Monash*

- SIX PERSONS APPOINTED BY THE COUNCIL

Louise Adler, BA(Hons) *Reading* MA MPhil *Columbia*

Glenn Barnes, BAgSc *Melb.* CPM FAMI FAIM FAICD FAIBF
FRSA

Colin J Bourke, MBE, BCom BEd *Melb.* LLB *Adel.* MEd *Canb*
TPTC *Geelong* FACE FAIM

June Margaret Hearn, BA MA PhD *Melb.*

Penelope Florence Evans Hutchinson, BA(Hons) *Lond.* AMusA
MA *Melb.* MAICD

John Buxton Laurie, AC, BE *Adel.* FICE FIEAust ACEAust
AATSE

Tony Calder – secretary to Council

- MEMBERSHIP OF AUDIT COMMITTEE

Jeremy Kitson Ellis, MA, *Oxon* HonDEng *C. Qld.* FTSE FAICD
FAusIMM Hon.FIEAustCPEng

Penelope FE Hutchinson, BA(Hons) *Lond.* CA AMusA AICD

Kim Langfield-Smith, BEc *Syd.* DipFinMgt *UNE* MEc *Macq.*
PhD *Monash* FCPA

Wendy Peter BJuris, LLB *Monash* LLM *Cantab*

In attendance:

Alison Laura Crook, AO, BA(Hons) *UNE* MBA *Qld.* DipLib *S.*
Aust. DipEd *Adel.* HonDUniv *S.Aust.* HonDLitt *Macq.* FALIA
FRIPAA FAIM FAICD

Richard Graeme Larkins, AO, MD BS *Melb.* PhD *Lond.* HonLLD
Melb. FRACP FRCP London FRCPI FAM Malaysia FAM
Singapore HonFRCP Thailand HonFACP USA HonFCeylon CP

Greg Connell – executive officer and secretary

- VICE-CHANCELLOR AND PRESIDENT

Richard Graeme Larkins, AO, MD BS *Melb.* PhD *Lond.* FRACP
FRCP London FRCPI HonFAM Malaysia HonFAM Singapore
HonFRCP Thailand HonFACP USA HonFCeylon CP

- SENIOR DEPUTY VICE-CHANCELLOR AND SENIOR VICE-
PRESIDENT

Stephen Parker, LLB(Hons) *Newcastle* (UK) PhD *Wales*

- DEPUTY VICE-CHANCELLOR AND VICE-PRESIDENT
(RESEARCH)

Gary Bouma, BA *Calvin* BD *Princeton Theol.Sem.* MA *Cornell*
PhD *Cornell* to 15 February 2004

Edwina Cecily Cornish, BSc(Hons) PhD *Melb* FTSE FAIM from
16 February 2004

- DEPUTY VICE-CHANCELLOR AND VICE-PRESIDENT
(ACADEMIC)

Alan William Lindsay, BSc DipEd MEd(Hons) *Syd.* PhD *Macq.*

- DEPUTY VICE-CHANCELLOR AND VICE-PRESIDENT
(RESOURCES)

Alison Laura Crook, AO, BA(Hons) *UNE* MBA *Qld.* DipLib *S.*
Aust DipEd *Adel.* HonDUniv *S.Aust.* HonDLitt *Macq.* FALIA
FRIPAA FAIM FAICD

Senior officers

- VISITOR

John Michael Landy, AC, MBE BAgSc *Melb.* HonLLD *Melb.*
HonLLD *Vic.BC* HonDRurSc *UNE* FAIAS FTSE Governor of
Victoria

- CHANCELLOR

Jeremy Kitson Ellis, MA *Oxon* HonDEng *C. Qld.* FTSE FAICD
FAusIMM Hon.FIEAustCPEng

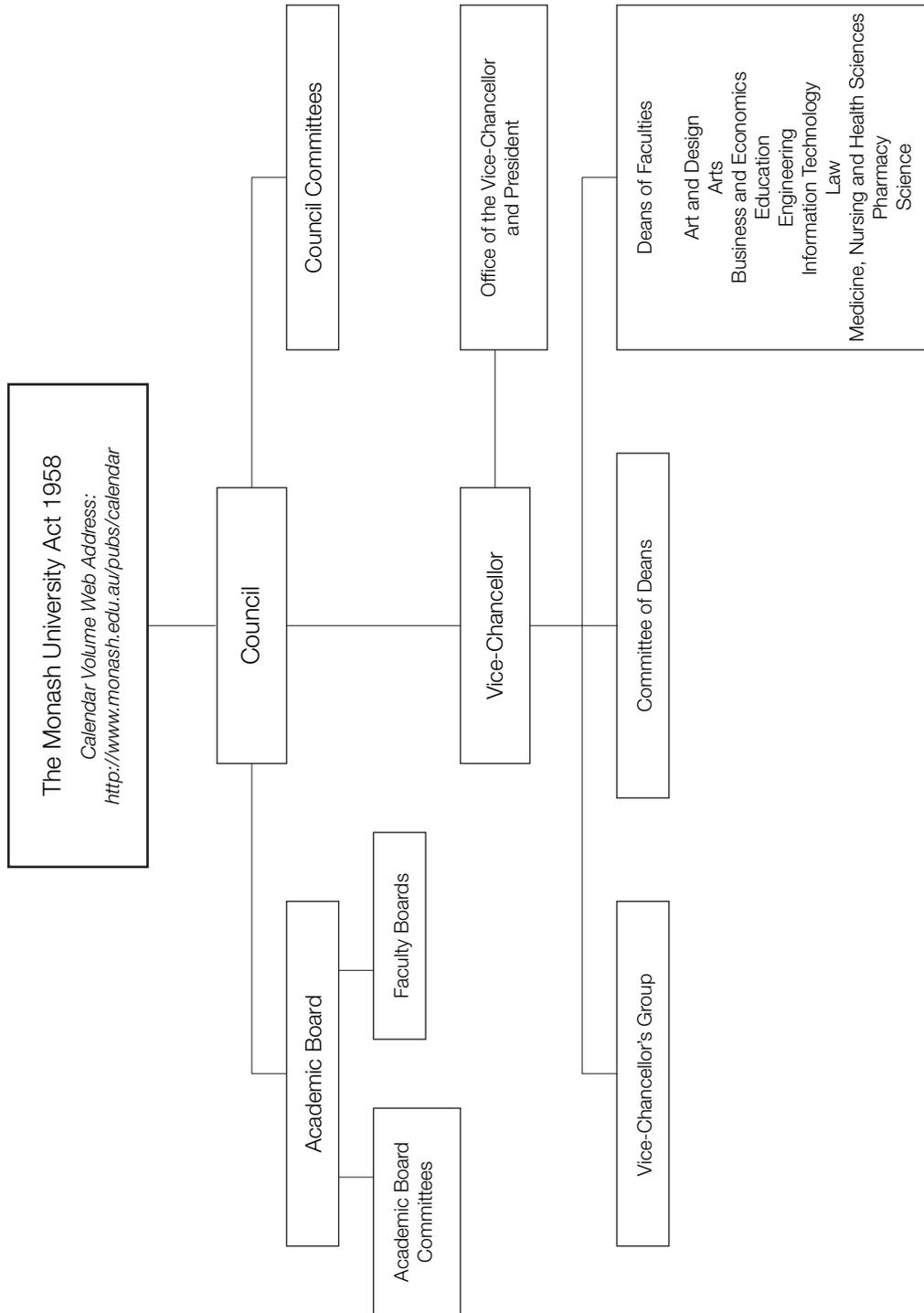
- DEPUTY CHANCELLORS

June Margaret Hearn, BA MA PhD *Melb.*

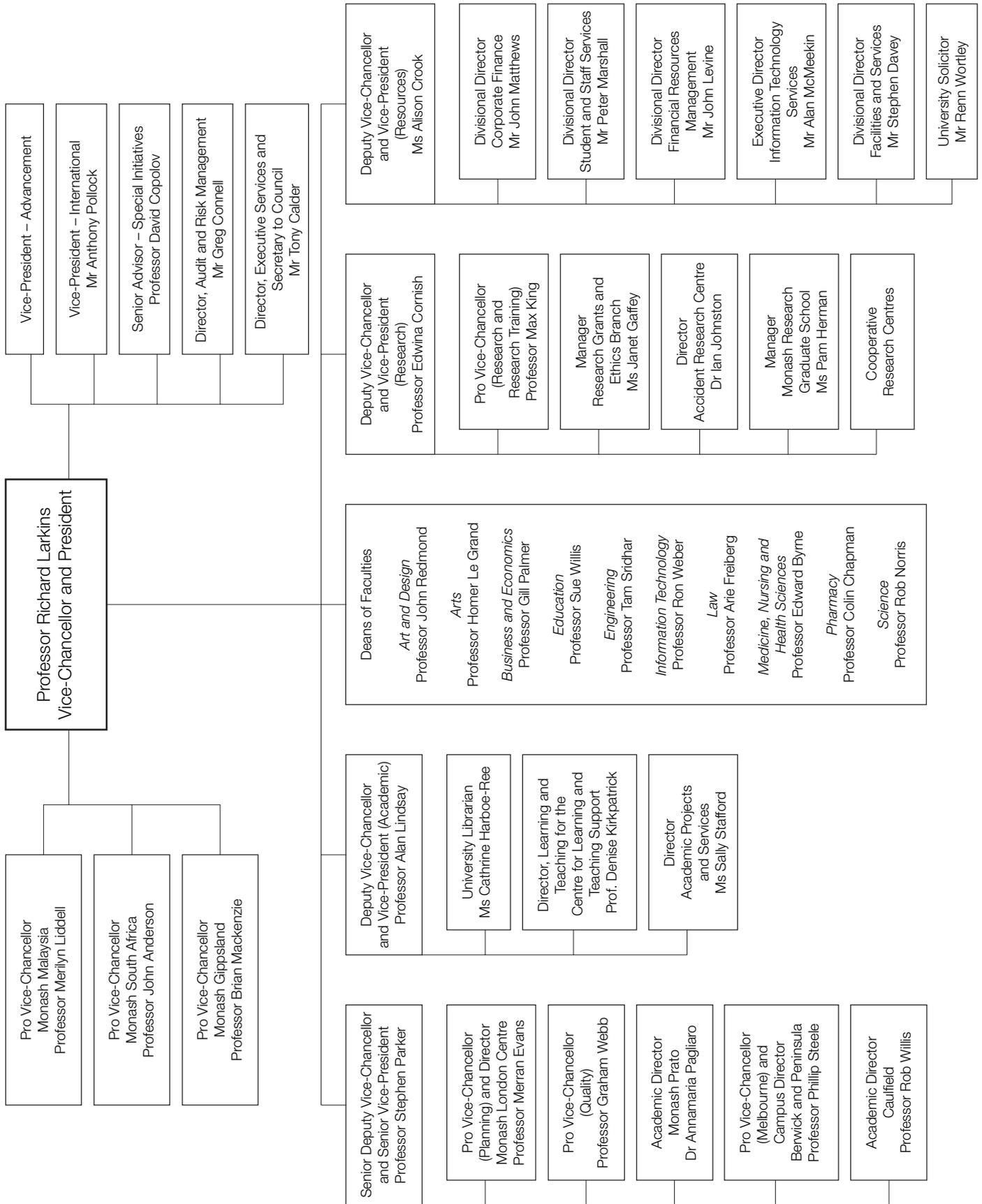
Paul Henry Ramler, AM, DipBusMktg MBus (Hons) *CIT ACIT*
FAIM AFAMI

Organisational charts

Overall governance and management



Monash University senior management



Core business:
teaching and research

Operational objectives and initiatives

Strategic planning

In 2004, there was a review of the strategies and objectives of the university resulting in the redevelopment and significant redrafting of the university's long-term strategic directions document. Additionally, the introduction of a system of annual priority setting to guide strategic and operational planning led to the development of a university-wide annual plan. The planning, reporting and evaluation cycle was further refined to increase synergy with university strategic directions.

Integrated campus planning was undertaken after extensive discussion with key internal and external stakeholders. New governance structures to support multicampus development and management were explored, some of which will come into effect from 2006.

A significant feature of the year entailed analysing the *Higher Education Support Act 2003* to ensure that the university was well-placed to respond to the consequent changes in the sector.

A review of university-wide performance indicators resulted in the retention of sector-wide indicators to enable benchmarking against other relevant universities, and development of a separate set of internal measures. Performance targets were included where relevant. The methodology of, and Monash's standing in, major university world rankings tables was analysed.

Quality

The Monash approach to quality is based on a quality cycle of: plan, act, monitor, review and improve. Advances were made in each area during 2004.

A revised planning framework was developed, to include the university-wide annual plan, campus direction statements for all eight campuses, a five-year strategic framework document containing the university's key values, and a long-term strategic directions document.

Initiatives arising from the institutional self-review, 'Still Learning', included development of an agreed definition of the teaching-research nexus; an institutional action plan for its implementation; a benchmarking project on the teaching-research nexus in collaboration with the University of Sydney; and a further roll-out of the senior leadership and management development program, together with development of a protocol for the 'blind marking' of examination scripts. The development of service-level agreements between central support services and faculties for all services was completed and included performance standards, key performance indicators and costs.

Monitoring activities included delivery of Monash Experience Questionnaire (MEQ) reports, which provided the first comprehensive view and analysis of the Monash student experience. The report of the Employer Survey provided evidence of employers' views regarding the importance of graduate attributes and the success of Monash graduates in demonstrating these. The university participated in the national Higher Education Innovation Programme, a project to develop qualitative software analysis capability through CEQuery.

Activity in the area of reviews included two large-scale, institutional-level thematic reviews, one of internationalisation and including all international activities and the second of research performance and research services. Central monitoring of reviews was strengthened by instituting a process whereby issues of institutional strategic importance arising from external review reports were identified and further follow-up undertaken where necessary. A review panel of the university's Transnational Quality Assurance and Improvement Committee completed a review of courses offered by TMC Centre for Advanced Education, Singapore and a number of recommendations arising from the review were actioned.

An 'improvement' website, which provides feedback to stakeholders such as students, staff and employers concerning the results of surveys and improvements made as a consequence of surveys, was established.

Learning and teaching

Implementation of key strategies and objectives of the Learning and Teaching Plan 2003–2005 was a major focus in 2004. A report describing high-quality learning and teaching at Monash and its underpinning values was completed and endorsed. Articulation of the teaching-research nexus and establishment of policy and guidelines on internationalising the curriculum were other areas of important policy development.

A total of \$503,000 was distributed from the Learning and Teaching Innovations Fund to faculties and support units for development of graduate attributes, international curricula, flexible offerings, technology-supported learning, and the teaching-research nexus. The Unit Innovation Grants Scheme (UIGS) provided \$480,000 to support learning and teaching innovations in course units through grants in the range of \$5,000 to \$15,000. Each faculty identified priority units for redevelopment with enhanced student-centredness, flexibility and the appropriate use of technology in learning and teaching.

A major initiative was the appointment of the university's first director of Learning and Teaching to provide strategic leadership and advice on planning, policy and practice to improve the quality of learning and teaching in the university. The director is also responsible for the provision of comprehensive academic support services for the development and delivery of flexible learning programs, and the development and delivery of appropriate and effective university-wide academic staff development activity. The director has commenced a review of the services of the Centre for Learning and Teaching Support which are provided across the university.

Other initiatives included symposia on exemplary online teaching, the teaching-research nexus and internationalising curriculum, and seeking accreditation for off-campus programs from the Distance Education and Training Council in the United States.

- Monash University Library extended its support for teaching and learning by:
- upgrading the Library's website and publications;
- implementing an overarching technology plan for the systematic upgrading of equipment;
- developing a master plan for upgrading physical facilities;
- introducing the concept of the 'learning commons' to enhance coordinated student support;
- developing an information literacy review that will see systematic embedding of information skills development in coursework programs.

The library also led the development of the Monash University ePress and was successful in winning a grant from the Department of Education, Science and Training for a consortium project to establish digital research repositories.

The integration of the Monash orientation and transition programs now offers a seamless and comprehensive service to current and prospective students, students' families, university staff, secondary schools and teachers. The suite of activities on offer, including a number of pilot projects targeting particular cohorts of students, focuses on enhancing the transition outcomes for all students, especially those new to university.

Academic policy and projects

A re-arrangement of university-level executive support services resulted in the formation of a dedicated academic projects and services unit to strengthen and integrate support for university academic decision-making and policy development bodies, to coordinate and support teaching and learning grant schemes and projects, and to manage the Course and Unit Publications and Information Database.

The Academic Policy Bank was actively utilised to facilitate access to the major policies and procedures of the university. A review schedule for policies and procedures was established and a toolkit developed to assist policy formation and revision.

The Course and Unit Publications and Information Database (CUPID) system continued to develop as a major university administration system interfacing with the student system and underpinning the production of a wide range of marketing and academic publications.

In the academic staffing area, a comprehensive review of the professorial appointment process was completed. Major changes were made to the types of appointment within the professoriate, to selection and promotion procedures and to the associated committee processes. Achievement of more coherent, flexible and streamlined processes was an important outcome.

Major research and development activities

A review of research and research management was undertaken to evaluate the university's research performance and to recommend changes to governance, policies and processes that support the university's research aspirations. The final report and recommendations will be released in early 2005.

To enhance the potential for Monash and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to attract external competitive research funding, the Monash-CSIRO Collaborative Research Program was established to provide seed funding for one-to-two-year projects.

Research applications and funding

In 2004, 1260 applications were submitted to 276 separate schemes. Of these, 462 were successful, representing an overall success rate of 36.7 per cent. The total value of all funding awarded in 2004 was \$64.01 million (excluding cooperative research centres), and total research income as at the end of December 2004 was \$122 million, an increase of approximately 9 per cent in comparison to the previous year.

Australian Research Council (ARC)

Results for funding included:

- Discovery Projects: a total of \$15,922,696 was awarded to Monash researchers, an increase of 6.1 per cent over the previous year. The overall success rate (ie the number of successful applications as a percentage of total applications) also rose from 29.6 per cent to 32.9 per cent;
- ARC Linkage, Round One: the university's performance in Linkage is traditionally strong, with a high proportion of applications funded. The total value of Linkage awarded was \$3,711,176, representing an increase of 5.2 per cent. The university's overall success rate rose from 52 per cent to 70.8 per cent;
- Monash was also awarded five Large Infrastructure Equipment Fund grants with a total value of \$2,242,783;
- The total number of applications for other major ARC schemes – Federation Fellowships and Centres of Excellence in particular – rose sharply in 2004, a good predictor of future success. The results for these schemes will not be announced until 2005.

National Health and Medical Research Council (NHMRC)

In 2004, the university maintained its excellent record of success in NHMRC schemes, although fewer faculties applied for funding from this source. Results for funding included:

- NHMRC Project Grants: of 121 applications, 24 per cent were successful, an increase of 4 per cent in the success rate over the previous year, placing Monash University fourth among the Group of Eight universities. These grants are for projects that will run from two to five years;

- NHMRC Program Grants: of six applications, five were successful, representing an increase in success rate of 25 per cent over the previous year. Each program will run for five years;
- NHMRC Research Fellowships: of 10 applications, seven were successful, an increase of 16.7 per cent in the success rate over the previous year. Each fellowship is for five years;
- the university was extremely successful in the inaugural round of funding from the Health Services Research Program and was awarded a grant of \$3.5 million over five years, or 31.2 per cent of the total amount available.

Other external funding schemes

The university received a total of \$11,037,862 through the Research Infrastructure Block Grants Scheme from the Department of Education, Science and Training (DEST). The grants are distributed to faculties on the basis of the share of Australian Competitive Grants funding received by faculties. This was an increase of 14.5 per cent over the previous year.

One US National Institutes of Health (NIH) Grant of A\$1.2 million over four years was awarded to a Monash researcher. Assessment of further applications for NIH grants is continuing.

The university submitted 12 Expressions of Interest for Round Three of the Science and Technology Initiative Infrastructure Grants funded by the Victorian Government, of which five, or 41.7 per cent, were invited to submit a business proposal. This compared very favourably with the overall average of 14.9 per cent of submissions progressing to the next stage.

The university participated in 10 applications for cooperative research centres that progressed to stage 2 of the application process. Of these, eight (80 per cent) went to interview. This is slightly higher than the overall sector rate of 78.8 per cent.

Internal Research Support

A total of \$6.7 million was awarded by the Monash Research Fund to support Monash researchers. This funding was directed to:

- provision of matching funds in support of successful major bids, alone or in collaboration;
- subscription payments to make available research funding databases and high-speed IT services to researchers and administrators; and
- internal competitive grants (\$1.85 million, of which \$1.2 million was allocated to new research areas).

In addition to the nine Project Grants and nine Postdoctoral Fellowships, four Monash Fellowships were supported in 2004. Five new Monash Fellowships were also awarded to high-calibre early career researchers for 2005.

Research publications

In its 2004 annual report to DEST, Monash University reported a total of 3232 eligible publications as having been published in 2003, an increase of 47.6 per cent over the previous year.

Research training

Quality in research training

A major five-yearly review of the administration and operation of the university's research training program was undertaken.

The online supervision training program introduced in 2002 was substantially reviewed in 2004. In addition to the expansion of basic training modules, new advanced or 'master classes' in specialised topics were identified for implementation in 2005. The training program can be accessed at www.monash.edu.au/phdschol/forms/trainprog.html.

Policy reviews were also conducted on supervision load and the university's *Code of Practice for the Supervision of Doctoral and Research Masters Candidates*.

The university performed well in a national benchmarking exercise on major policies, procedures and outcomes that underpin good

practice in the provision of higher degree by research programs. With minor exceptions, Monash met benchmarks in the following categories:

- selection, admission, enrolment and induction of students;
- initial review and subsequent progress;
- thesis examination procedures;
- supervisory arrangements;
- development of research and other skills;
- feedback mechanisms;
- institutional arrangements including governance and monitoring of research degree programs;
- provision of research environment;
- procedures for handling appeals and complaints.

An integrated university-wide induction and orientation program for new higher degree by research students was conducted under the auspices of the Monash Research Graduate School in early 2004.

The generic and transferable skills program of seminars and workshops was significantly revised to include new programs, expansion to all campuses and access via video conferencing and online training. A major intellectual property awareness program for students and their supervisors was initiated at the end of 2004.

Higher degree by research candidature

Of a total of 2947 students who were enrolled in higher degree by research courses, 612 new students commenced their studies in 2004. Of 2176 students who were enrolled in doctoral courses, 371 new students commenced their studies.

Approximately 409 students had their doctoral candidature confirmed under a mandatory arrangement that requires all students to be enrolled on a probationary basis. The confirmation process required students to make an oral presentation and to submit a written summary of their progress in research to an expert panel. Termination, grievance and appeal procedures were also reviewed.

Twelve students were enrolled in the recently created Master of Philosophy (MPhil) course.

Options for postgraduate research study were broadened with the adoption of guidelines for the development of joint and double-badged PhD programs. The choice of presenting a thesis consisting of published and unpublished papers is now firmly established.

Scholarships and awards

In 2004, the university received an RTS allocation of more than \$37.8 million, an increase of 2.3 per cent over the previous year. A significant increase in projected 2005 RTS funding of \$39.2 million is related to the discontinuation of the 'separations' pool and allocation of funds to institutions strictly in accordance with a formula of 50 per cent completions, 40 per cent research income and 10 per cent research publications.

A total of more than \$54.6 million (including RTS and other DEST funding) was allocated for postgraduate research awards and grants at Monash in 2004, in comparison to \$52.7 million in the previous year. The Monash-funded programs had budgets of \$8.2 million and \$7.5 million for 2004 and 2003 respectively.

Of 994 scholarship applications submitted, 45.1 per cent were from female applicants, compared with 874 applications, of which 48.6 per cent were from female applicants, in the previous year.

There were 115 Australian Postgraduate Awards (APA) and another 115 Monash Graduate Scholarships (MGS) available, with total funding of \$6.3 million and \$6.4 million respectively. A total of 275 offers were made, representing a 20 per cent over offer. Monash retained its fifth rank in the allocation of APA. Ten additional MGS were awarded for areas of research priority.

Just over 48 per cent of ranked applicants were Monash graduates, compared with 50.2 per cent in 2003, while 52.9 per cent of

acceptances were from Monash students, compared with 54.3 per cent in 2003. Of ranked applicants, 24.5 per cent had completed their highest qualification at an overseas institution, compared with 22.8 per cent in 2003. International students accepted 52.8 per cent of MGS awards and, for a third time, more eligible applicants failed to receive a scholarship offer in this selection round than received offers: 317 and 275 respectively. In response, an additional 20 MGS and 20 additional fee-paying Monash International Postgraduate Research Scholarships (MIPRS) were offered in the 2005 selection round. Monash also received funding of \$1.2 million for 24 Commonwealth Postgraduate International Research Scholarships for fee-paying international students, which, together with the university's MIPRS scheme (\$1.3million), supported approximately 50 scholarship packages.

Other major award schemes included:

- 20 APA (Industry) scholarships (26 in 2003) were awarded to Monash as part of the Australian Government's Linkage program;
- A budget of \$100,000 supported 10 Postgraduate Teaching and Research Fellowships in the university's areas of research priority;
- 295 postgraduate travel grants (278 in 2003) and 29 Postgraduate Publication Awards (27 in 2003) were awarded, with total funding of \$400,000 and \$125,000 respectively;
- A \$10,000 Conference Organisers' fund supported seven groups of students to run seminars and conferences (nine in 2003);
- The Doctoral Completion Scholarships (\$155,000) program expanded very significantly in 2004 and provided 26 students with a funded intensive period of uninterrupted research in order to complete the final writing of their theses. Faculties were reimbursed only when thesis submission took place during the tenure of the award, with pro-rata reimbursement for submissions thereafter.

Thesis examinations

As at 30 November 2004, a total of 307 students were awarded higher doctorates compared with 339 for 2003. Average and median lengths of candidature upon submission remained unchanged at approximately 49 and 48 months respectively. The average age upon submission also remained steady at approximately 36 years. Approximately 90 per cent of examinations concluded without further examination being required.

A review of thesis examination policies and procedures took place, with the MPhil examination process being identified as a template for all masters by research degrees, and the administrative processing of all higher doctorates was transferred to the Monash Research Graduate School.

Support services

The upgrade of Callista, the student administrative information system, commenced and will deliver the infrastructure to meet reporting standards for the Higher Education Information Management System arising from the *Higher Education Support Act 2003*. Contractual arrangements were made with the vendor after lengthy consultation with other universities.

Significant renewal activities of the Monash University data network were conducted in 2004 and will continue into 2005. The Victorian Educational and Research Network is to be established as a corporate entity, VERNet Pty Ltd, with each Victorian university and the CSIRO holding shares. VERNet's offices are located at Monash's Clayton campus.

A successful pilot of the learning management system WebCT was conducted. In 2005, WebCT will be utilised extensively in the university's teaching programs.

A robust storage management system based on IBM storage area network technology was implemented to improve access, integrity and efficiency in managing the university's online information.

An external consultant conducted a review of the Disaster Recovery Planning process and plans relating to the university's

critical IT infrastructure. Policies and procedures were assessed as being adequate, and opportunities for improvement recommended by the review were implemented.

A Security Incident Reporting Information Management System (IRIMS) was implemented at all Victorian campuses. IRIMS enables the university to capture electronically a range of detailed information on security-related matters at both the individual and aggregate level and greatly enhances the ability of the university to analyse this data and develop a coordinated response to security-related incidents.

All campus crisis management and recovery (CMR) manuals were updated and a CMR training program was introduced for key staff at several campuses. Individual CMR exercises, which included participation by representatives of emergency services organisations, were conducted at various locations. These processes have improved the university's capacity to deal with and respond to critical incidents should they occur.

Emerging from the institutional self-review conducted in 2001, the first module of the Senior Management Development Program focusing on leadership, titled 'Leadership for the Future', was implemented in 2004. Seventy two senior staff from academic and management areas participated in this flagship leadership development program.

An Employee Assistance Program (EAP) was introduced to support the university's commitment to a safe and healthy working environment. The EAP provides confidential counselling and consulting services that focus on early assessment and preventive measures.

A GET SMART study skills group program was introduced for 'at risk' students. Eighty-five students attended the five-week course designed to maximise their learning success using Strategies, Motivation, Attitude, stress Reduction and Time management techniques.

Effective management of WorkCover claims led to a reduction in the university's WorkCover insurance premiums. It was anticipated that the late 2004 introduction of C-Net, a comprehensive Workcover/OHS information management system, would deliver further operational efficiencies in this area.

The development of urban plans for Gippsland, Parkville and Peninsula campuses was commenced and priority sequencing of the urban plans for Caulfield and Clayton campuses was completed. A major new academic building was completed at Berwick campus and construction of the new 20,000 square-metre academic building and car park at Caulfield campus continued. Expressions of interest were called and evaluated for the development of stage two of the Caulfield campus and for a new building and major refurbishment of an existing building at Parkville campus. Work continued on specification of Monash STRIP buildings two and three, while building one was progressively tenanted and the first programs to facilitate technology transfer were commenced.

Construction of the \$12.5 million Gippsland Education Precinct continued, with key building works completed.

Monash Commercial Pty Ltd generated considerable income for Monash University, through license fees, contract research and an increase in portfolio value. This was achieved through licensing transactions, the establishment of spin-off companies and collaborative agreements. A number of provisional patents were filed and PCT applications made.

Statement on significant initiatives and strategies developed for the university's international operations

The university made significant progress against the key outcomes set out in *Global Development: 2002-2006* and consolidated its international activities.

Highlights included:

- a 56 per cent increase in enrolments at Monash South Africa, with more than 350 students enrolled at the campus;
- the university, through Monash International, extended its Monash College pathway courses to the Faculty of Arts. It now offers diplomas in art and design, arts, business and economics, engineering and information technology;
- Monash College delivered its 1800th student into Monash University's undergraduate courses;
- a record 5000 new international students commenced study at Monash campuses in Victoria;
- more than 960 Monash students enrolled at Victorian campuses participated in education overseas via the Monash Abroad program, the largest number to do so;
- four steering groups were established to oversee the university's regional international strategies;
- Monash College operations in China were consolidated in Guangzhou;
- approval for the construction of a new campus in Malaysia, with completion anticipated by 2007;
- approval for the introduction of a Bachelor of Medicine/Bachelor of Surgery degree at Malaysia campus in 2005.

Faculty of Art and Design

The Faculty of Art and Design continued its focus on improving operational and budgetary efficiencies across all areas. The faculty continued to develop and maintain high-quality education in the disciplines of art and design and further developed its multimode and student-centred approach to teaching and learning.

The visiting artist/designer program continued to grow and a number of high-profile international artists and designers participated in residencies with the faculty. They included British painter Kate Bright, Cambodian textile artist Marine Ky, American graphic designer Stuart Alden, London-based American artist Jordan Baseman and New York-based Australian artist (and Monash alumnus) Peter Bonner.

The Faculty Gallery was an integral feature of the faculty and showcased the work of students, graduates, artists and designers. Highlights of the gallery's program included an exhibition of contemporary Japanese artworks held in conjunction with The Japan Foundation, the 2004 Australian Design Awards exhibition, and an exhibition of works by contemporary artists Mike Parr and Adam Geczy. Community and media interest in the gallery's exhibitions and activities was reported across a number of print media, television and journal articles.

Successful marketing of the faculty's courses through the schools liaison program continued to increase the faculty's profile in Victorian secondary schools and, as a result, demand for undergraduate courses offered by the faculty was high. The quality of undergraduate applicants improved, and all courses recorded an increase in applicant ENTER scores.

Applications from prospective international undergraduate and postgraduate research students exceeded target levels, as did enrolments by international students. A focus on promoting the achievements of current postgraduate students generated strong demand for the faculty's higher degree by research courses from high-calibre prospective students. The number of higher degree by research completions increased and this was largely attributable to strategies employed to ensure high-quality research supervision and training.

In July, the faculty participated in the State of Design Festival, a Victorian government initiative aimed at raising the profile of design in Victoria. The faculty presented a number of business design forums, several student-oriented presentations promoting careers in design and a major design exhibition in the Faculty Gallery.

The faculty was accepted into the Partners for the Advancement of Collaborative Engineering Education (PACE) program, an

international alliance with corporate partners General Motors (US) and its Australian subsidiary Holden Limited, aimed at supporting the training of students in industry-specific design applications. The faculty is only the second of its kind – and the first outside the US – to join PACE.

Achievements by staff and students included the award of first prize of \$100,000 in the Doug Moran Portrait Prize to fine arts student Ms Prudence Flint and first prize in the Citigroup Photographic Portrait Prize to fine arts student Mr Rod McNicol. Design students were finalists in the 2005 Southern Cross Packaging Awards and the Electrolux project, which culminated in six industrial design students exhibiting their work at DesignEx 2004 in Sydney and Stockholm, Sweden. Associate Professor Euan Heng was awarded the Australian Council of University Art and Design Schools Distinguished Research Award in recognition of his outstanding contribution to research in the visual arts, and internationally renowned artist Claudia Terstappen was appointed as Professor of Fine Arts.

In November, the faculty hosted FUTUREGROUND, the Design Research Society International Conference 2004. Over 300 delegates from more than 30 countries and 100 universities attended the conference held over four days. The conference featured four keynote addresses and the presentation of 205 papers.

Exhibitions of work by students in the final year of their studies attracted large numbers of parents, students, art and design industry representatives, prospective students and the media.

The Monash University Prato Centre was well utilised by the faculty, and many students from both fine arts and design participated in the faculty's offshore programs. As part of an exchange agreement, students from the Glasgow School of Art also joined Monash students for lectures and tutorials held in Prato.

The faculty enhanced its profile through effective engagement with its local and international communities by participation in Monash Open Day, gallery programs, lunchtime art forums for the public, communication student successes in local and international competitions, and an improved international profile in a number of strategic markets.

Faculty of Arts

The Faculty of Arts implemented a number of strategies to improve the quality of its academic environment, particularly in the areas of teaching, learning and assessment. The faculty exceeded its targets across several key areas, especially in the recruitment of postgraduate and international students, and in research performance. Enrolments by international students increased by 20.5 per cent, due to a stabilisation in the numbers of higher degree by research candidates, and an increase of 67 per cent in postgraduate coursework students. In addition, enrolments by international undergraduate students increased by 13.6 per cent – from 620 to 747 EFTSU.

The Arts Research Graduate School (ARGS) completed its accreditation program for supervisors of research students, and research students continued to receive induction and ongoing training throughout their candidature. The ARGS instituted a range of annual awards for excellence in research supervision. The awards were for the best masters thesis, best student publication and scholarships to assist recently completed candidates to publish their work. The faculty also awarded several international and local scholarships to exceptional research students.

The faculty conducted a review of its research grant schemes. Implementation of recommendations arising from the review led to the introduction of schemes that supported new research, team projects, early career researchers, cross-campus research (including the international campuses) and enhanced the faculty's research strengths. The faculty was awarded 21 ARC Discovery Project Grants, which far exceeded outcomes achieved in previous years.

The faculty continued to expand its network of international articulation partners. Two new partnerships in Hong Kong provided recognition of prior studies for students undertaking faculty courses. Further expansion of existing partnerships in Singapore and Malaysia led to an increase in the range of prior studies recognised for academic credit. Proposals for partnerships with four Canadian institutions are currently being evaluated. The faculty increased its profile in existing and emerging markets through participation in education fairs held in China, Malaysia, Hong Kong, Singapore, Canada and the US.

The continued growth in enrolments by international students was not affected by industry indications of a softening in demand for Australian education. However, a strong Australian dollar and changes to immigration policies reduced our competitiveness in some traditional markets.

The faculty satisfactorily completed an extensive information technology (IT) security audit – the first Monash faculty to do so. ArtsIT also continued to lead the way university-wide in the area of pro-active client support. A considerable amount of research and development was committed to the establishment of new multimedia tools for teaching, a consultancy service for Learning Fast, and improved Extensible Markup Language news feeds for greater efficiency and wider distribution of information across the faculty. Several members of staff also presented papers at national and international IT conferences.

In conjunction with the Faculty of Art and Design, the faculty developed a Bachelor of Arts/Bachelor of Visual Arts double degree. Commencing in 2005, it will enable students to combine a wide range of disciplines in the humanities, social sciences and communications with visual arts studio practice and theory offered at Caulfield and Gippsland campuses. Two new undergraduate diplomas in the disciplines of behavioural and international studies were developed and will be offered at Berwick and Caulfield campuses. A Diploma in Arts (Classical Studies) will commence at Clayton campus in 2005. Other curriculum developments included the introduction of a first-year sequence in human bioethics and further units in Australian Indigenous archaeology to be offered in 2005.

The Equity and Access Committee, together with the Transition and Student Progress Committee, enabled the faculty to maintain and increase the diversity of its students while continuing to assist in the provision of an accessible and supportive work environment for staff.

Faculty of Business and Economics

The year 2004 saw continued strong demand for places in the Faculty of Business and Economics. Enrolments increased by 178 EFTSU in comparison to the previous year. Due to significant demand for part-time places in postgraduate courses in second semester, 342 of these EFTSU were enrolments in postgraduate courses. Total enrolment in the faculty's courses was 11,441 EFTSU. The faculty was arguably the largest provider of postgraduate courses in business in Australia, with 2760 EFTSU enrolled in postgraduate research and coursework degrees and executive courses. The growth in enrolments, coupled with careful budgeting and some constraints on recruiting academic staff, resulted in a strong budgetary outcome.

The faculty launched the Monash University Graduate School of Business (GSB). The unique feature of the GSB is that it combines the highly ranked Master of Business Administration (MBA) with the faculty's extensive range of high-quality postgraduate coursework programs, including those in accounting and finance, management, marketing, applied economics, business law and tax. The faculty's postgraduate courses offer students an unrivalled choice of prestigious courses that are research-informed and of robust design. The specialist MBA and double masters degrees offered by the GSB can also be linked with courses offered by other Monash faculties. This creates high-value opportunities in a variety of markets and a range of study options for postgraduate students

seeking to access research expertise and resources across the university.

As a further initiative to ensure the quality of its teaching programs, the faculty applied for accreditation by the Association To Advance Collegiate Schools of Business (AACSB) and the quality assurance body of the European Foundation for Management Development, EQUIS. AACSB and EQUIS are the pre-eminent international accrediting bodies based in the US and Europe respectively. Accreditation by the AACSB and EQUIS will enhance the faculty's links with the professions, high-quality European and American universities and accredited institutions throughout Asia.

The inaugural Dean's Awards for Excellence in Teaching were awarded to 12 staff in recognition of their outstanding achievements and innovation in the delivery of high-quality learning experiences. Recipients ranged from members of the professoriate to assistant lecturers and were based at six campuses, including Monash University Malaysia.

The faculty's focus on its research strategy, developed over several years, achieved good results in 2004. Publications rose to over one DETYA point per staff member, and a high proportion of applications for competitive research grants were successful.

Seven applications for ARC Discovery Project Grants were successful. The total value of this funding was \$1,002,646 over three years, and the success rate of applications rose to 41.2 per cent, an increase of 7.9 per cent compared to the previous year. Five applications to the ARC Linkage Project Grant Scheme were successful, and the total value of this funding was \$566,434. The success rate in applications to this scheme was an impressive 83.3 per cent.

The Centre for Health Economics was awarded an NHMRC Health Services Research Grant worth \$3.5 million over five years. Other research successes included the award of an NHMRC Project Grant and an NHMRC cross-institutional grant.

The education of international students is one of Australia's fastest growing export industries and contributes \$5 billion to Australia's economy. Australia's participation in the education of international students is of immense importance for our reputation internationally and the social, political and economic relationships that the people of Australia will have with its neighbours. It is clear that market demand is changing and that the earlier dominance of Hong Kong, Singapore and Malaysia in our market is being replaced by demand from mainland China and India. The faculty responded by leading a strategy to develop the university's profile in North Asia, with a focus on China, particularly among government officials and senior executives of Chinese universities. The faculty is building a network of partnerships with China's foremost universities to collaborate on courses and undertake research.

Successful international marketing activities which raised the university's profile included a documentary for the series 'World's Best Universities'. The documentary was produced by the major Chinese media network CCTV. Its production crew undertook extensive filming at Victorian campuses and accompanied a delegation from the faculty when it visited Shanghai and Beijing.

Faculty of Education

The faculty's broad operational objectives were the provision of:

- initial and further education of teachers for early childhood, primary, secondary and adults;
- undergraduate studies in sport and outdoor recreation;
- postgraduate award and non-award professional and leadership studies for those involved with education and human, organisational and community development;
- postgraduate award and non-award psychology studies in counselling, human development and inclusive/special education;
- research training;

- research into a broad spectrum of educational questions;
- educational and consultancy services; and

Total student enrolment with the faculty rose from 2371 EFTSU in 2003 to 2596 EFTSU, a 9.5 per cent increase on the previous year.

The growth in enrolments reflected high demand for the faculty's courses on all campuses and across all program areas. The breadth and flexibility of the faculty's programs attracted students from a diverse range of backgrounds, serviced diverse communities and provided the faculty with an underlying stability in its total enrolment as student demand moved from one set of programs to another.

The quality of students commencing undergraduate teacher education programs continued to improve; over 75 per cent of students admitted to undergraduate programs had ENTERS above 80, well above the state-wide average of 44 per cent. The faculty has the strongest cohort of students enrolled in undergraduate teacher education programs in Victoria.

In 2004, the faculty expanded its range of courses by introducing the Bachelor of Visual Arts/Bachelor of Education double degree at Clayton and Peninsula campuses. It also allocated an additional 15 EFTSU to the science/education double-degree program. This brought total enrolments in the latter program to 132 EFTSU, compared with 55 EFTSU in 2001.

The faculty's international student enrolments continued to grow. Onshore international student enrolments reached 250 EFTSU, while there were a further 85 EFTSU enrolled in offshore programs. The Bachelor of Early Childhood Studies was successfully offered in Singapore for the first time. Planning to offer programs in Hong Kong and China from mid-2005 also commenced. In 2004, a number of non-award short courses were offered to international students. Students came from Korea, Hong Kong and Japan to undertake TESOL or Australian studies programs.

Australian fee-paying student load was 132 EFTSU, exceeding the target of 97 EFTSU. The continued growth in this fee category reflected the success of the faculty's strategy to develop strong ongoing relationships with clients such as the Victorian Department of Education and Training (DE&T) who sponsor students in graduate and postgraduate programs, eg the new Master in School Leadership program, which will be offered initially to aspiring principals of Victorian government schools.

The faculty had a large research preparation program, with 12 per cent of students enrolled in research degree programs at either the doctoral or masters level. Enrolments in these programs have remained stable: 168 EFTSU for DEST-funded research training students and 20 EFTSU for international fee-paying students.

The faculty's fee-for-service professional development and consultancy programs performed at a satisfactory level. Enrolments in short courses were strong and new programs were offered in early intervention education. There was growth in the number of students undertaking LOTE professional development programs under contract to DE&T.

A commitment to producing knowledge that links academic and professional knowledge, and enhances professional practice, was a major motivating force for many academic staff. In 2004, the faculty prepared and submitted seven applications for ARC Discovery Grants, one in collaboration with the Faculty of Business and Economics. Six of these applications were successful, an 85.7 per cent success rate. Indeed, the faculty won more than 30 per cent of all ARC Discovery Grants awarded nationally in the field of education. In addition, the faculty was awarded two ARC Linkage Grants and numerous commercial research grants.

In 2004, the faculty's success in achieving its teaching and research targets placed it in a sound financial position.

A major self-review of all aspects of the faculty's operations was conducted in 2004. A detailed set of reports, and an overview report, were prepared for consideration by an External Review Panel. The role of the panel was to examine the faculty's self-review

process and to verify the accuracy of the findings and recommendations of the faculty's self-review report. The preliminary report of the External Review Panel indicated that the faculty undertook a rigorous, self-critical and self-reflective review and had itself identified the key areas for improvement and further development.

Faculty of Engineering

The Faculty of Engineering sought to build on its strengths and minimise its weaknesses. The faculty's goals are the provision of quality education, an increased focus on research and financial self-reliance.

Income for 2004 was over \$80 million, an increase of 7% on the previous year. This included \$34.5 million in funding from the Department of Education, Science and Training, \$20 million in income from research activities, and \$15 million from fee-paying student enrolments. Salary costs and central support charges accounted for 43 and 31 per cent of expenditure respectively, with savings of 10 per cent achieved in salary costs due to delays in appointment of staff.

Total enrolments grew by 4.9% and enrolments by international student increased by 14.6%. There was a significant increase in enrolments at the Malaysia campus of 39.5 per cent, up from 21.8 per cent in 2003.

Following the closure of the Gippsland School of Engineering, a 'teach-out' was held at Gippsland campus in 2004 for third and fourth-year students enrolled at the school. A new course in civil and environmental engineering commenced at Gippsland campus with a small intake of students in the new School of Applied Sciences and Engineering. The course received provisional accreditation and strong endorsement from Engineers Australia.

The faculty conducted reviews of its undergraduate curriculum and implemented the following recommendations:

- the introduction of a generic first year. From 2005, first-year engineering students will undertake eight units. Each unit will be of six credit points;
- the introduction of a new four-year degree in aerospace engineering to replace the engineering/technology (aerospace) double degree;
- the relocation to Clayton campus of the mechatronics engineering program previously offered at Gippsland campus.

The faculty developed and received approval for double degrees in aerospace and mechatronics engineering. To be offered at Clayton campus, the degrees will enable students to undertake studies in aerospace or mechatronics engineering in combination with studies in arts, commerce, law and science.

The faculty signed a credit transfer agreement with Wuhan University of Technology (WUT), China. WUT engineering students will undertake the first two years of their studies at WUT, followed by third and fourth years at Monash. On completion, students will be awarded a Bachelor of Engineering by Monash. Negotiations also commenced, with a number of international universities to establish research collaboration agreements, staff exchange opportunities and pathway courses to Monash engineering degrees.

Sixty-eight research projects received external funding, an increase of 20 per cent on 2003. To encourage multidisciplinary research, the faculty established the Institute for Sustainable Water Resources and the Institute for Vision Systems Engineering. The research management plan was reviewed, and its recommendations will be implemented early in 2005.

Faculty of Information Technology

In February 2004, Professor Ron Weber commenced his appointment as dean, creating an opportunity for the faculty to revisit its vision and strategic directions for the year. The

organisation's values are excellence, scholarship, innovation, diversity, collegiality and community. These values were enacted through the faculty's operational plan for teaching, research and engagement activities carried out by the faculty's schools. The faculty's values were realigned, with an increased emphasis on self-reliance and consideration of the changes in the international market for information technology (IT) education. The importance of quality assurance and risk management processes to ensure efficient and productive outcomes were achieved was also emphasised.

As part of the university's five-year rolling program of reviews, the faculty undertook an academic review. The dean expanded the scope of the review into a broad strategic review. A number of issues prompted this decision, such as the changes in the IT industry and reduced enrolments by international students in IT courses.

The strategic review considered the faculty's vision, values, academic courses, and academic, administrative and decanal structures. Engagement of all stakeholders was considered important, and a model which incorporated a consultative approach with open communication channels was used. The recommendations of the review were released in November and implementation teams were appointed shortly thereafter. It is anticipated that implementation of the review's recommendations, including the restructuring of the faculty's extensive range of programs to reflect changes in demand, will continue throughout 2005 and into 2006.

Total enrolments fell by 12 per cent to 4860 EFTSU. This was largely due to a decrease in enrolments by international students in undergraduate courses. Reduced enrolments led to a shortfall in teaching revenue of more than \$6.3 million, however the careful management of staff turnover and tightened expenditure controls resulted in cost savings of over \$4.5 million. The number of higher degree by research students increased to 197.7 EFTSU.

The faculty's research strengths in the disciplines of pervasive, intelligent, multimedia and social computing continued to grow. The faculty *Research and Research Training Plan* was revised and focused on a strategic approach to maximise development and commercialisation opportunities. Three patents were granted, and a further three applications for patents are pending. Research income was stable, and the number of publications submitted rose by 30 per cent.

A new building providing teaching and administrative facilities for the School of Multimedia Systems was opened at Berwick campus. New office facilities were also opened at Caulfield campus for staff based at other campuses with teaching commitments at Caulfield campus. Construction of new facilities for the faculty's Museum of Computing commenced, and it is anticipated that the museum will relocate to level 2 of building C at Caulfield campus in early 2005.

In 2004, the faculty maintained its ISO9001:2000 accreditation for both academic and administrative units.

Faculty of Law

The faculty's operational plan reflects its values as a provider of high-quality education in law with a long tradition of legal scholarship, which instils in its students a willingness to challenge orthodoxy and, through innovation in teaching and research, the ability to succeed in a changing world.

The introduction of the university's new strategic cost management system and a faculty budget process which linked budgets to portfolio positions and individual programs provided more comprehensive information for decision making. A new internal academic governance structure was implemented in July. In addition to the existing positions of dean, deputy dean and associate deans, a number of senior directors with broad responsibilities across a range of courses were appointed. These included director (international); director (equity); director (teaching); and director (information technology, multimedia and flexible learning). The new structure, in tandem with budgets linked

to the respective portfolio positions, strengthened reporting lines and decision-making processes within the faculty.

Continued strong demand for the faculty's undergraduate courses was reflected by a clearly-in ENTER score of 99.00 for HECS places. The median ENTER score for domestic full-fee places was 94.6.

Following a review of the Bachelor of Laws (LLB), which commenced in 2003, a comprehensive self-review document was prepared and considered by several faculty committees in November 2004. The external review will take place in the first half of 2005.

An official launch of the faculty's suite of postgraduate coursework degrees was held in November and the number of postgraduate courses offered by the faculty increased, with the introduction of new units in the Master of Laws. The first graduates from the Master of Laws (Legal Practice, Skills and Ethics) received their awards in April 2004.

Renovation of the first floor of the Monash University Law Chambers commenced in November and will provide increased teaching and office space to accommodate the expansion of the faculty's postgraduate courses offered in the heart of Melbourne's legal precinct.

The faculty celebrated its 40th anniversary with an extensive program of faculty and public events that included lectures, reunions and an alumni dinner attended by more than 300 people. The theme of the anniversary was a celebration of the professional success of the faculty's alumni, who include the Chief Justice of the Victorian Supreme Court, the Chief Judge of the County Court, the Chief Magistrate of Victoria, the President of the Children's Court, the President of the Victorian Civil and Administrative Tribunal, the State Coroner and the Solicitor-General.

The Monash Law in Europe program, a semester of study available to Monash students enrolled in the LLB and students from allied law schools, was offered at the Monash University Prato Centre. Students undertook a number of LLB units, including comparative international law. A review of the Europe program recommended its continuation.

The faculty continued to participate in student and staff exchanges and study abroad programs with affiliated law schools. In May, the faculty hosted a visit by a delegation from the Washington College of Law, and in October, the dean visited the college to discuss the formation of an international network of law schools.

The faculty completed reviews of a number of its research centres, ie the Castan Centre for Human Rights Law; the Centre for Law and Reconstruction in Southern Africa; the Centre for Law in the Digital Economy; the International Institute of Forensic Studies; and the Centre for the Privatisation and Public Accountability. The faculty also received funding for the creation of a new research centre in regulatory studies. The proposed centre will be interdisciplinary and include research and postgraduate coursework activities.

Research by staff and students remained a key focus. Faculty staff participated in an extensive research seminar program. To provide a forum for higher degree by research students to present their theses, the faculty conducted two higher degree by research student reporting seminars. Faculty staff were active in research and publications, and a number of academic staff were awarded the degree of doctor of philosophy.

To honour the major achievements of Professor Louis Waller, the faculty established the Louis Waller Chair of Law. The position provides research leadership for the faculty and incorporates the position of associate dean (research).

The *Monash University Law Review*, the faculty's scholarly 'flagship' and refereed journal, published two issues with financial sponsorship from the faculty and private law firms.

The faculty continued to provide legal services to the community through the Monash-Oakleigh Legal Service and the Springvale Monash Legal Service. It also reached agreement with the

VicHealth Centre for Tobacco Control to host a student-staffed clinic in cancer control legislation, to commence in early 2005.

The faculty commenced planning for a major international conference on clinical legal education, ethical awareness and community service, to be held in Melbourne in July 2005, in conjunction with Northumbria University, United Kingdom.

The faculty reviewed its Professional Legal Training (PLT) course. A major recommendation of the review, to offer PLT in multimode, including part-time and online formats from March 2005, received conditional approval by the Council of Legal Education on 29 November 2004.

Professor Arie Freiberg commenced as dean of law on 1 January 2004. A former member of the faculty's staff, Professor Freiberg subsequently held senior academic positions at the University of Melbourne from 1991 to 2003, including Dean of the Faculty of Arts, before accepting his current position.

Faculty of Medicine, Nursing and Health Sciences

The Faculty of Medicine, Nursing and Health Sciences continued to deliver outstanding educational programs in medicine, health sciences and biomedical science. The faculty's courses encompassed the expanding knowledge base in these disciplines and, combined with multidisciplinary principles, aimed to equip its graduates for life-long learning. The faculty offered undergraduate courses in medicine, nursing, radiography and radiation therapy, dietetics and biomedical sciences. More than 50 postgraduate courses in public health (social work, nursing and rural health) were offered by multimode delivery.

The faculty:

- continued with the introduction of the Bachelor of Medicine/ Bachelor of Surgery five-year curriculum. Year three of the course, predominantly based in a clinical setting, was offered for the first time and involved major rural placements in the clinical schools in Gippsland, Bendigo and Mildura. The Australian Medical Council gave full accreditation to the course until 2008;
- met projected enrolments by international students in medicine and nursing, and successfully delivered offshore courses in primary health care, psychology, social work and nursing;
- completed planning for the introduction of a Diploma in Health Sciences at Peninsula campus in 2005 and commenced planning for the introduction of degrees in physiotherapy and occupational therapy at the new Peninsula Health and Wellbeing Precinct in 2006;
- commenced teaching at the new Rural Clinical School building at Bendigo in the latter part of 2004. The Multidisciplinary Centre in the School of Rural Health continued to operate effectively at Moe, and the School of Rural Health had headquarters at Bendigo and Traralgon;
- established a new School of Applied Health Care, consisting of the Monash Institute of Health Services Research and the Department of Epidemiology and Public Health;
- opened the Centre for Medical and Health Sciences Education, a centre for course development which is also a teaching resource across the faculty;
- developed an operational plan for a medical school at Monash University Malaysia. The first students will commence their studies in 2007;
- completed a comprehensive review of school organisational structures, with progressive implementation of a move toward large multi-disciplinary schools.

A cross-faculty research planning process was complemented with identification of thematic areas of research across the faculty, including healthy ageing, healthy start and regenerative medicine, and with development of new institute structures at Monash Medical Centre and Clayton campus.

The faculty:

- was awarded five program grants by the National Health and Medical Research Council. This represented 25 per cent of the national total and reflected the ambitious research aims of the faculty;
- generated a total of more than \$65 million in research income, a modest increase over the previous year.

Dr Jamie Rossjohn was awarded the Science Minister's Prize for Australian Life Scientist of the Year for his work in structural biology, and Monash medical student Ms Farnaz Sabet was named the Victorian Rhodes Scholar for 2004. A number of outstanding new appointments were made, including the appointment of Professor Harald Schmidt from Germany as the new Chair in Pharmacology.

External reviews were undertaken of the Bachelor of Biomedical Science, the Bachelor of Behavioural Neuroscience and the Bachelor of Dietetics, and the recommendations of these reviews were progressively implemented.

Faculty of Science

The faculty's operational plan articulates a vision of excellence in science education and research as core values. The faculty focussed on building recognisable strengths in the enabling sciences, and specific objectives and performance measures sought to further enhance outcomes for staff and students.

The faculty received a total of \$27.8 million in funding from the Department of Education, Science and Training. Income from all other sources was \$21.6 million, which included a significant increase in fees from international students. The faculty was awarded \$5.7 million in research grants, a 7.5 per cent increase on the previous year.

The faculty operated on four campuses and offered 11 undergraduate and five combined degree courses, with a total enrolment of 2850 EFTSU. It also supported 600 EFTSU enrolled in associated double-degree courses. The flagship program of the faculty is the generic Bachelor of Science course, built on cross-faculty collaborations and flexible course structures that can respond quickly to the changing needs of students and employers. Despite a national decline in demand for science courses, and an increased intake, the faculty maintained its strong position in attracting high-calibre students. It achieved a median ENTER score for VCE students of 80.2 and an increase in the number of Victorian students with ENTER scores in the top 5 per cent in the state of Victoria who made the Bachelor of Science Advanced with Honours their first preference. The clearly-in ENTER for the course was 95.

Enrolments in science at Malaysia campus increased to over 470 EFTSU. A Bachelor of Science (Medical Bioscience) and associated double degree with biotechnology were offered at Malaysia campus for the first time.

While most of the students were enrolled in undergraduate coursework programs, the faculty also conducted a significant postgraduate research program. There were more than 280 students enrolled in masters by research and PhD degrees. The faculty had the largest higher-degree-by-research enrolment per teaching-and-research-and-research-only staff member across Monash.

An analysis of the responses to the Monash Student Experience Questionnaire indicated that current students had an overall satisfaction rating of 92.3 per cent with their course experience. This result was above the university average. Results of the Course Experience Questionnaire 2003 show that 93 per cent of Monash science graduates were broadly satisfied with their course.

Benchmarking against other Go8 institutions during 2004 reinforced the standing of the faculty as a provider of choice, with the School of Chemistry named the leading school of chemistry in Australia. The nexus between teaching and research is a defining

feature for those associated with the faculty, and a faculty-administered survey of current PhD and masters by research candidates demonstrated their satisfaction levels with a range of variables, including supervision, support and overall satisfaction.

Quality processes and strategic planning continued to be high priority areas for the faculty. The faculty:

- developed policy and implemented processes to ensure consistent standards and quality of units taught at more than one campus in multimode;
- developed and implemented a framework and tools to collect, analyse and respond to feedback received from students enrolled in science units;
- developed faculty guidelines for operation and review of research centres;
- responded to outcomes of quality reviews of three schools and contributed to a strategic review of the cross-faculty School of Physics and Materials Engineering; and
- reviewed its operational plan for 2005–2007 and further refined its operational goals to incorporate changes to both internal and external environments.

Major achievements by staff, students and associates that demonstrated and acknowledged excellence in research and scholarship included the following:

- Professor David Smyth of the School of Biological Sciences was made a Fellow of the Australian Academy of Sciences, and Professor Fima Klebaner of the School of Mathematical Sciences was made a Fellow of the Institute of Mathematical Statistics;
- Professor Alan Bond of the School of Chemistry was appointed to the RL Martin Distinguished Chair of Chemistry. Professor Bond was also awarded the Craig Medal by the Australian Academy of Sciences and elected 2005 recipient of the CN Reilly Award for contributions to electroanalytical chemistry;
- Professor Sam Lake of the School of Biological Sciences was awarded a Land and Water Australia Senior Research Fellowship;
- Professor Douglas MacFarlane of the School of Chemistry was a member of a team that won the Australia and New Zealand 2004 Innovation Award in the field of agricultural production and marketing; and
- Associate Professor Trevor Finlayson of the School of Physics and Materials Engineering was elected to the International Council on Materials Education.

Victorian College of Pharmacy

In 2004, there were several noteworthy research achievements by the Victorian College of Pharmacy including:

- the development of the new synthetic drug nicknamed Oz by an international team including researchers from the Victorian College of Pharmacy. Described as the biggest breakthrough in malaria treatment of our generation, Oz is set to become the major weapon in the fight against multi-drug resistant malaria and could be available to patients within three years;
- the award of over \$5 million dollars in research funding to the college and the strengthening of research links within Monash University;
- the award to Monash alumnus Professor Val Stella of the ninth annual UNICO National Marconi Science Award for a lifetime of excellence in research conducted at the University of Kansas; and
- the increase to 55 EFTSU of enrolments of higher degree by research students, a 63 per cent increase on the previous year.

The number of graduate courses offered by the college was expanded with the introduction of a Graduate Certificate of Pharmacy Practice. The certificate incorporates important elements of the pre-registration education and training required of pharmacy graduates in Victoria.

Other highlights included:

- the completion by the first group of pharmacists to undertake the new Master of Clinical Pharmacy program of all coursework and research components. There will be a new intake in 2005;
- the hosting of the annual Pharmacy Practice Symposium in mid-year. The next symposium in 2005 will take place at the Monash University Prato Centre in conjunction with King's College, London;
- in May, the college's first annual graduation dinner was held. Sydney Olympian and taekwondo gold medallist Ms Lauren Burns was guest of honour; and
- the staging of the first Pharmacy Careers Expo at Cossar Hall in May. Due to its success, the expo it will become an annual event.

The Victorian College of Pharmacy Foundation held a number of successful events during the year, including reunions for the classes of 1993, 1979 and 1954. A reception for graduates and friends of the college was held in Adelaide during the Pharmacy Australia Congress in October. The foundation raised more than \$35,000 in its first annual appeal, and two issues of the college's alumni magazine *Alchemy* were also published.

Noteworthy achievements by students included the following:

- Mr Michael Nunan was awarded the inaugural Mathew Peck Travelling Scholarship. The scholarship will enable Mr Nunan to travel to Vanuatu in January 2005 and participate in a health development program at the Port Vila Hospital;
- Mr Brendan Johnson was awarded a Mollie Homan Medal for excellence in a PhD thesis;
- ten third-year students were selected to participate in the Pharmacy Abroad program. The program will enable the students to travel to Singapore, London, Des Moines and Kansas City and participate in practical experience placements in January 2005;
- pharmacy/commerce student Ms Kristie Vuong was named Tertiary Business Person of the Year by Young Achievement Australia;
- six pharmacy students attended the International Pharmaceutical Students Federation's 2004 conference held in Halifax, Nova Scotia; and
- Remedy, a student club which aims to improve the standard of pharmacy in developing countries, raised over \$2000 to assist in establishing much-needed drug information centres.

Achievements by staff included the Society of Hospital Pharmacists of Australia Clinical Pharmacy award being presented to Mr Michael Dooley. Mr Dooley also received the 2004 Australian Council on Healthcare Standards Gold Medal. Dr Jennifer Marriott was appointed president-elect of the academic section of the Fédération Internationale Pharmaceutique, Ms Marian Costelloe commenced her appointment as faculty manager and, after many years of dedicated service to the college, Mr John Hurley and Mr Mal Hutson retired.

Other important developments included:

- the launch of the college's redeveloped website;
- the leasing of additional accommodation at 407 Royal Parade, Parkville, while construction of building 4 was undertaken; and
- Dr Janette Bomford's commission to write a history of the college, with publication of the book anticipated in 2006 during the college's 125th anniversary celebrations.

Social performance

Staff engagement

Staff profile

Monash employed the equivalent of 6195 full-time staff. Thirty-eight per cent of general staff were male and 57 per cent of

academic staff were male. Staff located in Australia were covered by enterprise bargaining agreements (EBA) and awards.

Figures 1–3 below provide an overview of staff contract, classification and employment types.

Figure 1

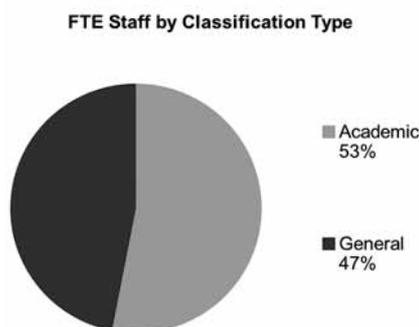


Figure 2

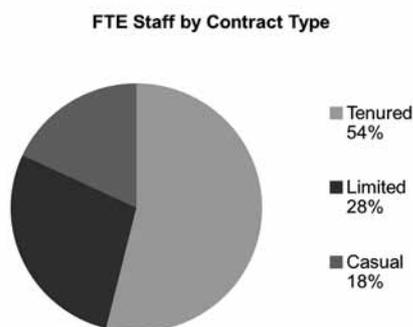


Figure 3

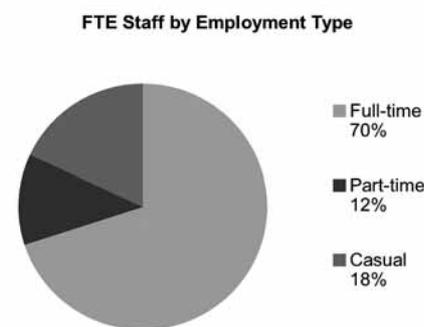


Table 1: Workforce data

| | 2002 | | | 2003 | | | 2004 | | |
|------------------|--------|--------|-------|--------|--------|-------|--------|--------|-------|
| | FT&FFT | Casual | Total | FT&FFT | Casual | Total | FT&FFT | Casual | Total |
| Academic | | | | | | | | | |
| Female | 901 | 289 | 1190 | 989 | 331 | 1320 | 1032 | 388 | 1420 |
| Male | 1370 | 349 | 1719 | 1435 | 388 | 1823 | 1451 | 421 | 1872 |
| Total | 2270 | 638 | 2909 | 2424 | 719 | 3143 | 2483 | 809 | 3292 |
| General | | | | | | | | | |
| Female | 1640 | 280 | 1920 | 1696 | 273 | 1,969 | 1623 | 173 | 1796 |
| Male | 1040 | 158 | 1197 | 1057 | 157 | 1214 | 989 | 118 | 1107 |
| Total | 2680 | 438 | 3117 | 2752 | 430 | 3182 | 2612 | 291 | 2903 |
| All staff | | | | | | | | | |
| Female | 2541 | 569 | 3110 | 2685 | 604 | 3289 | 2655 | 561 | 3216 |
| Male | 2409 | 507 | 2916 | 2492 | 545 | 3037 | 2440 | 539 | 2979 |
| Total | 4950 | 1076 | 6026 | 5176 | 1149 | 6325 | 5095 | 1100 | 6195 |

The data in table 1 is expressed as FTE, rounded to the nearest whole number, and included staff employed on a fractional basis.

Staff orientation to vision and engagement in the decision-making process

All operational and strategic divisional and departmental plans were aligned to the Monash strategic framework: *Monash University – Excellence and Diversity and Leading the Way: Monash 2020*. A draft copy of *Monash Directions 2025* was distributed for staff feedback. It is intended that this document will replace *Leading the Way: Monash 2020* in 2005.

Performance management reviews of individual staff were aligned to the divisional and departmental objectives. The Staff Development Unit (SDU) provided new staff with an overview of facilities, policies and procedures at the half-day 'Introducing Monash' information session. Attendance was voluntary; approximately 51 per cent of new general staff with fixed-term or tenured contracts and 15 per cent of equivalent new academic staff attended the session. Some faculties also ran their own induction programs for new staff members.

Non-managerial staff engagement in the formal decision-making processes occurred through various means, including membership of faculty, divisional, campus and university-wide committees.

Staff feedback

Opportunities for staff to provide formal feedback to management regarding career development and management support were facilitated by the performance management review program, as well as by staff questionnaires. Some of the questionnaires mentioned below are administered on a rotational basis, and therefore not all staff members participate every year.

Head of school/department

The head of school/department questionnaire provides management with staff feedback regarding perceptions of management performance. It is at management's discretion to employ the questionnaire. No questionnaires were administered in 2004.

Learning and growth

The learning and growth questionnaire gave staff the opportunity to provide feedback on training and development, communication and involvement, organisational goals and objectives, performance management, innovation, and satisfaction and morale. There were 390 questionnaires issued, 6.3 per cent of staff at Monash were invited to complete the learning and growth questionnaire and 47 per cent per cent of these responded.

Staff separation from Monash

The staff separation questionnaire aimed to ascertain why staff members leave and what could be done to improve staff experiences. Forty-nine per cent of eligible exiting staff completed the questionnaire. Staff also had the opportunity to request an exit interview as part of this feedback process.

Workplace culture survey

A Workplace Culture Survey questionnaire was conducted in the Faculty of Information Technology. This was the second faculty to conduct a questionnaire of this type. The response rate for all staff (including casual staff) was 54 per cent. The survey focused on key equity issues and looked at the take-up of the work, life and family options by staff, and the relationships between academic and general staff. It also included questions on general workplace issues such as workloads, teaching/research balance and equity, communication issues and staff knowledge of equity principles.

Recruitment

Procedures for recruitment required that the appointment process be managed by a selection committee comprising at least three staff members and coordinated by a convenor. Each selection committee was to include at least one member trained in staff selection by the professional development centre. It was also a requirement that if there was an Indigenous applicant, an Indigenous representative should be on the interview panel. Additional recruitment support was provided via policies and guidelines on the Monash staff website and ensured that:

- equal opportunity and anti-discrimination processes were followed;
- the rights and responsibilities of the applicants and the university were protected;
- the person with the most suitable skills for the job was appointed; and

there were no human rights violations.

Public Sector Employment Principles

The university ensured that employment decisions were based on merit by:

- the application of merit-based advertising, selection and appointment procedures as prescribed in the *Monash University Staff Handbook*;
- the provision of training in merit-based staff selection;
- the exclusion of staff members from selection panels where they have or had a close personal relationship with an applicant;
- the exclusion of staff members from any promotion, reclassification, evaluation or grievance procedures where they have or had a close personal relationship with the staff member concerned; and
- the identification of favouritism as a specific ground for the initiation of disciplinary action against a general staff member.

Retention

Many factors contributed to staff retention at Monash such as benefits, morale, flexible work practices and development. These issues are discussed further below. Average retention for general staff increased marginally from 7.9 years in 2003 to 8.2 years. The average retention rate for academic staff increased slightly, from 7.3 years in 2003 to 7.4 years. Overall, the retention rates for women and men were very similar at 7.6 and 7.8 years respectively.

Staff benefits

Salary rates, allowances and entitlements for staff that were covered by the major enterprise agreements were presented in the staff handbook. Staff entitlements included superannuation, leave loading and parental leave.

Enterprise bargaining continued throughout the year with negotiations on the heads of agreement being effectively finalised in mid-December.

Staff development

Staff development was an essential part of Monash's operations. Individual staff development needs were identified in consultation with supervisors. Staff development was achieved through formal and informal methods. These included development courses, outside study programs, career development awards and fellowships, on-the-job training, attendance at conferences and seminars, award courses, study leave, coaching, mentoring, self-directed learning, institutional secondments and exchange, international experience, job rotation/lateral transfers, temporarily filling higher positions, membership of committees, working parties or taskforces and involvement with professional networks and associations.

Several general and academic staff and departments received Monash awards aimed at encouraging and rewarding career development.

A staff study support program was introduced to support staff to undertake higher education study at Monash, to develop their skills and knowledge, and to enhance their future career opportunities with the university. The program provided an opportunity to attract, reward and retain staff interested in furthering their expertise and knowledge. The program included financial support and/or study leave to eligible staff members participating in undergraduate, graduate or postgraduate courses or units.

In-house programs and services at Monash were offered by the SDU, Integrated Administrative Systems, CeLTS, the Equity and Diversity Centre, Occupational Health, Safety and Environment, Information Technology Services (ITS) Division, the Centre for Higher Education Quality (CHEQ) and Community Services. These departments provided 6.51 hours of in-house training per tenured and fixed-term staff member, plus additional online training. Other staff development and training activities included the job rotation scheme for general staff, other faculty and departmental based training courses, and informal lunchtime IT sessions and academic seminars.

Expenditure on formal learning and development programs was \$5.4 million. This included attendance at conferences, training courses, the Outside Study Program (for academic staff) and the new Staff Study Support Program. This figure excludes training without direct charges, such as free seminars and on-the-job training, or the incidental costs of training such as travel and accommodation.

The first module of the Senior Management Development Program, focusing on leadership, was provided to four groups of senior staff made up of academic heads of departments, senior managers and heads of administrative units in 2004. The Senior Management Development Program encompasses the three broad areas of leadership, financial management and planning, addressing the key aspects of a university leadership role.

Performance reviews

Through the performance management scheme, staff and their supervisors ensured that the performance and development goals of staff addressed their learning needs and aligned with the strategic and operational objectives of the university. The annual performance management scheme applied to all ongoing and fixed-term academic staff, unless they were employed for less than one year, and to all ongoing and fixed-term general staff from HEW levels five and above, unless they were employed for less than one year. A major focus in 2004 was the development of a new SAP module to provide heads of organisational units with direct access to meaningful data to assist with performance management of staff. This system improvement will also enable annual compliance reports to be prepared for the information of senior management.

Employee relations

In *Leading the Way: Monash 2020*, the university established the principles underpinning staffing policy and practice. One of the major objectives is to provide all Monash staff with an opportunity to work in an environment "where there is a commitment to equity and the principles of gender equity and equal employment opportunity are given practical effect throughout the institution". The university's Global Equal Opportunity Policy reiterates Monash's commitment to promoting equal opportunity in education and employment in recognition of global principles of equity and justice.

Public Sector Management and Employment Act

The university ensured that staff members had a reasonable avenue of redress against unfair or unreasonable treatment by:

- the implementation of employment grievance procedures based on the principles contained in the Monash University Enterprise Agreement (Academic and General Staff) 2000;
- the availability of dispute-settling procedures for all staff under the Monash University Enterprise Agreement (Trades and Services General Staff) 1997, the Monash University Enterprise Agreement (Trades and Services Staff – Catering and Retail, Cleaning and Caretaking, and Miscellaneous Services Staff) 2000 and the Monash University Enterprise Agreement (Academic and General Staff) 2000;
- regular consultative meetings with staff and union representatives; and
- the maintenance of a dedicated Employee Relations and Consultancy Branch.

The university seeks to ensure compliance with the prescribed public sector conduct principles by:

- compliance with sections 7(a) and 7(c) of the *Public Sector Management and Employment Act 1998*;
- the application of performance management provisions to all staff of the university as prescribed by certified agreement; and
- the initiation of disciplinary proceedings where appropriate.

1191.8 EFT days were lost due to industrial action. The dispute related to enterprise bargaining negotiations.

The university ensured that its staff members were treated fairly and reasonably by:

- complying with its statutory employment obligations;
- complying with its obligations under awards and certified agreements of the Australian Industrial Relations Commission;
- the application of dispute resolution, performance management, and disciplinary procedures as appropriate;
- regular consultative meetings with staff and union representatives;
- regular review and development of policies and procedures to maintain up-to-date and compliant practices;
- the maintenance of a dedicated Employee Relations and Consultancy Branch; and
- the maintenance of superior customer service standards in the delivery of all staff services.

The university ensured that equal opportunity was provided by:

- the maintenance of a dedicated Equity and Diversity Centre;
- the application of merit-based advertising, selection and appointment procedures as prescribed in the *Monash University Staff Handbook*;
- access to paid adoption leave, maternity leave, special family leave and voluntary reduced working years for all staff;
- access to paid paternity leave for all staff;
- the prescription of the following equal employment opportunity policies in the *Monash University Staff Handbook – Equal Opportunity in Employment*; Affirmative Action Programs for Female Staff Members; Discrimination and Sexual Harassment

Grievance Procedures; and Work, Study and Family Responsibilities;

- the implementation in 1998 and the continuing operation of the Women's Leadership and Advancement Scheme; and
- the introduction of the Work Life and Family Strategy in 2001 to assist staff in balancing their work, life and family responsibilities.

Monash University acknowledged its obligation to comply with the requirements of the following major federal and state employee relations legislation:

- *Workplace Relations Act 1996* (Cwlth);
- *Equal Opportunity for Women in the Workplace Act 1999* (Cwlth);
- *Sex Discrimination Act 1984* (Cwlth);
- *Disability Discrimination Act 1992* (Cwlth);
- *Human Rights and Equal Opportunity Commission Act 1986* (Cwlth);
- *Occupational Health and Safety Act 1985* (Vic);
- *Equal Opportunity Act 1995* (Vic);
- *Racial Discrimination Act 1975* (Cwlth); and
- *Racial and Religious Tolerance Act 2001* (Vic).

No fines were imposed on Monash University in relation to breaches of the Workplace Relations Act.

Grievances – employment conditions

Monash had grievance mechanisms, including procedures, policies and guidelines, for the following issues that may affect staff employment conditions:

- workplace conflicts or grievances;
- staff equal opportunity concerns;
- OHS issues;
- misconduct (including fiscal misconduct, research misconduct and student misconduct);
- insider trading;
- research ethics (including human ethics and animal ethics);
- cheating or plagiarism;
- workplace bullying;
- trade practices grievance; and
- improper conduct or detrimental action.

Indigenous employment

An ongoing position of coordinator, advancing Indigenous employment, was positioned within the Equity and Diversity Centre and the university revised and updated its Indigenous policy and strategy. Monash is planning to employ 10 Indigenous people per year over the next four years. The Equity and Diversity Centre will be working in partnership with the Centre for Australian Indigenous Studies (CAIS) to strengthen the university's connections on study and employment with Indigenous communities.

Gender equity

Monash continued to facilitate a range of initiatives to ensure progress towards employment equity for women. The Women's Leadership and Advancement Scheme, in partnership with other stakeholders, provided innovative career development programs designed to cater for women at all levels of the organisation. Four research seminars were organised at different campuses for early career female academics. A number of high-profile women were invited to the university to provide keynote addresses to the female constituency. A university-wide mentoring scheme for women was conducted for the third time for women at all levels of the organisation. An online senior women's register was developed to raise the profile and promote the expertise of senior and leading women. Information from the register will be forwarded to the AVCC and will be used to identify mentors and female staff for committee memberships. The Senior Women's Forum continued to operate as a feature of the Women's Leadership and Advancement Scheme, providing networking and professional development opportunities for senior women, and strategies designed to increase the

representation of women on decision-making bodies were implemented.

Gender equity continued to be supported by a number of committees including the Monash University Council, the Vice-Chancellor's Taskforce on the Advancement of Women, the Equal Opportunity Committee (EOC) (which reports to Council), and the Advisory Committee on Equity and Access in Employment. The university's 10 faculties also supported gender equity and report to EOC on an annual basis. Some gender statistics in relation to staff are presented in figures 4 and 5. The university is finalising an Equal Opportunity for Women in the Workplace Plan, which will assist Monash integrate equal employment opportunity for women across all its operations and practices.

For general staff, the proportion of female-to-male staff increased by 1 per cent at HEW level 10; 2 per cent at HEW levels 5 and 6; 3 per cent at HEW level 4; 4 per cent at HEW level 9; 5 per cent at HEW levels 1 and 7; and 13 per cent at HEW level 2. The proportion of females employed at HEW level 8 decreased by 1 per cent. The most common level for males (19%) and females (25%) is HEW 5, followed by HEW 7 for males (16%) and HEW 4 for females (22%).

For academic staff, the percentage of female staff at levels E (and above) and D remained unchanged. The proportion of females at levels C, B and A increased by 1, 2, and 3 per cent, respectively. The most common level for males was B at 28 per cent, followed by C at 26 per cent. The most common level for females was A at 38 per cent, followed by B at 33 per cent.

Figure 4

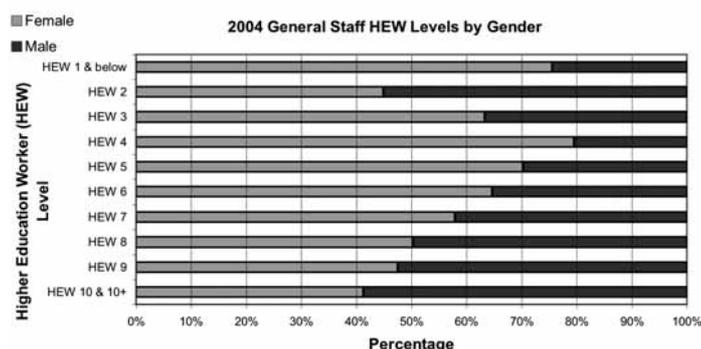
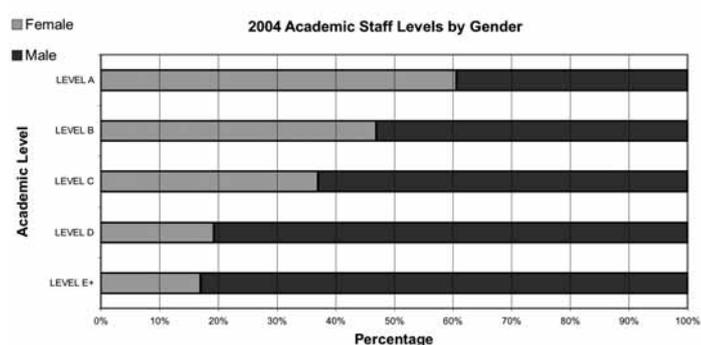


Figure 5



Employer of choice for women

The university once again applied for the Employer of Choice for Women citation, administered by the Federal Equal Opportunity for Women in the Workplace Agency, and received waiving status. Having demonstrated notable progress in implementing equal employment opportunity for women in the workplace, the university is exempt from reporting for two years.

Since 2000, the university has seen a 6 per cent increase in the representation of senior female staff (academic and general).

Services for health, safety and wellbeing – students and staff

Occupational health and safety

Monash University's Occupational Health and Safety (OHS) Policy stated:

- Monash University is committed to providing employees, students, contractors and visitors with a healthy and safe environment for work and study and strives, through a process of continuous improvement, to fully integrate health and safety into all facets of its operations and activities;
- Monash recognises its responsibility to provide staff and students with appropriate health and safety knowledge, instruction, supervision and role models for application during and beyond their university life and promotes a proactive health and safety management philosophy based on effective communication and consultation, the systematic identification, assessment and control of hazards and the encouragement of innovation.

In support of this statement, the university developed and launched a new OHS and Environment at Monash Strategic Plan 2004–2007. This new planning document clearly stated the approach Monash will take to achieve a health and safety environment for all staff, students, visitors and contractors.

To focus the university's values and resources in the areas of OHS and the environment, the following key areas of development and strategic direction were identified:

- OHS and the environment: a core business attribute;
- a quality approach to OHS and the environment;
- maximising engagement and recognising excellence;
- integrating and optimising our efforts;
- integrated risk management and compliance;
- controlling the risks of emerging issues and technologies; and
- excellence in OHS and environmental teaching and research.

To achieve the strategic directions outlined above, a number of key areas have been identified as priorities. These were: management alignment and accountability; data collection and management; provision of practical guidance; continued skills development; practical compliance support; and OHS and environmental awareness.

To support the ongoing OHS program, the university's Occupational Health, Safety and Environment Policy Committee (OHSEPC) developed and/or modified the OHS, first aid, and Prevention of Workplace Bullying and Occupational Violence at Monash policies and the following procedures:

- Managing Incidents of Bullying and Occupational Violence in the Workplace;
- Incident Reporting, Investigation and Recording; and
- Protecting the Unborn Child from the Effects of Ionising Radiation.

The university split the OHSEPC into two separate committees namely, the OHS Policy Committee and the Environmental Policy Committee. It was hoped that by creating two separate committees, both agendas will be equally progressed and increased participation on these committees can be facilitated.

The university's safety performance continued to improve with a further 17 per cent reduction in compensable workplace injuries recorded. This was the third consecutive year an injury rate reduction has been recorded (refer table 2).

Sprain and strain type injuries were the most significant injury type, representing 57 per cent of all injuries. Targeted injury prevention training continued, with 200 staff and students attending manual handling/ergonomic training.

Table 2: Reported workplace injuries

| | 2001 | 2002 | 2003 | 2004 |
|---------------------|------------|------------|------------|-----------|
| Sprains and strains | 79 | 70 | 63 | 50 |
| Lacerations | 16 | 10 | 13 | 11 |
| Contusions | 18 | 12 | 5 | 8 |
| Burns | 12 | 7 | 5 | 1 |
| Stress | 5 | 9 | 5 | 2 |
| Fracture | 1 | 2 | 3 | 4 |
| Foreign body | 7 | 1 | 0 | 3 |
| Needle stick | 3 | 0 | 2 | – |
| Other | 8 | 9 | 9 | 8 |
| Total | 149 | 120 | 105 | 87 |

These figures include Monyx and Monash staff at all locations.

Monash notified WorkSafe Victoria of five notifiable incidents and WorkSafe issued one improvement notice on the university. All directions in the notice were complied with within the specified timeframes set out by WorkSafe.

In January, Monash University was prosecuted by WorkSafe Victoria for breaches of the *OHS Act 1985* and *Dangerous Goods Act 1985*, following an incident in a research laboratory that occurred in 2002.

The incident involved a 1 litre chemical mixture stored in a chemical cabinet, exploding late on a Saturday afternoon. Nobody was injured during the incident. The magistrate fined Monash \$50,000, with no conviction recorded.

Following the court case, WorkSafe Victoria initiated a major chemical safety intervention program across all Victorian universities. Eight departments at Monash were inspected by a WorkSafe officer over the course of the year. During these audits, Monash demonstrated a high level of compliance, with all departments having implemented a comprehensive chemical safety system, including appropriate storage, segregation, labelling of chemicals and the provision of material safety data sheets, risk assessments and spill containment equipment.

Monash's expenditure on OHS included 21 dedicated specialist OHS staff with an annual budget of \$1.2 million as well as \$4.1 million spending on OHS and environment matters from the capital works budget.

Close monitoring of the university's positive OHS performance indicators resulted in improved performance by all campuses in conducting workplace safety meetings and inspections; trial building evacuations; and OHS training (training hours increased by 13.5 per cent).

Monash's commitment to working with the broader community included participation in an education industry forum conducted by WorkSafe Victoria, which focused on developing strategies to reduce injuries and illnesses across this large industry sector.

Well-being services

Community Services continued to offer students and staff free counselling services; family and child care related seminars and support; chaplains for personal and spiritual counselling; and access to the religious centre at Clayton campus. An Employee Assistance Program was introduced as an optional service for staff choosing to receive counselling external to the university.

Financial aid and off-campus housing services were available to students at all campuses. THRIVE, a stress reduction program for staff, was offered at all Australian campuses with more than 400 staff attending since 2003.

Student and Staff Services Division sponsored Working Together for a Safer Community, a university-wide seminar presented by

Monash academics and clinicians on current research and training for responding to threatening and inappropriate behaviour.

Health and medical clinics for staff and students were provided at the Caulfield, Clayton and Peninsula campuses. Students from other campuses could use these clinics, or a local provider recommended by Community Services. Nursing services were available at Gippsland campus.

Facilities

Sports and recreation facilities at the Caulfield, Clayton, Gippsland and Peninsula campuses were open for use by all staff and students, including the aquatic facilities at Clayton and Gippsland campuses.

Equity and access

An environment free from discrimination and harassment

Equal Opportunity – Information and Resolution Services supports the university to achieve equity for students and staff by providing leadership through its policies, knowledge through information and empowerment through training and support services.

Information and communication of policies, procedures and services remained a high priority. Promotional material was developed for university-wide distribution, including the revised Discrimination and Sexual Harassment Grievance Procedures and posters denouncing sexual harassment; web-based information was updated; and numerous opportunities were created to address various student and staff groups.

Training opportunities were further expanded to reach an increasing number of students and staff across all campuses. Additionally, specific training programs were developed for a number of faculties and divisions. Online training is being developed for introduction in 2005.

The networks of advisers and conciliators who support the university community through the Discrimination and Sexual Harassment Grievance Procedures were further developed. Students and staff both in Australia and, on occasion, from international campuses accessed these networks to affirm their rights to fair treatment and their responsibilities to others. Specific equal opportunity training was provided to Monash staff in Malaysia, and support is being provided to Monash South Africa for the development of appropriate procedures.

The Equity and Diversity Centre (EDC) was involved in the development of an electronic training and event module for the administration and reporting of staff training across the university.

EDC staff continued to respond to invitations to speak to committees and staff meetings and welcome approaches by managers and supervisors for advice and support on equity-related matters when they arose in the workplace.

Continuing to support the university's commitment to diversity awareness, the EDC maintains a cultural calendar for staff and students and reinforced ongoing diversity awareness by promoting the need for inclusive practice in all its communications.

Monash approved the university-wide Inclusive Practices: Disability Plan 2004–2008 and is actively monitoring the implementation of the six key result areas.

Child care

There were six university-sponsored child care services available at Caulfield, Clayton, Gippsland and Peninsula campuses, operated by parent management committees or sponsored by student unions. For Monash University community families unable to access campus-affiliated services, the university-funded a Family and Child Care Service to assist families in accessing a range of services based in the local community. Due to changes in child care service regulations, two new centres were opened at Caulfield and Peninsula campuses, and one service at Clayton campus was recently redeveloped. Demand for child care continued to exceed supply. There were no services available at the Berwick or Parkville

campuses, and an ageing facility at Clayton campus needs to be replaced. There was also a need to better support the families of international students with regard to issues of social isolation. In this regard, the Koonawarra Playgroup continued to assist students and staff to develop networks within the local community and provide an opportunity for social interaction, English conversation support and cultural exchange.

The School Holiday Program at Clayton campus continued to offer the university community workplace sponsored school holiday care for school aged children.

Access to facilities

Buildings at Berwick, Gippsland, Parkville and Peninsula campuses were audited to determine levels of physical accessibility and compliance with the *Disability Discrimination Act 1992*. An audit began at Clayton campus and will be completed in 2005. A detailed management plan will be prepared for each campus to rectify discriminatory elements of the built environment.

The Project Design and Management Guidelines were updated to include clear emphasis on access requirements for all projects involving redevelopment of physical facilities, such as renovating and retrofitting.

The security buses continued to operate and provided students and staff with a safe means of transport from/to work, study and transport facilities on campus after hours.

Privacy

Monash was required to comply with the *Information Privacy Act 2000 (Vic)*, the *Health Records Act 2001 (Vic)* and the *Freedom of Information Act 1982 (Vic)*.

Monash was committed to the protection of personal information and established a privacy regimen that strived to:

- promote an understanding and acceptance of the privacy principles and their objectives throughout the university community;
- educate people within the university about information privacy;
- handle any complaints received in an efficient and appropriate manner; and
- monitor privacy compliance and keep the university informed of updates to procedures.

Guidelines and advice on privacy regarding staff and students were provided to staff via the Monash intranet. Most faculties and divisions had privacy coordinators, and staff could contact the university privacy officer if they had any questions or complaints.

There were no substantial complaints regarding breaches of staff or student privacy.

Student engagement

Student profile

Monash had 49,362 students enrolled in Australian courses (see Table 3); an increase of 3 per cent on 2003 student numbers. These figures included those students enrolled in off-campus learning (OCL), but did not include students enrolled at international campuses. Forty-five per cent of students were male; 25 per cent were fee-paying international students; 56 per cent had HECS places; and 7 per cent were domestic full-fee-paying students. Of these, 7 per cent 71 per cent were enrolled in postgraduate course work. Forty-seven per cent of all students were enrolled at Clayton campus, followed by 27 per cent at Caulfield campus.

Table 3: Enrolment types by campus

| | Full-time | Part-time | External | Total |
|--------------|---------------|---------------|-------------|---------------|
| Berwick | 1377 | 466 | 45 | 1888 |
| Caulfield | 6519 | 5715 | 1166 | 13,400 |
| Clayton | 15,310 | 5788 | 1900 | 22,998 |
| Gippsland | 1602 | 581 | 5005 | 7188 |
| Parkville | 937 | 65 | 171 | 1173 |
| Peninsula | 1548 | 973 | 194 | 2715 |
| Total | 27,293 | 13,588 | 8481 | 49,362 |

Enrolment, orientation and transition

Orientation continued to be recognised as the official commencement to the academic year for first-year undergraduate students. Numerous events were held during Orientation week to help new students adjust to life at Monash. Opening ceremonies, social activities and academic programs featured on each campus, with up to 3500 students in attendance.

Student learning experience

Monash offered extensive learning support and resources to students through language and learning services, writing and study skills workshops and research assistance. Other support services for students included accommodation, financial aid, student progress coordinators, study support and resources. Student associations at each campus provided support to students including travel services, support groups, housing, welfare assistance, clubs and societies, and training. Students were provided with direct access to online services such as admissions, enrolment, examinations, information on scholarships and fees, graduation applications and information, transcripts, library facilities, news, re-enrolment, the university calendar and the 'ask.monash' service.

Monash Abroad, in partnership with the faculties, provided financial and administrative assistance to nearly 900 Monash students wishing to study overseas to enhance their academic experience and more than 400 overseas students who came to Monash on exchange and study abroad programs.

Student feedback

Students were also provided with an opportunity to provide feedback to the university via the self-review process. Self-reviews were undertaken for two faculties, four schools, five undergraduate courses, 12 centres, five academic departments and two institutes. Other areas that directly affected students that were reviewed were community services, student administration systems, postgraduate programs, undergraduate programs, and research.

Formal student evaluation of teaching quality was provided via the Monash Questionnaire Series on Teaching (MonQueST). The MonQueST comprised 11 surveys, and staff have been encouraged, but not obliged, to administer a MonQueST assessment every two to four years. Outcomes of these surveys were used as a performance indicator by the Monash University Council.

The Monash Experience Questionnaire (MEQ), which gives students an opportunity to provide feedback on their overall experience at Monash, was not conducted. It will be run again in 2005.

Student equity and access

The Student Equity Unit assisted the university in providing a supportive learning environment that was open to the perspectives and experiences of disadvantaged or under-represented individuals and groups from diverse backgrounds. These groups included:

- people from socio-economically disadvantaged backgrounds;
- Aboriginal and Torres Strait Islander people;
- people from non-English-speaking backgrounds;

- people from rural and isolated areas;
- people who have a disability;
- women in higher degrees by research;
- people experiencing difficult long-term family circumstances;
- people who have been absent from the education system for a significant period of time; and
- women in non-traditional courses (courses in which female enrolment is less than 40 per cent).

Examples of entry schemes at Monash that promoted access for these groups included the Diploma of Foundation Studies, a one-year full-time course designed as an alternative entry pathway to university study in response to the needs of the Gippsland region. Monash University Special Admissions Scheme (MUSAS) also allowed granting of extra consideration to applicants who belong to the groups mentioned above.

The university trialled a number of pathways programs for Indigenous students who would not ordinarily qualify for entry to Monash, and it is anticipated that programs will be significantly expanded in 2005.

Monash also provided staff training in equity and access principles and practices. This training was not compulsory and did not form part of a staff member's performance requirements.

The percentage of students who were in a low socio-economic bracket remained at 10 per cent (based on new enrolment figures). New enrolments of students with a disability were 3.2 per cent; a slight decrease on 2003 figures. Enrolments by Indigenous students were 0.27 per cent, which was less than the 0.49 per cent enrolled in 2003. The percentage of students who came from rural and isolated areas decreased from 10 per cent to 9.5 per cent of total enrolments. There were 22 per cent of students under 20 years of age and 2 per cent of students over 50 years of age.

Other departments and programs promoting equity and access were:

- the Centre for Aboriginal and Indigenous Studies (CAIS);
- the Monash University English Language Centre (MUELC);
- the Disability Liaison Unit (DLU), (committed to ensuring Monash adhered to the *Commonwealth Disability Discrimination Act*); and
- Student Financial Aid offices.

Facilities

Other provisions to promote equity and access were rooms for staff and students who required a quiet area for sleeping and resting as well as several adaptive technology rooms for people with disabilities.

Compliance

Education Services for Overseas Students Act 2000 (ESOS)

Monash University and its controlled entities complied with the *Education Services for Overseas Students Act 2000* and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students.

Graduation and beyond

Graduate students

Monash Research Graduate School provided office facilities and training to postgraduate research students to complement the assistance they received from their faculty/department. The Monash Postgraduate Association (MPA) represented and supported postgraduate students across the university, including the provision of seminars, workshops and social functions.

Graduate feedback

Postgraduate research students have had the opportunity to provide feedback on supervision and departmental support once every four years via the Postgraduate Research Supervision Survey; the last survey was conducted in 2002.

All graduating students nationwide were provided with the opportunity to provide feedback to universities and DEST via the Course Experience Questionnaire (CEQ). Students who completed postgraduate research in Australia were given the opportunity to provide feedback to their university and DEST via the Postgraduate Research Experience Questionnaire (PREQ).

Career assistance

Monash Careers and Employment, located at the Berwick, Caulfield, Clayton, Gippsland and Peninsula campuses, provided an online jobseekers' guide on employment and career issues relevant to tertiary students and conducted job seekers' workshops, a careers information library, graduate fairs and career counselling.

The Employer Survey was conducted in 2003 and is next due in 2008. It aims to gain feedback from more than 300 employers of recent Monash graduates to assess employer satisfaction with students' skills.

The national Graduate Destination Survey of all recent university graduates indicated that in 2002/2003, the employability of Monash graduates who completed the survey was 80 per cent.

Alumni

Monash alumni totalled 176,006, and of these, 140,248 regularly received communications about university events and news from the Alumni Relations office. Subscriptions to the *At Monash* monthly email newsletter increased by 54 per cent to 14,500.

International relations were developed through high-profile functions held in California, London, Singapore, Malaysia and Hong Kong. Major events and reunions in Melbourne were held by the faculties of Business and Economics; Engineering; Information Technology; Law; Medicine, Nursing and Health Sciences; and Pharmacy. A mentoring program for alumni and final-year students engaged more than 150 participants.

Human rights

Monash is a signatory to the UN Global Compact and is committed to promoting equal opportunity in education and employment in recognition of global principles of equity and justice according to the United Nations and International Labor Organisation Conventions, Covenants and Declarations. Human rights issues regarding staff and students within Australia were implicit in the legislation Monash complied with. Human rights concerns were not built into the assessment criteria for decisions relating to purchases and contracts, investment opportunities or the evaluation of organisations providing research funding to Monash.

Community engagement

Monash is committed to being fully engaged with its communities including local schools, governments, industry, professions and the general public. Monash provides one of its greatest services to the broader community through the application of the knowledge and skills of students, graduates and staff. Community service was a key area of staff activity, and the performance management review scheme recognised the contributions of academic staff. Many general and academic staff were members of professional bodies, contributed at conferences, or donated time to be guest presenters, judges and hosts for an array of external events. In addition, academic staff organised seminars for staff and students and offered their services to educational and advisory boards.

Other examples of community service included:

- Staff of the Financial Resources Management Division contributed towards the sponsorship of a child in Bolivia through Plan Australia.
- Gippsland campus hosted Australia's first community newspaper conference, a two-day event that attracted more than 60 attendees and resulted in plans to form a community newspaper association.

- The Faculty of Art and Design contributed to associated community and professional groups through the Faculty Gallery program consisting of a dozen exhibitions throughout the year on all aspects of fine arts and design.
- Peninsula campus held a very successful series of low-cost VCE revision classes for local students in October. The university provided a subsidy for the classes, and they were presented by local school teachers.
- The Student and Staff Services Division (SSSD) supported staff taking an active role on the organising committee of the Cancer Council Victoria's Relay for Life 24-hour event at Murrumbidgee. SSSD staff also contributed to the fundraising activities.
- Staff members and one student at Caulfield campus participated in Bluey Day, an event raising funds for treatment, support and research for children and families living with cancer and other life-threatening illness.
- ITS division collected older computers with a significant useful life for donation to schools and community centres in East Timor.
- The Centre for Community Networking Research, in the Faculty of Information Technology, consulted with Australian civil society groups nationally to promote their views at the World Summits on the Information Society. The next summit, sponsored by the United Nations, will take place in Tunis in 2005.
- Berwick campus hosted four 'Business Breakfasts' for members of the local Casey Business Development Group.

Facilities

Monash has several venues and centres open to the public, such as the Monash Science Centre, sporting and recreational facilities, retail outlets, galleries and performing arts venues. More than 205,912 audience members attended 271 events held in the performing arts venues of Monash University arts centres.

Human ethics and animal welfare in research

The Standing Committee on Ethics in Research Involving Humans advised the deputy vice-chancellor (research) and assisted Monash in conforming to the requirements of the National Statement on Ethical Conduct in Research Involving Humans. This committee was comprised of three committees (A, B and C), and each committee was constituted according to the National Statement with representation of each gender. The committee is comprised of approximately 30 per cent external membership including the categories of lay member, lawyer, minister of religion and member of health care professions.

The Monash University Animal Welfare Committee (MUAWC) was responsible for advising the deputy vice-chancellor (research) and assuring the university that the activities of the 10 Animal Ethics Committees were complying with state law and the Australian Code of Practice for the Care and Use of Animals for Scientific Purposes and that university policy was being implemented consistently. Committee membership included three representatives of animal welfare organisations and two external lay members who were not animal researchers, or associated with Monash, to represent the general public. MUAWC conducted a training course in the care and use of laboratory animals each semester for new staff and students who were involved in the use of animals for research or teaching purposes.

Media

The Media Communications unit monitored the public perception of Monash by noting positive and negative mentions in the media. Monash had 4945 positive mentions and 983 negative mentions.

Purchasing

Monash University's purchasing policy was based on negotiating competitive prices. Domestic suppliers were given preference to ensure that Australian businesses were supported, that the university received a local service, and that exposure to exchange rate fluctuations was minimised.

Monash made a commitment to purchasing fair trade teas and coffees by negotiating their supply from one of the university's major preferred suppliers.

National Competition Policy

The university continued to implement its established policies consistent with its obligations in relation to the National Competition Policy. A review of the *Trade Practices Compliance Manual* was commenced this year. The review was designed to maintain and enhance the existing compliance framework. The review will be completed early in 2005. The university was not the subject of any National Competition Policy-related action.

Employing locally

Gippsland campus was one of the five largest employers in the region and generally advertised vacancies up to HEW level 5 in local media only.

Socially responsible economic considerations

There were no policies to ensure that standard purchasing guidelines and criteria took into account assessment of potential human rights, environmental or social considerations with regard to vendors, suppliers or sponsors. There was no policy regarding the investment of university money in socially responsible investment (SRI) funds.

Statements of compliance

Freedom of information

Monash University processed 10 requests under the *Freedom of Information Act 1982* as against 22 in the previous year. Of these, four were applications for access to, or for amendment of, personal records.

The university maintained a high level of administrative contact with a number of Commonwealth and State Government agencies that had considerable influence on policy for which the university may be adjudged accountable. These included the Commonwealth Department of Education, Science and Training, the Australian Research Council and the National Health and Medical Research Council.

Departments within the central administration maintain most vital records relating to institutional policy and administration. The principal hardcopy records series are set out below:

- student files 1961 to current;
- student record cards 1961–1990;
- administrative correspondence 1962 to current; and
- staff files 1962 to current.

Major database record series (including archived systems) were:

- Monash archived accounting systems (MARS 1978–1999); (ARIES 1983–1999);
- integrated human resources systems (ISIS 1981–1999); (SAP 2000 to current);
- Monash University student information systems (MUSIS 1982–2000); (Callista 2000 to current); and
- accounting and funds management system (SAP 2000 to current).

Reports from these systems were not accessible online by members of the public.

Monash University Council and Academic Board agendas and minutes, which were the most accessible records series reflecting policy and procedures, have long been available in near complete form in the Sir Louis Matheson Library, Clayton campus, and may be consulted without notice during normal library hours (generally

9 am to 5.30 pm Monday to Friday during semester). These and other principal university record series available were as follows:

- Monash University Council minutes 1958–2001;
- Academic Board minutes 1960–1996;
- Council Annual Reports 1961 to current;
- Annual examination papers 1961 to current; and
- Faculty handbooks 1962 to current.

The university website (www.monash.edu.au) was also a valuable source of information and contained a considerable range of material including:

- Monash University Council minutes 1990 to current;
- Academic Board minutes 1993 to current;
- Committee of Deans minutes 1991 to current (previous minutes in archives); and
- Education Committee minutes 1994 to current.

In addition, the university website could be used to access a wide range of information about the university and its archives. Areas of interest included teaching, research, policy information, course and unit information, and a wide range of faculty and campus-specific information. Members of the public without access to the web could use computers at the State Library of Victoria or at any Monash University library to access the site.

The university has included material as set out in part II of the *Freedom of Information Act 1982* on the university website. Use of the search facility enabled access to the relevant information.

Monash produced a wide range of publications about the university's teaching, learning and research activities in print, online and video formats. These included undergraduate and postgraduate handbooks that described degree requirements, courses and units, a guide for international students on specific aspects of the university's key functions, and publications on research and research outcomes. The university also produced a range of brochures, booklets and information kits describing the activities and expertise of faculties, departments and research centres.

The university's Marketing and Public Affairs division produced a range of publications that were distributed throughout the university and to the media, secondary schools, the business sector and community leaders. General guides to the university's activities and services were also available in print and video formats.

Should formal FOI access be required, preliminary inquiries may be made to the FOI officer on +61 3 9905 5137. Formal FOI requests for access to university records under the *Freedom of Information Act 1982* must be made in writing addressed to the FOI officer and be accompanied by an application fee of \$20.50 as prescribed by the Act. Such requests for access should contain sufficient detail to enable the specific documents required to be identified.

Applicants would be notified in writing of the decision on a request as soon as possible but at least within 45 days of the application being received. If access was granted, the applicant would be advised at this time of the arrangements for gaining access to the requested documents.

Charges for access were in accordance with the *Freedom of Information (Access Charges) Regulations 2004*. The charges would cover time spent searching for documents and the cost of providing access.

Requests should be sent to:

Tony Allan
Freedom of Information Officer
Executive Services
Building 3A
Monash University
Victoria 3800

Further information about Freedom of Information could be found at the University Secretariat website at www.adm.monash.edu.au/unisec/.

Compliance with Whistleblowers Protection Act 2001

Monash University was committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. It did not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who came forward to disclose such conduct. The university took all reasonable steps to protect people who made such disclosures from any detrimental action in reprisal for making the disclosure.

The Monash University Whistleblower Procedures were established in accordance with the Act. The procedures established a system for reporting disclosures of improper conduct, corrupt conduct and detrimental action by employees, public officers or members. These procedures were available from the university website at www.adm.monash.edu.au/sss/pc/whist/index.html.

| | |
|---|-----|
| The number and types of disclosures made to the public body during the year. | 1 |
| The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they were public interest disclosures. | 1 |
| The number and types of disclosed matters referred to the public body during the year by the Ombudsman. | Nil |
| The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate. | Nil |
| The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year. | Nil |
| The number of requests made under section 74 during the year to the Ombudsman to investigate disclosed matters. | Nil |
| The number and types of disclosed matters the public body had declined to investigate during the year. | Nil |
| The number and types of disclosed matters substantiated on investigation and the action taken on completion of the investigation. | Nil |
| The number of recommendations of the Ombudsman under this Act that related to the public body. | Nil |

Statement on the number of complaints made to and investigated by the Ombudsman and made to and involving the university

There was one whistleblower complaint received by the university. We were not aware of any whistleblower complaints made to the Ombudsman which involved the university.

Statutes made and/or amended in 2004

Statute 6.1.1 – University Entrance and Admission to Courses (Amendment No. 1, 2004)

Website address for current and previous annual reports

Copies of the university's annual reports may be accessed at www.monash.edu.au/pubs/ar/index.html.

Environmental performance

Commitment

Committees

To allow for more time to be spent on environmental concerns, the Occupational Health, Safety and Environment Policy Committee (OHSEPC) was divided into two committees: the Environmental Policy Committee (EPC) and the Occupational Health and Safety Policy Committee (OHSPC). The EPC reported directly to the vice-chancellor and replaced the Environmental Policy Task Force Committee. The following committees reported to the EPC: Green Purchasing Committee, Australian Greenhouse Office (AGO) Greenhouse Challenge (GHC) Committee, Water Conservation Committee (WCC), and Waste Wise Task Force Committee.

Memberships

Clayton campus was a signatory to the EcoRecycle Waste Wise Program and a member of the AGO GHC.

Monash signed a Statement of Intent with the Environmentally Preferred Paper Alliance (EPPA) as part of its commitment to purchasing increasing amounts of environmentally preferred, recycled-content paper within the next two years. The EPPA is an industry coalition that lobbies the Australian paper industry to produce high-quality, recycled-content copy paper locally. The Statement of Intent extends to paper use such as that for exam papers, brochures and reports that could be printed on EPPA-approved paper.

Staff

Three FTE staff were directly employed in environmental improvement and compliance, and more than 220 staff were involved in working on office-based behavioural change and served as members of relevant committees. Monash spent more than \$530,000 on environmental improvement and compliance, including direct staff costs (the three FTE) and capital expenditure. This did not include the cost of staff not focusing solely on environmental issues, such as departmental Environmental Officers (EnvOs), nor did it include capital works.

Fifty-seven EnvOs were nominated and four training courses were conducted to introduce them to their roles and responsibilities. EnvOs acted as a focal point for all environmental matters in their work area, collected environmental data, addressed environmental risks and impacts, worked with the volunteer Green Office representatives (GO-Reps) and liaised with OHSE. Monash's Environmental Policy mandates that every department nominate an EnvO to represent environmental issues on their zone OHSE committee.

Green Office Program

The Green Office Program (GOP) focused on reducing, re-using and recycling paper, conducting environmental assessments, being energy smart, recycling at Monash and re-thinking food at Monash. There were 200 GO-Reps representing 140 departments, a 59 per cent representation of departments.

Environmental compliance

Monash had a trade waste discharge failure rate of 2.5 per cent based on self-monitoring for pH levels and received two initial Trade Waste Notices for Non-Compliance at Clayton campus, which were immediately rectified. One notice was for a low pH discharge, the other for a slightly elevated copper result.

Level two water restriction requirements were applied throughout the university, and there were no recorded issues of non-compliance.

There were no other known environmental non-compliance issues.

Effluent

Effluent was not monitored and measured by type except the category of prescribed trade waste, such as liquid waste from laboratories (see 'Environmental compliance'). Trade waste and emissions were dealt with according to the Melbourne Trade Waste Advisory Acceptance Committee requirements and agreements with local water suppliers.

Three meters were installed at Clayton campus to monitor the majority of sewage and trade waste outfall rates from 2005 onwards. The four remaining outfalls at Clayton campus will be completed in 2005. This will assist with water management programs and the completion of a Water Management Plan for submission to Yarra Valley Water.

Initiatives to reduce effluent

In general, effluent volume reduction was achieved as a direct outcome of reducing total water use. For information about initiatives to reduce water use, see 'Initiatives to reduce, reuse, and recycle water'. Grey and black water recycling facilities were not required as part of any building construction or refurbishment. Most Monash campuses did not use fertilisers for environmental and financial reasons, except on high-use grass areas and sports ovals.

Energy use

The major sources of energy used at Monash were natural gas and electricity. The amount and combination of gas and electricity at each campus varied from 81 per cent electricity at Parkville campus, to 47 per cent at Caulfield campus (Table 4).

Table 4: Gas and electricity use (gigajoules), by campus and per EFTSU

| Campus | Gas total | Gas per EFTSU | Electricity total | Electricity per EFTSU | Total energy | Total energy per EFTSU |
|-----------|-----------|---------------|-------------------|-----------------------|--------------|------------------------|
| Berwick | 3642 | 2.4 | 5410 | 3.5 | 9052 | 5.9 |
| Caulfield | 47,991 | 5.3 | 42,108 | 4.7 | 90,099 | 10.0 |
| Clayton | 178,432 | 9.7 | 183,793 | 10.0 | 362,225 | 19.7 |
| Gippsland | 14,479 | 3.7 | 19,163 | 4.9 | 33,642 | 8.6 |
| Parkville | 2192 | 2.2 | 9340 | 9.3 | 11,532 | 11.5 |
| Peninsula | 10,433 | 5.2 | 9892 | 4.9 | 20,325 | 10.1 |

Berwick, Gippsland and Peninsula campuses decreased gas use by 20 per cent, 13 per cent and 19 per cent per EFTSU, respectively, due to more efficient management of building systems. Gas use at Caulfield campus decreased by 19 per cent per EFTSU due to a main boiler not functioning, and therefore this reduction in gas use will not continue in to 2005. Gas use at Clayton campus decreased by 1 per cent per EFTSU, and Parkville campus increased gas use by 6 per cent per EFTSU.

Electricity use decreased both at Caulfield and Clayton campuses by 2 per cent per EFTSU and at Parkville and Peninsula campuses by 19 per cent and 7 per cent per EFTSU, respectively, due to the introduction of energy reduction measures. Electricity use increased at Berwick campus by 3 per cent per EFTSU as a new building began operation that was powered by electricity (rather than gas). Although actual usage at Gippsland campus remained steady, there was an increase in energy use of 17 per cent per EFTSU due to a decrease in student numbers.

Initiatives to reduce energy use

The efficiency of air conditioning units and electric motor plant used to supply building heating, cooling and ventilation to more than 70 per cent of the buildings was improved at Caulfield campus.

At Clayton campus, the ongoing installation of power factor correction units across the whole campus was completed, which improved the efficiency of the power supply from approximately 0.9

to 0.94 – 1.0; the energy efficiency of secondary heating, cooling and ventilation systems for eight buildings was enhanced; the automated Building Management Software was upgraded to allow greater flexibility, control and monitoring of the system to reduce energy used on building lighting and heating, cooling and ventilation; lighting controls were installed (such as motion detectors) in new buildings and refurbishments; and a program was commenced to replace ballasts and capacitors with more energy-efficient electrical components in light fittings during maintenance and refurbishments.

The development of an action plan and installation of a power factor correction unit was completed at Gippsland campus, which improved efficiency of power supply from 0.8 to over 0.95.

The Building Management System at Peninsula campus was upgraded to improve control and efficiency of building heating, cooling and ventilation. Other initiatives were also implemented to reduce energy expended by heating, cooling, ventilation and security lighting.

The GO-Reps continued to work with staff at all campuses to encourage positive behaviours such as switching off lights, urns, computers and other equipment when not in use.

On-campus renewable energy

No additional infrastructure to generate on-campus renewable energy was installed.

Emissions

Greenhouse challenge

Emissions reported to the AGO's GHC included those from natural gas, electricity, petroleum products, synthetic gasses and Monash-owned vehicles, as well as those from waste generated on campus that went to landfill. Energy and waste data was collected, and energy management and action plans were completed in preparation for signing all Victorian campuses to the GHC. This will be finalised in February 2005.

Emissions from transport

Monash was the first organisation in Australia to offset greenhouse gas emissions from business-related air travel. Approximately half the emissions from the latter six months of the year were offset by planting 8510 trees. GHG emissions from air travel (booked through Monash's preferred suppliers) were 6662 tonnes of CO₂ equivalent (44,768,493 miles), an increase over 2003 of 3 per cent.

To offset the impact of greenhouse gas emissions from vehicles, 94 per cent of Monash-owned vehicles were subscribed to Greenfleet at a cost of just over \$16,400. More than 6987 trees were planted on behalf of Monash. Staff with vehicles on a novated lease were not required to join Greenfleet.

Greenhouse gas emissions from energy

For the first time, 10 per cent of electricity was purchased from renewable sources for all six Victorian campuses. Another initiative to reduce emissions was the installation of a gas absorption chiller to reduce the electrical load of one of the largest office buildings at Clayton campus.

Greenhouse gas emissions were reduced at Berwick, Caulfield, Clayton, Parkville and Peninsula campuses by 13 per cent, 16 per cent, 5 per cent, 30 per cent and 20 per cent per EFTSU, respectively (table 5). Part of this reduction was due to the purchase of electricity from renewable sources, as well as the energy reduction measures mentioned above. Emissions at Gippsland campus declined by 8 per cent in actual figures, but increased by 8 per cent per EFTSU due to the decrease in student numbers.

Table 5: Greenhouse gas emissions as tonnes of CO₂-e, by campus

| Campus | Gas | Emissions per EFTSU | Electricity | Emissions per EFTSU |
|-----------|----------|---------------------|-------------|---------------------|
| Berwick | 214.5 | 0.1 | 1882.6 | 1.2 |
| Caulfield | 2826.7 | 0.3 | 14,653.5 | 1.6 |
| Clayton | 10,509.6 | 0.6 | 63,960.1 | 3.5 |
| Gippsland | 852.8 | 0.2 | 6668.7 | 1.7 |
| Parkville | 129.1 | 0.1 | 3250.5 | 3.3 |
| Peninsula | 614.5 | 0.3 | 3442.5 | 1.7 |

Integration into planning

The reduction of emissions was not integrated in to the requirements for new buildings at Monash.

Water use

Water use at each campus was monitored via the billing process (see Table 6) and by metering main inflow pipelines. All buildings at Clayton campus were monitored individually and linked in with the Building Management System.

Initiatives to reduce, reuse and recycle water

The Water Conservation Committee broadened its focus from Clayton campus to address water use at all campuses. It oversaw water audits and assessments (see details below) as well as an initiative at Clayton campus that resulted in the harvesting of roof runoff to maintain and refill an ornamental pond, and the installation of two 45,000 litre rainwater tanks at Berwick campus to collect roof runoff and supplement the bore water used to irrigate the soccer field.

Detailed water audits of all campuses and buildings were completed, which included all plumbing fixtures as well as water heating and cooling systems. Implementation of recommendations was completed at Caulfield campus and commenced at all other campuses. The main recommendations were the installation of 6590 pressure balancing flow-control valves, 54 flush valves, and 53 urinal auto sensor systems across all the campuses. Implementation of all recommendations will save approximately 60,000 kilolitres per annum and reduce current water usage by approximately 15 per cent.

Water conservation assessments were also carried out at all campuses and recommended a number of initiatives to maximise usable water usage, such as storm water mining and roof water harvesting. A decision to implement these recommendations has not yet been made.

Berwick campus had a large decrease in water use of 49 per cent per EFTSU due to reduced watering of sporting fields and the use of bore water. Water use also decreased at Caulfield, Clayton, Parkville and Peninsula campuses by 5 per cent, 10 per cent, 20 per cent and 12 per cent per EFTSU, respectively, due to water saving initiatives. Water use at Gippsland campus increased by 31 per cent per EFTSU, and 12 per cent in total, due to a change in the calculation for water disposal quantities, by the supplier.

Table 6: Water use (kilolitres), by campus and per EFTSU

| Campus | Total KI | KI per EFTSU | Litres per EFTSU per day |
|-----------|----------|--------------|--------------------------|
| Berwick | 5219 | 3.4 | 9.3 |
| Caulfield | 82,039 | 9.1 | 28.5 |
| Clayton | 403,981 | 22.0 | 60.3 |
| Gippsland | 58,879 | 15.2 | 41.5 |
| Parkville | 18,430 | 18.4 | 50.5 |
| Peninsula | 28,761 | 14.4 | 39.4 |

Integration into planning

No water-saving initiatives were integrated into new building construction.

Land use and biodiversity

Monash's Australian campuses occupied more than 2.25 square kilometres of land. Monash leased buildings and operated property outside these campuses, but these operations have not been included in the 'Environmental performance' section of this report. Major land uses across campuses were gardens and paths (44 per cent), car parking and roads (15 per cent), outdoor sports fields (8 per cent), buildings (12 per cent), and vacant land and area for new buildings (21 per cent). Land use at each campus is in Table 7.

Table 7: Land use by campus

| Campus | Total metres squared | Gardens and paths | Car parking and roads | Sports fields | Buildings | Vacant land/area for new buildings |
|-----------|----------------------|-------------------|-----------------------|---------------|-----------|------------------------------------|
| Berwick | 548,003 | 10% | 4% | 1% | 1% | 84% |
| Caulfield | 48,691 | 35% | 14% | 0% | 40% | 11% |
| Clayton | 987,602 | 44% | 22% | 16% | 18% | 0% |
| Gippsland | 534,341 | 79% | 11% | 2% | 7% | 1% |
| Parkville | 9768 | 33% | 26% | 0% | 41% | 0% |
| Peninsula | 123,526 | 53% | 26% | 6% | 15% | 0% |

The development of urban plans in 2004 for the Berwick, Caulfield and Clayton campuses incorporated a renewed focus on creating diversity across each campus by encouraging a variety of landscape treatments and designs. This approach was supported by an objective to attract, enhance, and protect wildlife on individual campuses and to develop areas of high ecological significance. The Facilities and Services division's planning processes incorporated guiding principles embracing the developing technologies of sustainable development and design.

Initiatives to preserve and enhance biodiversity

Peninsula campus continued to be a member of the Land for Wildlife program to encourage preservation of small mammals in the area.

Stage one of the Eel Hole Creek wetlands project (the installation of three linked ponds) was successfully implemented at the Gippsland campus. A landscape master plan was also developed for the area, and planning commenced for the rehabilitation of the section of Eel Hole creek upstream of the ponds. An off-campus weed eradication program was also initiated.

As a member of the local Landcare group, the Gippsland campus was also involved in the planting of 2500 trees and understorey shrubs on campus and in the surrounding area.

Environmentally responsible purchasing

The Green Purchasing Committee promoted the purchase of environmentally preferred products and discouraged the purchase of environmentally unsound products. Where appropriate, tenders managed by Procurement Services included a statement of environmental requirements. It was difficult to monitor all material purchases as they were not all managed centrally; supplier contracts not managed by Procurement Services generally did not include environmental statements. The environmental performance of suppliers' operations was not taken into consideration when making purchasing decisions.

The Fair Trade tea and ground coffee recommended for purchase at Monash was organic. This was introduced late in the year and December sales figures were encouraging. One of the Monyx coffee outlets at Clayton campus served organic coffee.

Initiatives to reduce material use

The use of recycled content copy paper increased from 23 per cent to 36 per cent of all copy paper purchased, and paper use remained at 5.9 reams per EFTSU.

Packaging

Photocopiers and IT equipment tenders and proposal agreements included a request that suppliers needed to reduce packaging.

Negotiations began with Monyx, the major catering provider, to introduce environmentally responsible packaging. Due to a decision to put out to tender the majority of catering facilities on campuses, OHSE and the Monash Environment Institute submitted a document outlining environmental concerns for consideration by those submitting a tender.

Monyx used more than 1,047,270 take-away items that were not made from recycled materials, not biodegradable, and not recyclable in Australia. The amount of packaging supplied by Monyx did not change significantly from the previous year. However, Monyx reduced their operations slightly at some campuses and several additional non-Monyx take-away food outlets were introduced in 2004. Packaging numbers for non-Monyx outlets were not included in table 8. A total of 527,850 drink containers (cans and bottles), which are recyclable in Australia, were supplied on-campus. Monyx outlets sold plastic eco-cups (insulated cups with lids), which are reusable, and customers could take their own cups to Monyx outlets.

Table 8: Non-recyclable catering items used by Monyx

| Item description | Number of items |
|------------------------------|-----------------|
| Polystyrene cups | 261,487 |
| Paper cups | 30,625 |
| Cup lids | 147,869 |
| Plates | 22,350 |
| Plastic cutlery | 351,300 |
| Polystyrene containers | 30,100 |
| Stirrers and straws | 148,000 |
| Plastic take-away containers | 86,164 |

Nine per cent of disposal cups purchased for departmental use, from the preferred supplier, were recyclable.

Buildings and major works

The Facilities and Services division updated the Project Design and Management Guidelines, for projects such as renovations and retrofits, to address environmental concerns such as waste disposal methods and the environmental responsibility of building materials.

A working party was formed to focus on how best to integrate ecologically sustainable design (ESD) guidelines into future buildings. A grant of approximately \$50,000 was received from the Sustainable Energy Authority Victoria to model ESD initiatives in the Science Technology Research and Innovation Precinct (STRIP) stages 2 and 3.

Of the buildings constructed, see "Compliance - major works", none incorporated ESD guidelines, although the Seminar Building had orientation and air circulation to minimise heat loadings.

Transport

All campuses had car parking facilities on site and were accessible by public transport, however only Berwick and Caulfield campuses had train stations within easy walking distance. Bicycle lane coverage was inadequate as not all main access roads to campuses had bike lanes or paths.

Motor vehicles

All vehicles purchased by Monash were sourced from companies that had manufacturing plants in Australia and used unleaded fuel (some special-purpose vehicles used diesel). Eligible staff at Monash could lease vehicles under a novated leasing scheme that did not stipulate that cars need to be efficient or made in Australia. Statistics for Monash fleet vehicles (excluding novated leases) are reported below in table 9.

Allowances for staff use of personal vehicles were reimbursed based on engine size. The larger the engine the greater the reimbursement rate per kilometre. Fifty-two per cent of reimbursements were for vehicles with engine sizes ranging from 1601cc to 2600cc, and 35 per cent were for vehicles with an engine larger than 2600cc. There was one claim for personal bicycle use on university business.

Table 9: Monash fleet statistics

| Category | Amount |
|-------------------------------------|---------|
| No. of fleet vehicles | 437 |
| No. of fleet vehicles in Greenfleet | 411 |
| No. of LPG vehicles in fleet | 4 |
| Total fuel use (litres) | 626,846 |

The number of Monash owned vehicles has decreased by 5 per cent and the average distance travelled per vehicle has increased by 1 per cent.

Car parking

Car parking was available at all campuses; availability and price depended upon the campus location. All-day pay-as-you-go parking was introduced at Clayton campus with the intention of discouraging the need for parking permits, and therefore an assumed obligation to drive every day to make use of the permit. It was intended that the 453 \$3 all-day car spaces met the need for those who regularly used alternative transport but had an occasional need to drive to campus. The number of these parking spaces will increase to 781 in 2005.

A multi-storey car park with a 653 vehicle capacity was constructed at Clayton campus to replace others that were demolished for the construction of new buildings.

Initiatives to reduce the environmental impact of transport

Results from the Transport Strategy Committee's consultant's report showed there were some means for reducing car travel to and from Clayton campus, for example by providing incentives and infrastructure for staff and students located within five kilometres of campus to walk or ride to campus. This will be a focus for the Committee in 2005.

Car pooling

The free car-pooling service at Clayton campus continued to be operated by the Student Association and was part-funded the university's Alternative Transport Fund. The number of car pool parking spaces was increased from 144 spaces to 196, and the number of participants increased from 1426 to 2217. An online car pool matching service for staff and students at Clayton campus was introduced to help facilitate ride sharing.

Public transport

An assessment of the TravelSMART program (a Victorian Government initiative to reduce car travel) showed that for those in the program, single-occupant car use decreased and car pooling and bus use increased. Students perceived that the major influences for changing their behaviour were increased awareness of public transport alternatives and free tickets.

The university successfully lobbied the State Government for inclusion on the route of a 'Smart Bus' to be introduced in late

2006. This bus will run every 15 minutes from 6.30 am to 9.30 pm and cover two railway stations, two campuses and two major suburban shopping centres.

TravelSMART surveyed local stakeholders to determine potential demand for the implementation of a circular bus route to improve public transport access between Frankston Railway Station, the Peninsula campus, Frankston Hospital and other facilities within Frankston. The results will be analysed in 2005.

Other transport alternatives

The intercampus bus service between Caulfield and Clayton campuses was increased by 100 per cent, and a service between Berwick and Clayton campuses was established.

The Alternative Transport Fund, the MSA Transport Office and Clayton campus students repaired donated bicycles for discounted sale to students. This program will be expanded in 2005.

Three 'Cycle In' courses were conducted at Clayton and Caulfield campuses to help improve the skills of staff and students who wished to cycle to Monash. These courses were sponsored by the Alternative Transport Fund.

Waste

Clayton campus was re-certified as a Waste Wise Business and presented with a Waste Wise certificate on behalf of EcoRecycle Victoria and the City of Monash. Table 10 lists the recycling facilities that were available at each campus.

Table 10: Availability of recycling and waste facilities by campus

| Campus | Cardboard | E-waste | Co-mingled (public) | Co-mingled (offices) | Composting | Paper |
|-----------|-----------|---------|---------------------|----------------------|------------|-------|
| Berwick | Yes | Yes | Limited | Yes | | Yes |
| Caulfield | Yes | Yes | | Two buildings | | Yes |
| Clayton | Yes | Yes | Yes | Yes | | Yes |
| Gippsland | Yes | Yes | Limited | | | Yes |
| Parkville | | Yes | | | | Yes |
| Peninsula | Yes | Yes | | Yes | | Yes |

More accurate measurement of data

A team of students from the Clayton campus was hired to conduct monthly waste stream audits at six main locations on campus. Waste audits will continue in 2005, and other campuses will be involved in this process.

Waste and recycling contracts at Clayton campus were renegotiated to consolidate the number of service providers. Contracts included a requirement to provide accurate data on different waste and recycling streams collected.

On average, 1.5 tonnes of waste per day was sent to landfill from Clayton campus. Approximately 30 per cent of this waste was recyclable or reusable paper. This was a reduction on 2003 figures; however it may have been due to more accurate data collection techniques.

Initiatives to reduce waste to landfill

Ten recycling stations (separating bottles and cans, paper and waste to landfill) were installed at Clayton campus. Two of these stations were mobile and were located in the Campus Centre. Similar stations will be set up at other campuses in 2005. The recycling stations led to an increase in the amount of recyclables being diverted from landfill.

All schools and departments at Clayton campus had internal bottle and can recycling facilities installed. Office bottle and can recycling was available at Berwick, Gippsland and Peninsula campuses, though less widely. This program continued to be trialled in two

buildings at Caulfield campus. Berwick and Gippsland campuses also had bottle and can recycling facilities in public areas.

Cardboard box recycling facilities continued to be provided at Clayton, Gippsland, and Peninsula campuses. At Clayton campus, this service was expanded, with large cages replacing small bales and cages placed in more locations. In 2003, five to six tonnes of cardboard were recycled per month at Clayton campus. In 2004, this increased to 20 to 21 tonnes per month, due to increased size and number of locations of cardboard recycling stations. Data on cardboard collection in 2004 was only gathered from Clayton campus. Data for the other campuses will be collected in 2005.

Facilities for printer cartridge recycling were available on all campuses as a free service provided by Corporate Express. The electronic-waste (e-waste) collection service introduced at Clayton campus in 2002 was expanded to include other campuses. Collection statistics are listed in table 11. Monash's four main IT suppliers (Acer/Volante, Leading Solutions/HP, Paragon Systems and Southern Cross Computer Systems/Toshiba) each agreed to contribute \$2000 toward funding the e-waste collection service in 2005.

Table 11: Monash e-waste collection statistics

| Campus | Tonnes |
|-----------|--------|
| Caulfield | 2 |
| Clayton | 8 |
| Parkville | 1 |
| Peninsula | 2 |
| Total | 13 |

A polystyrene recycling trial was conducted, and eight departments collected three weeks worth of polystyrene waste (15 m³), which was sent to an offshore recycler. Pending the establishment of a polystyrene recycling plant in Melbourne, it is anticipated that a permanent polystyrene collection facility could be established at Clayton campus in 2005.

Composting was introduced at local levels due to the initiative of individual GO-Reps and departments. Composting was not a university-wide service.

Waste to landfill from the Campus Centre at Clayton campus increased by approximately 1 per cent, to 238 tonnes. Accurate measurements for the rest of Clayton campus and the other campuses were unavailable. Of the measurable waste to landfill from Clayton campus (by weight), 33 per cent was waste paper or cardboard that could have been recycled and less than 2 per cent was bottles and cans that were recyclable.

Office paper recycling services were available on all campuses and approximately 352.7 tonnes of paper, from five campuses, were recycled; this was an increase on 2003.

Local environmental initiatives

Students from Gippsland campus, in conjunction with the Department of Primary Industries, researched the importance of remnant forest fragments for biodiversity of birds on farms in the Latrobe Valley and the impact of re-planting and fencing riverside areas on the biodiversity of farms in Victoria.

ITS division promoted the use of recycled paper, and activities to reduce the amount of paper used by the university community included the distribution of a variety of official correspondence by electronic means rather than the previously printed versions.

The Facilities and Services Division instigated triple-bottom-line reporting at a divisional level and will produce its first report in 2005, based on its 2004 performance.

Compliance statements

Statement on compliance with the building and maintenance provisions of the *Building Act 1993*

Monash Property Management Pty Ltd managed the construction of new buildings. The Facilities and Services Division was responsible for all buildings, grounds and service infrastructure at Victorian campuses and coordinated refurbishment and major maintenance in existing buildings.

The university, by engaging independent building surveyors, ensured that all works requiring building approval had plans certified and, on completion, had Certificates of Occupancy issued in compliance with *the Building Act 1993*. Works such as building maintenance, replacement of equipment, civil works and landscaping were the types of projects that were exempt from the 10-year liability.

Compliance – major works

Berwick campus

Construction of stage three of Berwick campus for the School of Multimedia Studies was completed at a cost of \$9.25 million. The new building consists of a lecture theatre, tutorial rooms, studios, computer laboratories and offices for academic staff.

Caulfield campus

Major works at Caulfield campus included the following:

- construction of stage one of the Caulfield Plaza redevelopment continued. The project will provide teaching and tutorial spaces, staff offices, a conference centre and a multi-deck car park;
- a new child care centre was constructed to replace the facility that was demolished to make way for stage one of the redevelopment. The project was completed at a cost of \$1.7 million;
- extensive refurbishment of level nine of building S was completed at a cost of \$1.25 million. The project provided staff offices and meeting rooms with videoconferencing facilities;
- the construction of a Postgraduate Student Lounge in building A, incorporating workstations and data access points, provided an informal study space for postgraduate students;
- the refurbishment of four computer laboratories on level two of building T was completed at a cost of \$350,000. The laboratories provide all students with modern, well-equipped facilities;
- further work was undertaken to ensure that the stairways in building B complied with relevant legislation.

Clayton campus

Major works at Clayton campus included the following:

- stage one of the Monash Science Technology Research and Innovation Precinct (STRIP), for industry and academic researchers, was completed at a cost of \$34.6 million and followed by a progressive fit out at a cost of \$21.5 million;
- stage one of the refurbishment of laboratories and offices in the School of Chemistry to meet industry safety standards was completed at a cost of \$4.7 million;
- the extension and refurbishment of the child care centre located at 62–66 Beddoe Avenue was completed at a cost of \$1.1 million. The refurbishment has increased the centre's capacity to 100 places;
- a review of infrastructure services by external consultants was undertaken to coordinate and prioritise a program of service upgrades and replacement of ageing infrastructure;
- a major refurbishment of the Hargrave Andrew Library was commenced at a projected cost of \$4.4 million;
- an extensive refurbishment of teaching laboratories in building 35 for the Faculty of Engineering was completed at a cost of \$1.2 million;

- refurbishment of levels one and two of the Menzies building at a cost of \$1.6 million provided new teaching and office space. The redevelopment of level three was commenced;
- a major refurbishment of lecture theatres and tutorial rooms in building 25 commenced at a projected cost of \$1.1 million;
- stage two of the North West Car Park, providing an extra 653 over two additional levels, was completed at a cost of \$5.5 million.

Gippsland campus

Construction of the \$12.5 million Gippsland Education Precinct continued throughout 2004, and key building works were completed.

Parkville campus

Major works at Parkville campus included the refurbishment of laboratories on level one of the Manning Building, completed at a cost of \$390,000, and the instrument laboratories on level two of the Scott Building refurbished at a cost of \$250,000.

Peninsula campus

Stage one of the renovation of the plaza adjacent to building A and landscaping of the library forecourt was completed at a cost of \$400,000.

South Africa campus

The construction of a new building consisting of teaching spaces and offices was completed at a cost of \$3.8 million.

Financial performance

Report on Financial Operations

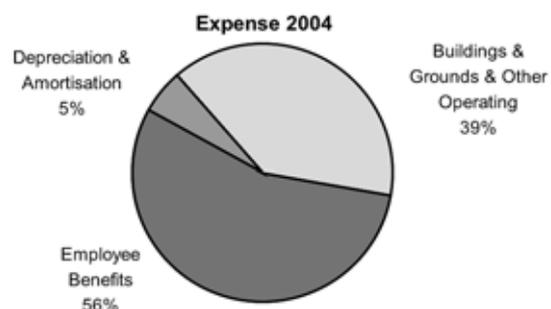
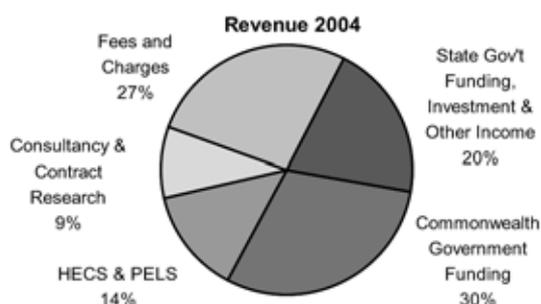
The Consolidated Result for Monash University and its controlled entities is \$36.6 million for 2004 compared to \$32.2 million in 2003. The result provides a safety margin of 4% which is within the DEST benchmark of 3% to 5%. The surplus also supplements other internal funds & borrowings that enable the university to fund new buildings and refurbishments. This is reflected in the increased value of property, plant & equipment. In 2004, Revenue of \$923.2 million and expenses of \$886.6 million show an increase of \$61.6 million and \$57.2 million respectively on 2003 values.

The sound result has been achieved with increased student fee revenue and excellent investment returns in the light of strong overall market performance. Student fee income growth included increases of 781 EFTSU Fee Paying International Students and 170 in Postgraduate Loan Scheme Students, offset by a decrease of 43 Domestic Fee Paying Undergraduates and 64 Domestic Postgraduate students.

The main significant movement in expenses is an increase in Employee Benefits of \$41.0 million, which mainly relates to salary rises from enterprise bargaining, annual salary increases, and additional academic and general staff.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER

| | 2004 \$million | 2003 \$million | 2002 \$million | 2001 \$million | 2000 \$million |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue from operating activities: | | | | | |
| Commonwealth Government Funding | 277.7 | 267.7 | 252.7 | 244.9 | 234.1 |
| HECS & PELS | 125.4 | 117.0 | 108.9 | 98.1 | 90.4 |
| Victorian Government Funding | 15.7 | 14.6 | 17.7 | 11.5 | 16.3 |
| Consultancy & Contract Research | 84.2 | 83.9 | 62.2 | 51.4 | 39.3 |
| Fees and Charges | 248.9 | 225.5 | 192.6 | 165.6 | 159.4 |
| Investment Income | 29.0 | 30.1 | 19.2 | 14.8 | 27.9 |
| Other Revenue | 142.3 | 122.8 | 136.8 | 124.4 | 128.1 |
| | 923.2 | 861.6 | 790.1 | 710.7 | 695.5 |
| Expenses from ordinary activities | | | | | |
| Employee Benefits | 491.3 | 450.3 | 421.1 | 386.3 | 362.5 |
| Depreciation & Amortisation | 48.0 | 44.6 | 41.0 | 37.9 | 35.7 |
| Buildings & Grounds | 21.4 | 22.4 | 22.3 | 18.0 | 19.0 |
| Other Operating | 322.1 | 309.7 | 306.4 | 259.0 | 244.4 |
| Income Tax | 1.9 | 1.0 | (0.4) | 0.3 | - |
| Outside Equity Interest | 1.9 | 1.4 | (1.9) | (1.2) | - |
| | 886.6 | 829.4 | 788.5 | 700.3 | 661.6 |
| Net Result attributable to the parent entity | 36.6 | 32.2 | 1.6 | 10.4 | 33.9 |



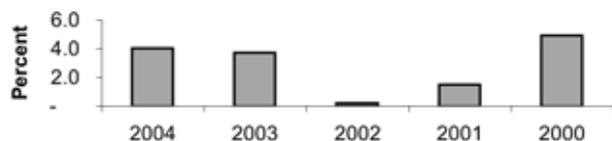
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

| | 2004 \$million | 2003 \$million | 2002 \$million | 2001 \$million | 2000 \$million |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| What the Monash Group Owns | | | | | |
| Property, Plant and Equipment | 1,336.1 | 1,231.6 | 962.4 | 898.7 | 863.1 |
| Other Financial Assets | 260.3 | 263.4 | 250.6 | 283.0 | 277.5 |
| Deferred Government Superannuation Contributions | 117.7 | 118.9 | 124.5 | 122.9 | 120.7 |
| Other | 136.1 | 118.2 | 81.4 | 68.6 | 53.8 |
| | 1,850.2 | 1,732.1 | 1,418.9 | 1,373.2 | 1,315.1 |
| What the Monash Group Owes | | | | | |
| Interest Bearing Liabilities | 192.4 | 116.6 | 83.5 | 76.3 | 46.2 |
| Provisions | 107.4 | 99.5 | 94.3 | 85.2 | 79.5 |
| Deferred Employee Benefits for Superannuation | 117.7 | 118.9 | 124.5 | 122.9 | 120.7 |
| Other | 107.8 | 117.7 | 65.6 | 58.9 | 49.5 |
| | 525.3 | 452.7 | 367.9 | 343.3 | 295.9 |
| Net Assets | 1,324.9 | 1,279.4 | 1,051.0 | 1,029.9 | 1,019.2 |

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER

| | 2004 \$million | 2003 \$million | 2002 \$million | 2001 \$million | 2000 \$million |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Statement of cashflows | | | | | |
| Net cash inflows from operating activities | 59.0 | 92.1 | 52.2 | 32.3 | 57.0 |
| Net cash inflows (outflows) from investing activities | (158.8) | (122.5) | (53.3) | (67.3) | (65.1) |
| Net cash inflows (outflows) from financing activities | 91.6 | 44.6 | 5.9 | 41.4 | 4.7 |
| Net increase/decrease in cash assets held | (8.2) | 14.2 | 4.8 | 6.4 | (3.4) |

Safety Margin - Group

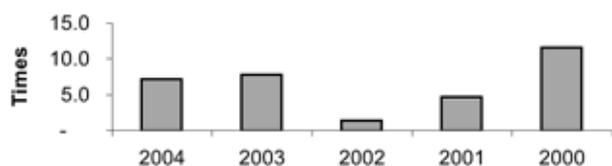


Safety Margin

| 2004 | 2003 | 2002 | 2001 | 2000 |
|------|------|------|------|------|
| 4.0 | 3.7 | 0.2 | 1.5 | 4.9 |

The Safety Margin is defined as the institution's total operating surplus attributable to the parent entity over total revenue. (Benchmarks 3% to 5%).

Interest Coverage - Group



Interest Coverage

| 2004 | 2003 | 2002 | 2001 | 2000 |
|------|------|------|------|------|
| 7.2 | 7.8 | 1.4 | 4.6 | 11.5 |

Interest Coverage is the result attributable to the parent entity plus interest expense over the interest expense. (Benchmark 3 Times).

Statement on risk management

In 1997, on the recommendation of its Audit Committee, the Monash University Council approved a proposal for the implementation of operational risk management across the university, with the project to be facilitated by a newly established specialist risk management unit.

Since that time, the university has made considerable progress towards incorporating risk management into its operations and activities as follows:

- Operational risk management projects were conducted by all faculty administrative divisions and major controlled entities. In each case, a risk profile was developed that detailed the strategic and operational risks impacting on the area and the agreed strategies to mitigate the higher-level risks. These profiles were signed off by heads of divisions.
- Separate risk management projects were conducted on key functions and activities including online learning, international activities, occupational health and safety and information technology.
- Crisis management planning, essentially a risk management exercise, was implemented on all campuses, including Malaysia and South Africa.
- A formal compliance framework was implemented to enable the university to better manage its legal compliance risks. A Compliance Office was established to facilitate the implementation of a compliance framework across the university, including at its controlled entities.
- Risk assessment guidelines were developed to enable staff to prepare risk assessments to support project proposals.
- A risk management policy was developed and issued to university management. A copy of the policy and risk management guidelines is available on the university website.

- A training course on risk management was developed and included in the university's staff development and training program.
- The university's Audit and Risk Management Unit had well-established processes and a system for the conduct of risk management projects based on the relevant Australian/New Zealand Risk Management Standard. The unit has also implemented a comprehensive database of current and emerging risks facing the university.

To ensure risk management was further integrated into the university's planning and business processes, in 2003 Council approved arrangements whereby divisional heads (deans and divisional/executive directors) were required to annually review and update the risk registers for their division. Risk profiles were amended to reflect the status of actions taken to address previous years' risks and to take account of new and emerging risks. This exercise coincided with the university annual planning cycle to ensure that risk treatment strategies for high-level risks were included in divisional operational plans.

The outcomes from the process were then aggregated into a university-wide risk profile and integrated with the strategic risks identified by senior management and submitted annually to Council for information. From 2005 onwards, it is proposed to include operational risks from the university's controlled entities into an overall consolidated risk profile.

Risk analysis – controlled entities

The following table is an indicative summary of the risks related to controlled entities of the university where Monash had a capital investment in excess of \$100,000.

| Controlled Entity | Objects | Investment \$ |
|---|---|---------------|
| Monash International Pty Ltd | Provision of recruitment services, development of international projects and the delivery of overseas access programs | 500,000 |
| Monash Commercial Pty Ltd | Marketing and promotion of commercially viable projects developed predominantly by Monash University | 8,887,000 |
| Monash Southern Africa Pty Ltd/Monash University South Africa | Operation of Monash University's South African campus in Roodeport, Johannesburg | 2,000,000 |
| Monash IVF Pty Ltd | Provision of infertility medical services | 1,226,979 |

All companies had some exposure to risk but in the context of Monash University's asset base the level of financial and reputational risk was modest.

Monash University and its controlled entities had a suite of policies designed to mitigate risk. These included:

- regular monitoring of controlled entities' performance and outlook;
- crisis management and recovery processes;
- occupational health and safety policies;
- business continuity strategic plan;
- physical security;
- good staff management, training and development practices with a sound staff selection process;
- segregation of duties; and
- financial delegation policy.

Statement on allocation of public funds

Public funds allocated to the university were allocated to the purposes specified by the government or other funding body.

Major financial and performance statistics

Table 12: Major financial results

| Year | Net result* \$000 | Revenue \$000 | Expenses \$000 | Assets \$000 | Liabilities \$000 | Equity \$000 |
|------|----------------------|------------------|-------------------|-----------------|----------------------|-----------------|
| 2004 | 36,617 | 923,202 | 882,718 | 1,850,184 | 525,263 | 1,324,921 |
| 2003 | 31,829 | 861,234 | 827,002 | 1,732,047 | 427,826 | 1,304,221 |
| 2002 | 1,603 | 790,096 | 790,716 | 1,418,925 | 367,953 | 1,050,972 |
| 2001 | 10,296 | 711,686 | 702,344 | 1,373,226 | 343,271 | 1,029,955 |
| 2000 | 33,882 | 695,492 | 661,615 | 1,315,135 | 295,967 | 1,019,168 |

* After tax and outside equity interests

Consultants

The university engaged a wide range of consultants to assist in the implementation of new management and student administration systems, and to provide information for business development and a variety of research projects encompassing many fields of endeavour, including management, administrative, organisational and scientific activities. Table 13 below is the listing of the consultants used by the university and the fees paid for their services during the year ended 31 December 2004.

Table 13: Consultants

| Name/description of service | \$ | Future commitments |
|---|---------|--------------------|
| Centre For Clinical Studies Clinical Trials | 790,000 | n/a |
| Southern Health Medical consulting services | 508,973 | n/a |
| Kanbay Pty Ltd Software to assess subject credits eligibility for prospective students | 340,429 | 294,000 |
| Airservices Australia Safety science project | 318,001 | n/a |
| University Of Melbourne Multiple research projects | 316,124 | n/a |
| The Stephenson Partnership Pty Ltd Executive coaching services | 241,507 | n/a |
| CMA Training Training services for students and staff | 204,100 | 100,000 |
| OVE ARUP & Partners Clayton Campus Services Infrastructure Upgrade; Environment Improvement Programme | 201,080 | 299,000 |
| Callista Software Services Student information system update to comply with HESA reforms | 178,250 | 30,000 |
| Greythorn Pty Ltd Information database project | 172,826 | n/a |
| DJ Gilmour Nominees Pty Ltd Business planning | 161,606 | n/a |
| R C Potok & Co Native Title Representative Bodies project | 160,483 | 20,000 |
| Deakin University Facilities and services accessibility audit | 120,405 | n/a |
| Moore Stephens HF Consulting on business and tax issues | 116,430 | 115,000 |

| Name/description of service | \$ | Future commitments |
|---|-------------------|--------------------|
| Indigo Blue Consulting Pty Ltd | 115,555 | n/a |
| Strategic Review of Faculty of IT | | |
| Tony Ross Consultancy | 109,585 | n/a |
| Provision of strategic advice to the Faculty of Education | | |
| The Thinking Network | 108,008 | n/a |
| MBA Program | | |
| Netstar Australia Pty Ltd | 103,660 | 24,450 |
| Data network monitor | | |
| Candle IT & Recruitment | 103,390 | n/a |
| Student database business improvement project | | |
| Subtotal (> \$100,000) | <u>4,370,412</u> | |
| 886 Consultancies < \$100K | <u>9,345,299</u> | |
| Total Consultancies | <u>13,715,641</u> | |

Statement on compulsory non-academic fees

The Tertiary Education Act 1993 at Section 121 requires the university to publish, as part of its annual report, details of compulsory non-academic fees collected, the purposes to which these funds have been applied, moneys provided to student organisations and the manner in which those student organisations spent the funds. The amount of compulsory non-academic fees - referred to as Compulsory Amenities Fees (CAF) - collected by Monash University from students and prospective students during the year ended 31 December 2004 is shown in the CAF Statement below. This statement also shows the purposes for which the university distributed those fees and the moneys made available to student organisations and university-related operations.

CAF Statement for the Year ended 31 December 2004

| Item | Amount \$ | Amount \$ |
|---|------------|-------------------|
| Fees | | |
| Fees Collected in 2004 | 13,713,522 | |
| Brought Forward from 2003 | 444,567 | 14,158,089 |
| Disbursements: | | |
| Student Organisations | | 8,240,154 |
| Monash Student Association (Clayton) Inc. (MSA) | 2,193,770 | |
| Monash University Student Union Inc. (MONSU) | 4,192,852 | |
| Monash University Gippsland Student Union Inc. (MUGSU) | 1,014,171 | |
| Monash Postgraduate Association (MPA) | 464,460 | |
| Monash Union of Berwick Students Inc. (MUBS) | 312,125 | |
| Monash Pharmacy Student Association (MPSA) | 52,535 | |
| Victorian College of Pharmacy Postgraduate Association (VCPA) | 10,240 | |
| University Operations: | | 4,528,802 |
| Monash Sport | 1,707,008 | |
| Student Employment Services | 498,211 | |
| Building Services & Maintenance (Campus Centre) | 657,167 | |
| Insurance & Risk Management | 271,416 | |
| Capital Development Payments and Provisions | 1,395,000 | |
| Total Disbursements | | <u>12,768,955</u> |
| Balance Carried Forward | | <u>1,389,134</u> |

CAF Statement for the Year ended 31 December 2004

| | Clayton MSA | Caulfield & Peninsula MONSU | MPA | Gippsland MUGSU | Berwick MUBS | Parkville MP SA | Parkville VCPA | Total |
|-------------------------------------|------------------|-----------------------------|----------------|------------------|----------------|-----------------|----------------|------------------|
| Income | | | | | | | | |
| CAF | 2,193,770 | 4,192,852 | 464,460 | 1,014,172 | 312,125 | 52,535 | 10,240 | 8,240,154 |
| Other - CAF Related | 226,357 | 51,190 | 25,540 | 28,438 | | | | 331,524 |
| Total Income | <u>2,420,127</u> | <u>4,244,042</u> | <u>490,000</u> | <u>1,042,610</u> | <u>312,125</u> | <u>52,535</u> | <u>10,240</u> | <u>8,571,678</u> |
| Expenditure | | | | | | | | |
| Academic Support | 30,352 | 567,347 | 28,065 | 196,392 | 11,145 | | 307 | 833,608 |
| Administration | 1,420,909 | 2,680,554 | 304,637 | 215,171 | 131,799 | 6,642 | | 4,759,712 |
| Building Services | (107,146) | 301,390 | 140 | | | | | 194,384 |
| Capital Provisions & Expenditure | | 160,303 | 16,802 | 121,807 | 66,525 | | | 365,437 |
| Child Care Subsidies | 101,306 | 7,501 | | | | | | 108,807 |
| Clubs & Societies | 129,937 | 96,782 | | 10,151 | 5,883 | 23,953 | | 266,706 |
| Distance Education | | | | 77,720 | | | | 77,720 |
| Environmental Services | 13,714 | | | | | | | 13,714 |
| Food Outlet Subsidies | 230 | | | | 5,982 | | | 6,212 |
| Health Services | | | | | | | | - |
| Orientation Activities | | 48,193 | | 33,719 | 19,006 | 2,675 | | 103,593 |
| Publications (inc Diaries/Planners) | 4,869 | 15,352 | 41,955 | 101,417 | 30,616 | | | 194,209 |
| Radio Station | 7,162 | | | | | | | 7,162 |
| Recreation Activities | 18,870 | | | | | | | 18,870 |
| Social Activities & Functions | 20,430 | 28,286 | 10,541 | 103,514 | 17,008 | | 3,172 | 182,951 |
| Sport & Physical Recreation | | 288,692 | | 170,521 | | | | 459,213 |

| | Clayton MSA | Caulfield & Peninsula MONSU | MPA | Gippsland MUGSU | Berwick MUBS | Parkville MPSA | Parkville VCPPA | Total |
|-------------------------------|------------------|-----------------------------|----------------|------------------|----------------|----------------|-----------------|------------------|
| Student Accident Insurance | | 23,000 | | 5,723 | 11,626 | 10,104 | | 50,453 |
| Student Employment | | 15,015 | | 6,487 | | | | 21,502 |
| Student Theatre | 10,327 | | | | | | | 10,327 |
| Welfare Services | 67,766 | 24,113 | | | 12,481 | | | 104,360 |
| Membership / Affiliation Fees | | | 25,134 | | | 4,565 | | 29,699 |
| Student Service | | | | | | 12,716 | | 12,716 |
| Total Expenditure | 1,718,726 | 4,256,528 | 427,274 | 1,042,622 | 312,071 | 60,655 | 3,479 | 7,821,355 |

In accordance with unaudited financial statements received from the student organisations, the table above lists the purposes for which these organisations spent the money made available to them.

The student organisations made no CAF money available to other bodies during the year ended 31 December 2004.

Compliance index

The annual report of Monash University was prepared in accordance with:

| | |
|----------|---|
| FMA | Financial Management Act 1994 |
| FRD | Financial Reporting Directions |
| SD | Directions of the Minister for Finance issued under section 8 of the <i>Financial Management Act 1994</i> |
| TEA 1993 | Tertiary Education Act 1993 |
| PAEC | Decision of Public Accounts and Estimates Committee of Parliament |
| RUG | Victorian Government response to the Review of University Governance |
| ESOS | Education Services for Overseas Students Act 2000 |
| WPA | Department of Education, Science and Training |

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

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| SD 4.2 (j) | Signature of chancellor and date of Council meeting that approved annual report | Title page |
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| MFD 9.4.2 (viii) (a) | Share or share option transactions by Council members | NA |
| MFD 9.4.2 (viii) (b) | Terms and conditions of favourable share or share option transactions by Council members | NA |
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| MFD 9.4.2 (x) (a) | Aggregate amount of revenue or expense resulting from Council members' transactions | NA |
| MFD 9.4.2 (x) (b) | Aggregate amounts receivable and payable resulting from Council members' transactions | NA |
| MFD 9.4.2 (x) (c) | Aggregate amounts of provisions for doubtful receivables resulting from Council members' transactions | NA |
| MFD 9.4.2 (x) (d) | Other benefits derived by Council members from transactions | NA |

Other relevant information available on request

Additional information is available on request concerning the following topics, subject to the provisions of the *Freedom of Information Act 1982*:

- FRD 22 – statement regarding declaration of pecuniary interest
- FRD 22 – shares held by senior officers
- FRD 22 – publications
- FRD 22 – changes in prices, fees, charges, rates and levies
- FRD 22 – major external reviews
- FRD 22 – major research and development activities
- FRD 22 – overseas visits
- FRD 22 – promotional, public relations and marketing activities
- FRD 22 – occupational health and safety assessments
- FRD 22 – industrial relations issues
- FRD 22 – major committees sponsored by Monash University

Inquiries regarding the above should be addressed to:

Mr Tony Calder
 Director
 Executive Services
 Monash University
 Victoria 3800
 Australia
 Telephone +61 3 9905 2010

Financial statements

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004**

| | Notes | Consolidated | | Monash University | |
|---|-------|------------------|---------------|-------------------|---------------|
| | | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Current assets | | | | | |
| Cash assets | 17 | 44,374 | 40,260 | 2,419 | 2,284 |
| Receivables | 18 | 47,668 | 45,493 | 45,083 | 51,902 |
| Other financial assets | 19 | 7,923 | 39,365 | 3,025 | 14,981 |
| Inventories | 20 | 6,193 | 5,960 | 990 | 512 |
| Other non-financial assets | 21 | 17,906 | 10,685 | 11,787 | 7,085 |
| Total current assets | | 124,064 | 141,763 | 63,304 | 76,764 |
| Non-current assets | | | | | |
| Investments accounted for using the equity method | 22 | 2,765 | 503 | 1,156 | 503 |
| Other financial assets | 19 | 252,426 | 223,994 | 153,387 | 136,540 |
| Property, plant and equipment | 23 | 1,336,147 | 1,231,607 | 1,298,165 | 1,203,107 |
| Deferred Government superannuation contributions | | 117,714 | 118,869 | 117,714 | 118,869 |
| Intangible assets | 24 | 16,140 | 15,197 | - | - |
| Other non-financial assets | 21 | 928 | 114 | 63,128 | 46,946 |
| Total non-current assets | | 1,726,120 | 1,590,284 | 1,633,550 | 1,505,965 |
| Total assets | | 1,850,184 | 1,732,047 | 1,696,854 | 1,582,729 |
| Current liabilities | | | | | |
| Payables | 25 | 90,420 | 70,553 | 78,734 | 54,964 |
| Interest bearing liabilities | 26 | 11,455 | 8,637 | 11,000 | 7,600 |
| Prepaid rental | | 716 | 716 | - | - |
| Government grants received in advance | | - | 24,820 | - | 24,820 |
| Student fees paid in advance | | 15,525 | 19,850 | 10,415 | 14,585 |
| Provisions | 27 | 44,066 | 41,632 | 39,642 | 38,295 |
| Total current liabilities | | 162,182 | 166,208 | 139,791 | 140,264 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 26 | 180,961 | 107,944 | 176,030 | 104,230 |
| Prepaid rental | | 1,073 | 1,789 | - | - |
| Provisions | 27 | 63,333 | 57,836 | 61,859 | 56,514 |
| Deferred employee benefits for superannuation | | 117,714 | 118,869 | 117,714 | 118,869 |
| Total non-current liabilities | | 363,081 | 286,438 | 355,603 | 279,613 |
| Total liabilities | | 525,263 | 452,646 | 495,394 | 419,877 |
| Net assets | | 1,324,921 | 1,279,401 | 1,201,460 | 1,162,852 |
| Equity | | | | | |
| Capital | 28 | 114,547 | 114,452 | 83,102 | 83,102 |
| Reserves | 29 | 757,644 | 801,972 | 744,091 | 795,490 |
| Retained surplus | 30 | 438,674 | 350,884 | 374,267 | 284,260 |
| Total parent equity interest | | 1,310,865 | 1,267,308 | 1,201,460 | 1,162,852 |
| Outside equity interests | 31 | 14,056 | 12,093 | - | - |
| Total equity | | 1,324,921 | 1,279,401 | 1,201,460 | 1,162,852 |

The accompanying notes form part of these financial statements.

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

| | Notes | Consolidated | | Monash University | |
|--|-------|----------------|----------------|-------------------|----------------|
| | | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Revenue from ordinary activities: | | | | | |
| Revenue from operating activities: | | | | | |
| Commonwealth Government operating financial assistance | | | | | |
| Commonwealth Government grants | 2 | 277,739 | 267,675 | 277,739 | 260,163 |
| HECS | | | | | |
| Student contributions | | 19,631 | 17,075 | 19,631 | 17,075 |
| Commonwealth payments | 2 | 84,226 | 83,638 | 84,226 | 83,638 |
| Commonwealth loan programmes | 2 | 21,525 | 16,223 | 21,525 | 16,223 |
| Victorian Government financial assistance | 3 | 15,740 | 14,609 | 15,574 | 13,759 |
| Consultancy and contract research | 4 | 84,170 | 83,884 | 85,660 | 81,577 |
| Fees and charges | 5 | 248,942 | 225,482 | 212,062 | 194,821 |
| Royalties, trademarks and licenses | 6 | 2,980 | 2,688 | 4,129 | 2,688 |
| Other revenue | 7 | 138,355 | 123,672 | 81,627 | 90,385 |
| Deferred Government contributions | | (1,155) | (5,664) | (1,155) | (5,664) |
| Share of net result of associate | | 524 | - | 524 | - |
| Revenue from outside operating activities: | | | | | |
| Investment income | 8 | 28,985 | 30,067 | 16,020 | 11,890 |
| Foreign exchange gain on translation | | 4,477 | 2,273 | 4,477 | 126 |
| Loss on deconsolidation of subsidiaries | | (2,937) | - | - | - |
| Total revenue from ordinary activities: | | 923,202 | 861,622 | 822,039 | 766,681 |
| Less: | | | | | |
| Expenses from ordinary activities: | | | | | |
| Employee benefits | 9 | 491,332 | 450,340 | 453,821 | 416,158 |
| Depreciation & amortisation | 10 | 47,985 | 44,649 | 44,609 | 40,907 |
| Borrowing costs | 11 | 6,880 | 4,665 | 6,556 | 4,275 |
| Repairs and maintenance | 12 | 21,442 | 22,433 | 20,025 | 21,808 |
| Bad & doubtful debts | 13 | 1,659 | 1,279 | 635 | 2,586 |
| Auditing & other services | 14 | 1,314 | 1,383 | 1,082 | 923 |
| Other operating | 15 | 308,897 | 306,150 | 258,654 | 258,113 |
| Diminution in value of investments | | (1,628) | (6,291) | (1,968) | (5,951) |
| Foreign exchange loss on translation | | 4,837 | 2,394 | 146 | 2,002 |
| Total expenses from ordinary activities | | 882,718 | 827,002 | 783,560 | 740,821 |
| Operating result for the year from ordinary activities before income tax expense | | 40,484 | 34,620 | 38,479 | 25,860 |
| Income tax expense | 16 | 1,923 | 1,006 | - | - |
| Operating result for the year from ordinary activities after income tax expense | | 38,561 | 33,614 | 38,479 | 25,860 |
| Net result attributable to outside equity interest | | (1,944) | (1,397) | - | - |
| Net result attributable to the parent entity | | 36,617 | 32,217 | 38,479 | 25,860 |
| Non-owner transaction changes recognised directly in equity | | | | | |
| Increase/(decrease) in reserves | 29 | 7,084 | 209,128 | - | 208,021 |
| Adj. to prior period for adoption of new Accounting Standard AASB 1028 Employee Benefits | 30 | - | (747) | - | (747) |
| Total valuation and expense adjustment | | 7,084 | 208,381 | - | 207,274 |
| Total changes in equity attributable to the parent entity | | 43,701 | 240,598 | 38,479 | 233,134 |

The accompanying notes form part of these financial statements.

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004**

| | Notes | Consolidated | | Monash University | |
|---|-------|------------------|------------------|-------------------|------------------|
| | | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Cashflows from operating activities | | | | | |
| Inflows | | | | | |
| Commonwealth Government financial assistance | | | | | |
| Teaching and learning | | 141,613 | 147,082 | 141,613 | 147,082 |
| HECS and other loan programmes | | 98,822 | 99,951 | 98,822 | 99,951 |
| Scholarships | | 8,287 | 7,162 | 8,287 | 7,162 |
| DEST research | | 65,166 | 66,145 | 65,166 | 66,145 |
| ARC grant - Discovery | | 12,012 | 11,046 | 12,012 | 11,046 |
| ARC grant - Linkages | | 8,860 | 4,823 | 8,860 | 4,823 |
| Other Commonwealth | | 23,910 | 30,939 | 23,910 | 23,427 |
| State Government | | 15,574 | 14,704 | 15,574 | 13,759 |
| HECS - Student payments | | 19,631 | 17,075 | 19,631 | 17,075 |
| Receipts from student fees and other customers (inclusive of GST) | | 524,431 | 469,934 | 398,885 | 388,407 |
| Dividends received | | 343 | - | - | - |
| Interest received | | 4,262 | 3,897 | 6,296 | 4,281 |
| Outflows | | | | | |
| Payments to suppliers and employees (inclusive of GST) | | (853,178) | (773,009) | (728,953) | (699,460) |
| Borrowing costs | | (10,700) | (7,603) | (9,857) | (6,484) |
| Income taxes paid | | - | - | - | - |
| Net cash inflows from operating activities | 36 | 59,033 | 92,146 | 60,246 | 77,214 |
| Cashflows from investing activities | | | | | |
| Inflows | | | | | |
| Proceeds from sale of property, plant and equipment | | 13,947 | 21,671 | 3,714 | 11,629 |
| Proceeds from sale and redemption of other financial assets | | 662,573 | 839,321 | 667,244 | 758,409 |
| Other receipts | | 295 | 6,575 | - | - |
| Acquisition/disposal of subsidiary | | - | 3,124 | - | - |
| Outflows | | | | | |
| Payments for property, plant and equipment | | (144,447) | (119,848) | (138,352) | (105,127) |
| Payments for other financial assets | | (668,244) | (841,873) | (672,881) | (754,523) |
| Other payments | | (13,467) | (31,484) | (11,705) | (30,428) |
| Acquisition/disposal of subsidiary | | (9,449) | - | - | - |
| Net cash inflows/(outflows) from investing activities | | (158,792) | (122,514) | (151,980) | (120,040) |
| Cashflows from financing activities | | | | | |
| Inflows | | | | | |
| Repayment of parent entity payable | | 2,596 | 563 | - | - |
| Proceeds from interest bearing liabilities | | 131,487 | 51,458 | 125,200 | 36,300 |
| Other | | 32,666 | 23,820 | 4,713 | 4,072 |
| Outflows | | | | | |
| Repayment of interest bearing liabilities | | (52,937) | (8,030) | (50,000) | (7,600) |
| Other payments | | (22,249) | (23,229) | - | - |
| Net cash inflows/(outflows) from financing activities | | 91,563 | 44,582 | 79,913 | 32,772 |
| Net increase/(decrease) in cash assets held | | (8,196) | 14,214 | (11,821) | (10,054) |
| Effects of exchange rate changes on cash assets | | 354 | (84) | - | - |
| Cash assets at 1 January | | 55,241 | 41,111 | 17,265 | 27,319 |
| Cash assets at 31 December | 36 | 47,399 | 55,241 | 5,444 | 17,265 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Preparation

The general purpose financial reports have been prepared in accordance with:

- Australian Accounting Standards and relevant AASB standards, except where stated otherwise,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Consensus Views,
- the disclosure requirements of the Financial Management Act 1994, and
- directions from the Minister of Finance of the Parliament of Victoria.

The financial reports are prepared on an accrual basis and the accounts are based on historical cost unless otherwise stated.

The accounts have been consolidated on the basis of the University's controlling and beneficial interest in controlled entities as per AASB1024 'Consolidated Accounts'. Outside interests in equity and results of the controlled entities are shown separately in the consolidated financial statements.

The financial statements of controlled entities are included from the date control commences until the date control ceases. Note 42 shows required disclosure of controlled entity's financial data.

All transactions and balances between controlled entities have been eliminated on consolidation.

(b) Rounding

All values in these accounts are expressed in rounded thousands with the exception of directors' and executives' remuneration.

(c) Revenue Recognition

Commonwealth Government Operating Financial Assistance

Change in accounting policy:

The Department of Education Science and Training (DEST) have amended the payment arrangements for programs under the Higher Education Support Act 2003 in respect of 2005 and future years. Under the new arrangements, all recurrent payments in respect of the grant year will be made in that year, instead of an advance payment in December of the prior year.

This change has an adverse effect on the 2004 operating result, as under the previous accounting policy this revenue in respect of future periods was treated as income in the period received.

The University has adopted DEST's advice to recast the 'Statement of Financial Performance', by accounting for the 2004 grant paid in advance in December 2003 of \$24.8 million as revenue in 2004. The 2003 comparatives are restated to reflect this grant payment as a liability in the 'Balance Sheet' ("Government grants received in advance"). The financial statements will be consistent with the published DEST statistics.

DEST also offered universities short-term financial assistance as required, which is recovered by DEST in the first payment in January 2005. On 16 December 2004 the University received \$10 million from DEST under this arrangement, which has been treated as a short-term interest free loan in accordance with their instructions.

Other Revenues

Revenues received from other Government sources in respect of future periods are treated as income in the period they are received where the Financial Assistance is considered non-reciprocal in nature.

Donations and bequests are recognised when the right to receive the funds has been established.

Revenue from rendering a service or sale of goods is recognised upon delivery to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates appropriate to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

(d) Taxation

The University and certain controlled entities are exempt from income tax under Part 50.1 of the Income Tax Assessment Act 1997. The controlled entities subject to income tax adopt the liability method of tax effect accounting.

(e) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Classification of Assets and Liabilities

Assets and liabilities are classified as current and non current. Current assets are those assets where there is a reasonable expectation that the value of the asset will be realised as cash or cash equivalent within the next 12 months. Current liabilities are where there is a reasonable expectation of a requirement to use cash or cash equivalents to satisfy these liabilities within the next 12 months.

(g) Inventories

Only materials which are purchased and controlled centrally have been reported in the Statement of Financial Position. Materials purchased by the University for departmental use and held under the control of individual departments are expensed at the time of purchase.

Stock is valued using the lower of cost or net realisable value method and stocktakes were completed at 31 December 2004.

(h) Foreign Currency

Transactions

Foreign currency transactions are converted to Australian dollars at the date of the transaction using the rate of exchange applicable on that day.

Amounts receivable and payable in foreign currencies at the end of the year are translated at the rates of exchange ruling at balance date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the Statement of Financial Performance in the financial year in which the exchange rates change.

Translation of Foreign Controlled Entities

Monetary assets (receivables) and liabilities (payables) in foreign currencies are translated to Australian currency at rates of exchange current at balance date. Resulting exchange differences

are recognised in determining the profit and loss for the year. Non-monetary assets and liabilities and components of shareholders' equity remain translated at exchange rates current at the transaction date, or where a non-monetary item has been revalued, asset and liabilities are translated at the rates used to translate the associated asset or liability.

The Statement of Financial Performance is translated at an average rate for the year. Exchange differences arising on translation are taken directly to the Statement of Financial Performance.

(i) Receivables

Receivables represent debts on behalf of invoiced student fee income, sundry and student loan debtors. The collectability of all debts is assessed at balance date and provision is made for any doubtful debt.

Receivables from related entities resulting from commercial dealings, are made on commercial terms and conditions and are settled regularly.

(j) Other Financial Assets

Other financial assets are valued at the lower of cost or net realisable value. Market values are provided in Note 41.

Monash University Foundation, as an investment entity and controlled entity, has used market values except for managed cash assets which are valued at cost.

(k) Intangibles

Occupancy rights are long term lease and licence agreements assigned to Monyx on 31 December 2003 under the Deed for the Provision of Student Services dated 11 September 2001, and give the right to possession/occupation of premises at rates substantially less than market rates. The value of the benefit has been determined as the difference between the market rates for the rights to occupy (as advised by Monash Property Management Pty. Ltd.) and the stipulated rates over the lease/licence term, discounted for risk.

The values of these occupancy rights will be reviewed on an annual basis. Intellectual property is valued in the accounts at cost of acquisition and is amortised over the period in which its benefits are expected to be realised.

(l) Property, Plant and Equipment

Acquisitions

Assets are initially recorded at cost to the economic entity. Software development, constructed building and equipment values include labour, materials and borrowing costs. Expenditure is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable those future economic benefits will eventuate, and the costs can be measured reliably.

Revaluations

Accounting Standard AASB 1041 "Revaluation of Non-Current Assets" and the Victorian Government's Policy "Revaluation of Non-Current Physical Assets" requires reporting entities to measure assets within each class of non-current asset on either the cost basis or on a fair value basis

Subsequent to initial recognition as assets, land, buildings, cultural assets are measured at fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of these classes of assets does not differ materially from its fair value at the reporting date. Independent annual assessments are made of the values of land and buildings, and revaluations are carried out at least every 3 years.

Borrowing Costs

Borrowing costs are expensed as incurred unless they relate to a qualifying asset. Qualifying assets are assets which take more than 12 months to develop and are for internal use.

Borrowing costs are capitalised when the qualifying asset is greater than \$0.5M, the expected useful life of the asset is 3 years or greater, and the period of construction or development of the qualifying assets is 12 months or more. As the University's borrowings support the general capital program, interest is capitalised at a weighted average rate. Borrowing costs not capitalised are expensed in the period in which they are incurred.

Borrowing costs have been recognised as part of the carrying value of property and software development assets. The capitalisation rate used to determine the amount of capitalised borrowing costs is 6.05% (2003, 6.09%).

Depreciation/Amortisation

Depreciation on property, plant and equipment is included in the Statement of Financial Performance as an expense item. Depreciation is computed on the straight line method over the useful life of the asset to the economic entity. Rates are outlined in each of the following asset categories.

Property

The fair value of land and buildings was established by formal valuation by certified practising valuers of Urbis JHD Pty Ltd as at 31 December 2003. The property has been valued using a depreciated replacement cost approach utilising the reducing balance method. The land has been valued on the basis of market value for a large scale residential property development sale. Work in progress is valued at cost.

The fair value of the South African campus land and buildings has been assessed by Promax Valuations Services, a registered local valuer, and an incremental adjustment made to the Asset Revaluation Reserve.

Property is capitalised when expenditure exceeds \$250,000. To capitalise additions to existing buildings, expenditure must meet this threshold on a project basis and increase the area or useful life of the building. In 2004, property includes capitalised borrowing costs of \$3.301M (2003, \$2.209M).

Depreciation on buildings completed during the year is calculated from the date of completion of the building. All buildings have a useful life of 33 years (2003, 33 years) with the exception of South Africa which uses 20 years (2003, 20 years).

Equipment

Equipment is capitalised where the cost is greater than \$5,000. Items less than this threshold are expensed. Useful lives to the economic entity of equipment range from 2 years to 20 years.

Software Development

Internal use software is capitalised and amortised where the expected useful life is 3 years or greater and the costs to be capitalised exceed \$0.5M. Where costs do not exceed \$0.5M, they will be expensed as incurred. Software capitalised to date has a useful life of 7 years (2003, 7 years).

Web development costs are expensed as incurred. Where web development costs are significant, they are capitalised in line with Software Development guidelines. In 2004, software development did not include capitalised borrowing costs (2003, Nil).

Library Books

Library books are valued at cost and depreciated over their estimated useful life. Library books have useful lives ranging from 5 years to 50 years (2003, 5 to 50 years).

Cultural Assets

Cultural assets include artworks and rare books. These assets are valued at 'fair value' which was assessed at balance date by expert university staff with reference to market values of comparative items. No adjustment was required to the carrying value. These items are not depreciated as they appreciate in value.

Leased Assets

Leases are treated in the financial statements as either operating, or finance leases.

Assets acquired under finance leases are included under property, equipment and library books in the Statement of Financial Position. Financial leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Where assets are acquired by means of finance leases, the present value of the minimum lease payments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and the finance charge.

Other leases are classified as operating leases as the risks and benefits of ownership remain with the lessor. Payments are amortised on a straight line basis over the period of expected benefit.

Leasehold Improvements

Leasehold improvements are carried at cost or formal valuation and amortised over the useful lives of the improvements, which is 10 years or over the term of the lease whichever is the lesser period. Leasehold improvements are capitalised in line with the property capitalisation policy. This policy is consistent with the prior year.

(m) Interest in Cooperative Research Centres

The University has an interest in 20 Cooperative Research Centres. The University has provided funding to the Cooperative Research Centres through cash contributions of \$13.0M (2003, \$11.0M) and the provision of research resources (in-kind support). The value of the in-kind support of \$94.1M (2003, \$80.0M) has been established using Commonwealth Government guidelines. The budget commitment for 2005 is a total of \$3.7M.

(n) Payables

Payables are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days from the month of billing.

(o) Financial Instrument Disclosures

Accounting policy and other disclosures under Australian Accounting Standard AASB 1033 'Presentation and Disclosure of Financial Instruments' related to financial assets and liabilities are shown in Note 41.

(p) Employee Benefits

Annual Leave

Annual leave has been calculated on an individual liability basis based on salary rates when the leave is expected to be taken as per AASB 1028 'Employee Benefits' and includes related on-costs.

Long Service Leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Provisions for employee entitlements which are not expected to be settled within twelve months are discounted using interest rates applicable to Commonwealth Government Securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the provision for employee entitlements, consideration has been given to future increases in wage and salary rates, and the consolidated entity's experience with staff departures. Related on-costs have also been included in the liability.

Other Employee Benefits

The other employee benefits provisions include remuneration withheld until termination of employment contracts and bonus payments.

Superannuation

Employee contributory superannuation funds exist to provide benefits for the University's employees and their dependants on retirement, disability or death. The contributions made to these funds by the University are recorded in the Statement of Financial Performance. Further details are provided in Note 38.

(q) Cash Flow

For the purposes of the Statement of Cash Flows, cash includes cash on hand, in banks, at call deposits and net of bank overdrafts. Cash at the end of the financial year is shown in the Statement of Cash Flows and is reconciled to the related items in the Statement of Financial Position.

(r) Investment in Associates

Associates are those entities over which the consolidated entity exercises significant influence, but not control. Investments in associated entities are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of the associate is recognised in the consolidated Statement of Financial Performance, and its share of post-acquisition movements in reserves is recognised in Consolidated Reserves. The post-acquisition movements are adjusted against the cost of the investment.

(s) Impacts of adopting AASB equivalents to IASB Standards

For financial reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (A-IFRS). This requirement also extends to any comparative financial information included within the report. The first day of the comparative period, 1 January 2004, effectively becomes the transition date for Monash University and its controlled entities. Most adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of A-IFRS will be made against accumulated funds at transition date, except for AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement, which have 1 January 2005 as transition date.

Monash University and its controlled entities have taken the following steps in managing the transition to A-IFRS:

- Established a formal project team, monitored by a steering committee, to oversee the transition to and implementation of the A-IFRS and reporting to the Resources and Finance Committee, Council and Audit Committee;
- Reviewed current accounting policies and the proposed new standards to identify key issues and the likely impacts resulting from the adoption of the A-IFRS;
- Commenced an education process for all stakeholders to raise awareness of the changes in reporting requirements and the processes to be undertaken; and
- Commenced a review of systems and processes to meet new requirements.
- Elected to adopt AASB 1 exemptions to retrospective application.

The University and its controlled entities have identified a number of significant policies that will arise from adopting A-IFRS. Some differences arise because A-IFRS requirements are different from

existing standards' requirements. Other differences could arise from options available under A-IFRS, some of which the Victorian Department of Treasury and Finance (DTF) have mandated through Financial Reporting Directions (FRDs). These differences are summarised below. This summary should not be taken as an exhaustive list of all the differences between current GAAP and A-IFRS, but it does represent our major transitional impact:

AASB 1 *First-time Adoption of Australian Equivalent to International Financial Reporting Standards* requires retrospective application of the new A-IFRS from 1 January 2004, with limited exceptions. Similarly, **AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*** requires voluntary changes in accounting policies and correction of errors to be accounted for retrospectively by restating comparatives and adjusting the opening balance of Accumulated Funds. This differs from current Australian requirements, because such changes must be recognised in the current period through the Statement of Financial Performance, unless a new standard mandated otherwise.

AASB 112 *Income Taxes*: The University and certain controlled entities are exempt from income tax under Part 50.1 of the Income Tax Assessment Act 1997. Currently, controlled entities subject to income tax, adopt the liability method of tax effect accounting where tax is accounted for by adjusting accounting profit for timing and permanent differences to derive taxable income. The new standard requires a Balance Sheet approach where the entity must identify differences between the accounting and tax value of assets and liabilities. This standard may alter the quantum of deferred tax assets and deferred tax liabilities recognised.

AASB 116 *Property, Plant and Equipment*: Valuation of Assets. In accordance with the *Victorian Government Policy – Revaluation of Non-Current Physical Assets*, non-current physical assets, other than plant, equipment and vehicles, are measured at fair value subsequent to initial recognition. Plant, equipment and vehicles are measured on a cost basis. Revaluations are assessed annually and supplemented by independent assessments at least every three years. The new standard continues to offer a choice of measuring each class of non-current physical assets either at cost or at fair value. However, non-current assets measured at fair value will only be required to be revalued at least every three to five years and all assets in a class must be revalued at the same time. The Victorian Government has not yet concluded whether it will make any changes to the valuation basis of any class of asset or the methodology or frequency at which revaluations are performed. The financial effects of any such changes are unknown.

For-profit entities must account for asset revaluation increments and decrements on an individual asset basis, rather than on a class basis.

AASB 119 *Employee Benefits*: The University recognises a liability for the present value of the unfunded superannuation liability arising from the service of employees who are members of a Defined Benefit Superannuation Scheme. This present value liability is currently calculated using the expected long-term earnings rate of investment held by the superannuation funds. Under the new standard, the present value of the net defined benefit liability must be calculated using the government bond rate. These two rates may be different, leading to a difference in the calculation of the present liability and the volatility of the employee benefit expense. In addition, the measurement of the assets held by the Defined Benefit Superannuation Fund will also change. Under the existing accounting standard, plan assets are measured at net market value, taking into account the cost of realisation. The new standard requires plan assets to be measured at fair value and is silent on the issue of realisation. This may result in an adjustment to the University's unfunded superannuation liability at transition date.

AASB 121 *The Effects of Changes in Foreign Exchange Rates* requires each entity to measure their financial statements in their functional currency, which may differ from their presentation currency. The Australian dollar has been identified as the functional currency for Monash University. This standard does not distinguish

between foreign operations that are integral and those that are self-sustaining. The functional currency of each subsidiary throughout the group is generally the local currency. The translation of the results and financial position of a foreign operation under A-IFRS will be:

- Assets and liabilities at the closing rate at the Balance Sheet date;
- Income and expenses at the average exchange rate where the average rate does not differ significantly from the rate at the transaction date; and
- Recognising resulting exchange differences as a separate component of equity

This will result in a change to the current accounting policy, under which the University's integrated foreign operation's results are translated using the temporal method with exchange differences recognised as income or expense.

AASB 123 *Borrowing Costs* provides the option to expense or capitalise borrowing costs. The University will continue its current policy of capitalising borrowing costs relating to qualifying assets.

AASB 136 *Impairment of assets*: Under the new standards, an asset will be required to be assessed for impairment each year. If indicators of impairment exist, the carrying value of an asset will need to be assessed to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use and fair value less costs to sell. For not-for-profit entities, value-in-use of an asset is its depreciated replacement cost. Other than inventories, financial assets and assets arising from construction contracts, impairment testing will apply to all assets regardless of whether they are measured on a cost or fair value basis. Where the carrying value of an asset exceeds its recoverable amount, the difference will be written-off as an impairment loss to the Statement of Financial Performance, except to the extent that the write-down can be debited to an Asset Revaluation Reserve. Any impairment losses at transition date will be adjusted against Accumulated Funds.

AASB 139 *Financial Instruments: Recognition and Measurement* will result in the recognition of Financial Instruments that were previously off Balance Sheet, including derivatives. The standard adopts a mixed measurement model and requires financial instruments to be classified as either held-for-trading, held-to-maturity, available-for-sale or loans and receivables and, depending upon classification, measured at fair value or amortised cost. This standard requires financial assets, other than loans and receivables and equity instruments, with no quoted market price, to be designated at fair value through the Statement of Financial Performance or as available-for-sale at fair value through equity. The University will designate these long-term investments as available-for-sale, reflecting fair presentation of unrealised gains or losses in equity rather than the Statement of Financial Performance, until derecognition. This will delay the impact of movements in fair value on the Statement of Financial Performance until these assets are sold. Previously, these investments were recognised at cost.

AASB 140 *Investment Property* requires investment property to be measured at cost or fair value. DTF mandated the adoption of fair value. In contrast to current treatment as an asset classified within property, plant and equipment, investment property recognised at fair value is not depreciated and changes in fair value are recognised in the Statement of Financial Performance. This change will result in a reduction in depreciation cost and an increase in recorded profit during periods of capital appreciation or a decrease in recorded profit during periods of capital devaluation.

In addition, a number of other changes in requirements have been identified which are expected to lead to changes in methodology or processes, increased disclosures and possible changes in measurements of assets or liabilities. The changes are not expected to have a material impact.

| | Consolidated | | Monash University | |
|--|----------------|----------------|-------------------|----------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 2. COMMONWEALTH GOVERNMENT OPERATING FINANCIAL ASSISTANCE | | | | |
| DEST | | | | |
| (a) DEST - Teaching and learning | | | | |
| Operating grant | 150,706 | 146,135 | 150,706 | 146,135 |
| Teaching Hospitals | 585 | 572 | 585 | 572 |
| Capital development pool | 2,098 | - | 2,098 | - |
| Total DEST - Teaching and Learning | 153,389 | 146,707 | 153,389 | 146,707 |
| (b) HECS and other Commonwealth loan programmes | | | | |
| HECS - Commonwealth payments | 84,226 | 83,638 | 84,226 | 83,638 |
| PELS | 21,444 | 16,212 | 21,444 | 16,212 |
| BOTPLS | 81 | 11 | 81 | 11 |
| Total HECS and other Commonwealth loan programmes | 105,751 | 99,861 | 105,751 | 99,861 |
| (c) Scholarships | | | | |
| Australian postgraduate awards | 6,345 | 6,111 | 6,345 | 6,111 |
| International postgraduate research scholarships | 1,164 | 1,051 | 1,164 | 1,051 |
| Commonwealth education costs scholarships | 206 | - | 206 | - |
| Commonwealth accommodation scholarships | 572 | - | 572 | - |
| Total scholarships | 8,287 | 7,162 | 8,287 | 7,162 |
| (d) DEST - Research | | | | |
| Institutional grants scheme | 20,331 | 19,318 | 20,331 | 19,318 |
| Research training scheme | 37,801 | 37,036 | 37,801 | 37,036 |
| Systemic infrastructure initiative | 1,530 | - | 1,530 | - |
| Research infrastructure block grants | 11,038 | 9,527 | 11,038 | 9,527 |
| Total DEST - Research | 70,700 | 65,881 | 70,700 | 65,881 |
| (e) Other DEST | - | - | - | - |
| Total DEST | 338,127 | 319,611 | 338,127 | 319,611 |
| (f) Australian Research Council | | | | |
| (i) Discovery | | | | |
| Project | 11,234 | 10,911 | 11,234 | 10,911 |
| Fellowships | 474 | 678 | 474 | 678 |
| Federation fellowships | 304 | 297 | 304 | 297 |
| Total discovery | 12,012 | 11,886 | 12,012 | 11,886 |
| (ii) Linkages | | | | |
| Special research Initiatives | - | 59 | - | 59 |
| Infrastructure | 1,788 | 465 | 1,788 | 465 |
| International | 86 | 266 | 86 | 266 |
| Learned academics | 67 | 66 | 67 | 66 |
| Projects | 3,801 | 2,904 | 3,801 | 2,904 |
| Centres | 3,118 | 1,341 | 3,118 | 1,341 |
| Total linkages | 8,860 | 5,101 | 8,860 | 5,101 |
| Total ARC | 20,872 | 16,987 | 20,872 | 16,987 |
| (g) Other Commonwealth Government financial assistance | | | | |
| Other Commonwealth Government funding | 16,446 | 23,443 | 16,446 | 15,932 |
| Commonwealth superannuation supplementation | 8,045 | 7,495 | 8,045 | 7,494 |
| Total other Commonwealth Government financial assistance | 24,491 | 30,938 | 24,491 | 23,426 |
| TOTAL Commonwealth Government financial assistance | 383,490 | 367,536 | 383,490 | 360,024 |
| Reconciliation | | | | |
| Commonwealth Government grants (a+c+d+e+f+g) | 277,739 | 267,675 | 277,739 | 260,163 |
| HECS - Commonwealth payments | 84,226 | 83,638 | 84,226 | 83,638 |
| Commonwealth loan programmes (PELS+BOTPLS) | 21,525 | 16,223 | 21,525 | 16,223 |
| TOTAL Commonwealth Government financial assistance | 383,490 | 367,536 | 383,490 | 360,024 |

| | Consolidated | | Monash University | |
|--|----------------|----------------|-------------------|----------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 3. VICTORIAN GOVERNMENT FINANCIAL ASSISTANCE | | | | |
| Operating | 1,225 | 3,170 | 1,225 | 3,170 |
| Research | 9,952 | 9,435 | 9,952 | 9,435 |
| Non-research | 4,563 | 2,004 | 4,397 | 1,154 |
| Total Victorian Government financial assistance | 15,740 | 14,609 | 15,574 | 13,759 |
| 4. CONSULTANCY AND CONTRACT RESEARCH | | | | |
| Consultancies | 9,762 | 12,005 | 9,605 | 9,931 |
| NH&MRC | 26,420 | 25,253 | 26,420 | 25,253 |
| Research contract | 19,933 | 20,319 | 19,933 | 20,319 |
| Other research grants | 28,055 | 26,307 | 29,702 | 26,074 |
| Total other research grants & contracts | 84,170 | 83,884 | 85,660 | 81,577 |
| 5. FEES AND CHARGES | | | | |
| Fee-paying overseas students | 161,610 | 139,726 | 160,337 | 138,329 |
| Fee-paying domestic postgraduate students | 10,237 | 11,384 | 10,237 | 11,384 |
| Fee-paying domestic undergraduate students | 14,713 | 14,314 | 11,940 | 12,506 |
| Non-award course fees | 26,776 | 25,201 | 2,455 | 2,437 |
| Other domestic course fees and charges | 15,417 | 15,701 | 13,316 | 14,389 |
| Total course fees | 228,753 | 206,326 | 198,285 | 179,045 |
| Student amenities fees | 5,728 | 5,342 | 1,401 | 4,025 |
| Halls of Residence | 8,780 | 7,866 | 7,897 | 7,162 |
| Parking fees | 1,832 | 1,736 | 1,828 | 1,732 |
| Other fees and charges | 3,849 | 4,212 | 2,651 | 2,857 |
| Total charges | 20,189 | 19,156 | 13,777 | 15,776 |
| Total fees and charges | 248,942 | 225,482 | 212,062 | 194,821 |
| 6. ROYALTIES, TRADEMARKS AND LICENSES | | | | |
| Royalties | 2,980 | 2,688 | 4,129 | 2,688 |
| Total royalties | 2,980 | 2,688 | 4,129 | 2,688 |
| 7. OTHER REVENUE | | | | |
| Donations and bequests | 13,607 | 9,308 | 13,607 | 9,308 |
| Monash University Foundation | - | - | 4,713 | 4,072 |
| Commercial operations | 68,070 | 49,192 | 4,522 | 18,142 |
| Rentals & hirings | 11,991 | 13,657 | 11,535 | 10,700 |
| Other non-government grants | 5,302 | 5,591 | 5,902 | 5,591 |
| Sales of goods & services | 14,937 | 7,924 | 7,028 | 7,716 |
| Proceeds on disposal of property, plant & equipment | 3,828 | 11,644 | 3,714 | 11,629 |
| Other income | 19,247 | 25,092 | 29,400 | 21,963 |
| Proceeds on sale of investment | 167 | - | - | - |
| Scholarships and prizes | 1,206 | 1,264 | 1,206 | 1,264 |
| Total other revenue | 138,355 | 123,672 | 81,627 | 90,385 |
| 8. INVESTMENT INCOME | | | | |
| Dividends | 10,978 | 8,879 | 9,790 | 8,336 |
| Interest | 7,248 | 3,157 | 5,725 | 4,266 |
| Realised profit | 1,014 | 5,659 | 505 | (712) |
| Unrealised profit/(loss) | 9,745 | 12,372 | - | - |
| Total investment income | 28,985 | 30,067 | 16,020 | 11,890 |

| | Consolidated | | Monash University | |
|--|----------------|---------------|-------------------|---------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 9. EMPLOYEE BENEFITS | | | | |
| Academic staff | | | | |
| Academic staff salaries | 217,927 | 202,689 | 211,423 | 195,906 |
| Contribution to funded superannuation and pension schemes: | 28,349 | 26,999 | 28,024 | 26,381 |
| Payroll tax | 12,788 | 12,059 | 12,673 | 11,781 |
| Work cover | 1,460 | 1,638 | 1,441 | 1,602 |
| Recreation leave loading | 1,984 | 1,846 | 1,967 | 1,825 |
| | 262,508 | 245,231 | 255,528 | 237,495 |
| Non-academic staff | | | | |
| Non-academic staff salaries | 181,127 | 170,090 | 156,886 | 148,821 |
| Contribution to funded superannuation and pension schemes: | 25,015 | 22,507 | 21,583 | 19,899 |
| Payroll tax | 11,417 | 10,873 | 9,939 | 9,841 |
| Work cover | 1,326 | 1,310 | 1,077 | 1,192 |
| Recreation leave loading | 1,699 | 1,590 | 1,578 | 1,498 |
| | 220,584 | 206,370 | 191,063 | 181,251 |
| Fringe benefits tax | 2,181 | 2,354 | 2,157 | 2,284 |
| Long service leave provision | 5,613 | (1,475) | 5,424 | (1,898) |
| Recreation leave provision | 1,601 | 3,524 | 804 | 2,690 |
| Deferred benefits for superannuation | (1,155) | (5,664) | (1,155) | (5,664) |
| Total employee benefits | 491,332 | 450,340 | 453,821 | 416,158 |

10. DEPRECIATION & AMORTISATION

Depreciation

| | | | | |
|---------------|--------|--------|--------|--------|
| Property | 21,820 | 19,958 | 21,528 | 19,420 |
| Equipment | 16,691 | 16,137 | 14,713 | 14,022 |
| Library books | 3,696 | 3,425 | 3,578 | 3,307 |

| | | | | |
|--|---------------|--------|---------------|--------|
| | 42,207 | 39,520 | 39,819 | 36,749 |
|--|---------------|--------|---------------|--------|

Amortisation

| | | | | |
|------------------------------------|-------|-------|-------|-------|
| Software development | 3,412 | 3,255 | 3,292 | 3,135 |
| Leasehold improvements | 1,923 | 1,253 | 1,498 | 1,023 |
| Buildings under right of occupancy | 356 | - | - | - |
| Goodwill and intellectual property | 87 | 621 | - | - |

| | | | | |
|--|--------------|-------|--------------|-------|
| | 5,778 | 5,129 | 4,790 | 4,158 |
|--|--------------|-------|--------------|-------|

Total depreciation & amortisation

| | | | | |
|--|---------------|--------|---------------|--------|
| | 47,985 | 44,649 | 44,609 | 40,907 |
|--|---------------|--------|---------------|--------|

11. BORROWING COSTS

| | | | | |
|--|--------|-------|-------|-------|
| Loans from banks and other non-related sources | 10,081 | 6,794 | 9,857 | 6,484 |
| Finance charges from finance leases | 100 | 80 | - | - |

Less :

| | | | | |
|----------------------------|---------|---------|---------|---------|
| Capitalised borrowing cost | (3,301) | (2,209) | (3,301) | (2,209) |
|----------------------------|---------|---------|---------|---------|

Total borrowing costs

| | | | | |
|--|--------------|-------|--------------|-------|
| | 6,880 | 4,665 | 6,556 | 4,275 |
|--|--------------|-------|--------------|-------|

| | Consolidated | | Monash University | |
|---|----------------|----------------|-------------------|----------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 12. REPAIRS AND MAINTENANCE | | | | |
| Repairs and maintenance | | | | |
| Buildings | 21,442 | 22,433 | 20,025 | 21,808 |
| Total buildings & grounds | 21,442 | 22,433 | 20,025 | 21,808 |
| 13. BAD & DOUBTFUL DEBTS | | | | |
| Bad debts written off | 1,019 | 1,220 | 1,626 | 1,046 |
| Increase/(decrease) in provision for doubtful debts | 640 | 59 | (991) | 1,540 |
| Total bad & doubtful debts | 1,659 | 1,279 | 635 | 2,586 |
| 14. AUDITING & OTHER SERVICES | | | | |
| Audit services | | | | |
| Auditor General Victoria | 280 | 337 | 126 | 142 |
| Other auditors | 62 | 128 | 20 | 36 |
| Other services | 972 | 918 | 936 | 745 |
| Total auditing & other services | 1,314 | 1,383 | 1,082 | 923 |
| 15. OTHER OPERATING EXPENSES | | | | |
| Scholarships, grants and prizes | 34,700 | 30,381 | 34,488 | 30,381 |
| Advertising, marketing and promotional expenses | 5,792 | 4,241 | 4,501 | 4,241 |
| Other building related | 30,466 | 36,454 | 30,042 | 35,156 |
| Motor vehicles related | 4,991 | 4,308 | 4,721 | 4,195 |
| Student related | 2,491 | 5,652 | 1,305 | 4,188 |
| Laboratory & other operating | 28,201 | 24,913 | 25,737 | 24,849 |
| Non-capitalised equipment | 9,285 | 7,658 | 7,950 | 7,288 |
| Communication related | 13,281 | 11,445 | 11,503 | 10,001 |
| Information technology related | 24,512 | 26,662 | 23,255 | 25,963 |
| Printing & stationery | 13,951 | 13,519 | 12,805 | 12,833 |
| Books & library related | 17,905 | 12,136 | 2,136 | 9,403 |
| Travel & related | 27,487 | 21,824 | 23,462 | 20,132 |
| Financial & administration | 29,026 | 54,135 | 36,035 | 32,931 |
| Other expenses | 66,809 | 52,889 | 40,714 | 36,552 |
| Revaluation decrement | - | (67) | - | - |
| Total other operating expenses | 308,897 | 306,150 | 258,654 | 258,113 |
| 16. INCOME TAX | | | | |
| Tax payable on net result of tax paying controlled entities before income tax | 1,890 | 1,145 | - | - |
| Tax effect of permanent differences | (266) | (455) | - | - |
| Under (over) provision in previous year | (96) | 193 | - | - |
| Write off of FITB timing differences not recoverable | - | 123 | - | - |
| Adjustment in relation to current year tax losses not booked | 395 | - | - | - |
| Income tax | 1,923 | 1,006 | - | - |
| Aggregate income tax comprises : | | | | |
| Current taxation provision | 2,226 | 989 | - | - |
| Deferred income tax provision | - | 6 | - | - |
| Future income tax benefit | (387) | 16 | - | - |
| Under/(over) provision in prior year | 84 | (5) | - | - |
| Income tax | 1,923 | 1,006 | - | - |

| | Consolidated | | Monash University | |
|--|---------------|---------------|-------------------|---------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 17. CASH ASSETS | | | | |
| Cash at bank and on hand | 37,775 | 26,602 | 2,419 | 2,284 |
| Short term investments | 6,599 | 13,658 | - | - |
| Total cash assets | 44,374 | 40,260 | 2,419 | 2,284 |
| 18. RECEIVABLES | | | | |
| External | | | | |
| Sundry debtors | 33,629 | 27,380 | 28,528 | 24,258 |
| Provision for doubtful debts | (2,066) | (1,361) | (1,698) | (2,623) |
| Student loan debtors | 62 | 476 | - | 476 |
| Provision for doubtful debts | (5) | (72) | - | (72) |
| Other amounts receivable | 12,772 | 16,417 | 11,481 | 23,044 |
| GST refundable | 3,276 | 2,653 | 2,307 | 2,436 |
| Total external receivables | 47,668 | 45,493 | 40,618 | 47,519 |
| Intercompany | | | | |
| Monash Commercial Pty Ltd | - | - | - | 671 |
| Monash Ed Pty Ltd | - | - | - | 1,568 |
| Monash International Pty Ltd | - | - | 3,521 | 1,560 |
| Monash IVF Pty Ltd | - | - | 9 | - |
| Monash Property Management Pty Ltd | - | - | 356 | 177 |
| Monash Southern Africa Pty Ltd | - | - | 423 | 228 |
| Montech Pty Ltd | - | - | 62 | 96 |
| Monyx Pty Ltd | - | - | 94 | 83 |
| Total intercompany receivables | - | - | 4,465 | 4,383 |
| Total receivables | 47,668 | 45,493 | 45,083 | 51,902 |
| 19. OTHER FINANCIAL ASSETS | | | | |
| Current | | | | |
| Managed Funds: | | | | |
| B. T. Funds Management Limited, at cost | 3,025 | 14,981 | 3,025 | 14,981 |
| | 3,025 | 14,981 | 3,025 | 14,981 |
| Monash University Foundation: | | | | |
| Macquarie Funds Management at cost | 4,387 | 3,716 | - | - |
| Property at valuation by independent valuer as at 31 December 2003 | - | 20,200 | - | - |
| | 4,387 | 23,916 | - | - |
| Other: | | | | |
| Other Investments, at cost | 511 | 468 | - | - |
| | 511 | 468 | - | - |
| Total current other financial assets | 7,923 | 39,365 | 3,025 | 14,981 |

| | Consolidated | | Monash University | |
|---|----------------|----------------|-------------------|----------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 19. OTHER FINANCIAL ASSETS (Continued) | | | | |
| Non-Current | | | | |
| Managed funds: | | | | |
| MLC at cost | 103,145 | 98,771 | 103,145 | 98,771 |
| Less Provision for diminution in value | - | (2,068) | - | (2,068) |
| | 103,145 | 96,703 | 103,145 | 96,703 |
| Monash University Foundation: | | | | |
| Macquarie Funds Management | 87,626 | 74,343 | - | - |
| Property at valuation by independent valuer as at 31 December 2003 | 22,600 | 22,010 | - | - |
| | 110,226 | 96,353 | - | - |
| Common Fund: | | | | |
| Macquarie Funds Management | 29,007 | 27,184 | 29,007 | 27,184 |
| | 29,007 | 27,184 | 29,007 | 27,184 |
| Shares in controlled entities | - | - | 12,859 | 10,732 |
| Open Learning Agency of Australia Pty Ltd, at cost | 200 | 200 | 200 | 200 |
| Other investments, at cost | 9,848 | 3,554 | 8,176 | 1,721 |
| | 10,048 | 3,754 | 21,235 | 12,653 |
| Total non-current other financial assets | 252,426 | 223,994 | 153,387 | 136,540 |
| Total other financial assets | 260,349 | 263,359 | 156,412 | 151,521 |
| 20. INVENTORIES | | | | |
| Monyx books & retail | 4,336 | 5,003 | - | - |
| Central building maintenance store | 230 | 239 | 230 | 239 |
| Stationery store | 195 | 161 | 195 | 161 |
| Academic services | 33 | 38 | 33 | 38 |
| Other | 1,399 | 519 | 532 | 74 |
| Total current inventories | 6,193 | 5,960 | 990 | 512 |
| 21. OTHER NON-FINANCIAL ASSETS | | | | |
| Current | | | | |
| Payments in advance | 17,746 | 10,669 | 11,782 | 7,079 |
| Other | 160 | 16 | 5 | 6 |
| Total current other assets | 17,906 | 10,685 | 11,787 | 7,085 |
| Non-Current | | | | |
| Loans Unsecured: | | | | |
| Monash Commercial Pty Ltd | - | - | 1,875 | 1,950 |
| Monash IT Pty Ltd | - | - | 1,305 | 750 |
| Monash Southern Africa Pty Ltd | - | - | 17,583 | 15,318 |
| Monash University South Africa | - | - | 38,048 | 25,191 |
| Other | 928 | 114 | 4,317 | 3,737 |
| Total non-current other assets | 928 | 114 | 63,128 | 46,946 |
| Total other non-financial assets | 18,834 | 10,799 | 74,915 | 54,031 |
| 22. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD | | | | |
| Shares in associates | 2,765 | 503 | 1,156 | 503 |
| Total investments accounted for using the equity method | 2,765 | 503 | 1,156 | 503 |

23. PROPERTY, PLANT AND EQUIPMENT

| | Consolidated | | Monash University | |
|--|------------------|------------------|-------------------|------------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Plant and Equipment | | | | |
| Equipment | | | | |
| At cost | 193,485 | 186,699 | 178,711 | 173,636 |
| Work in progress, at cost | 1,740 | 305 | 1,740 | 299 |
| Provision for depreciation | (126,861) | (123,820) | (117,997) | (116,099) |
| Total equipment | 68,364 | 63,184 | 62,454 | 57,836 |
| Software Development | | | | |
| At cost | 24,028 | 23,062 | 23,667 | 22,701 |
| Work in progress, at cost | 2,675 | 439 | 2,925 | 569 |
| Provision for amortisation | (14,922) | (11,635) | (14,922) | (11,635) |
| Total software development | 11,781 | 11,866 | 11,670 | 11,635 |
| Library Books | | | | |
| At cost | 159,471 | 145,190 | 158,903 | 144,771 |
| Provision for depreciation | (35,722) | (32,743) | (35,354) | (32,493) |
| Total library books | 123,749 | 112,447 | 123,549 | 112,278 |
| Cultural Assets | | | | |
| At cost | 762 | 300 | 762 | 300 |
| At valuation as at 31 December 2002 | 29,469 | 29,469 | 29,469 | 29,469 |
| Total cultural assets | 30,231 | 29,769 | 30,231 | 29,769 |
| Total plant and equipment | 234,125 | 217,266 | 227,904 | 211,518 |
| Property | | | | |
| Land | | | | |
| At valuation as at 31 December 2003 | 246,867 | 241,453 | 233,239 | 233,489 |
| At cost | 22,232 | 846 | 22,232 | 846 |
| Total land | 269,099 | 242,299 | 255,471 | 234,335 |
| Buildings | | | | |
| At valuation as at 31 December 2003 | 712,385 | 707,334 | 695,875 | 695,945 |
| At cost | 25,184 | 5,293 | 25,184 | 5,293 |
| Provision for depreciation | (21,439) | (268) | (21,439) | (268) |
| Total buildings | 716,130 | 712,359 | 699,620 | 700,970 |
| Buildings under construction | | | | |
| At cost | 91,275 | 36,861 | 91,275 | 34,023 |
| Total buildings under construction | 91,275 | 36,861 | 91,275 | 34,023 |
| Total property | 1,076,504 | 991,519 | 1,046,366 | 969,328 |
| Leasehold Improvements | | | | |
| At valuation as at 31 December 2003 | 700 | 700 | 700 | 700 |
| At cost | 27,305 | 25,029 | 24,724 | 23,951 |
| Provision for amortisation | (6,237) | (4,134) | (5,279) | (3,617) |
| Work in progress | 3,750 | 1,227 | 3,750 | 1,227 |
| Total leasehold improvements | 25,518 | 22,822 | 23,895 | 22,261 |
| Total property, plant and equipment | 1,336,147 | 1,231,607 | 1,298,165 | 1,203,107 |

23. PROPERTY, PLANT AND EQUIPMENT (continued)
Movements in property, plant and equipment

| | 2004 | | | | | | | | | | Total \$000 | |
|---|--------------------|----------------------------------|---------------------------|-----------------------------|----------------|--------------------|---|------------------------------------|--|--|------------------|--|
| | Equipment \$000 | Software Development \$000 | Library Books \$000 | Cultural Assets \$000 | Land \$000 | Buildings \$000 | Buildings under Construction \$000 | Leasehold Improvements \$000 | | | | |
| Monash University | | | | | | | | | | | | |
| Balance at the beginning of the year | 57,836 | 11,635 | 112,278 | 29,769 | 234,335 | 700,970 | 34,023 | 22,261 | | | 1,203,107 | |
| Additions | 23,738 | 3,358 | 14,849 | 462 | 21,386 | 20,149 | 57,463 | 3,260 | | | 144,665 | |
| Disposals | (4,580) | (31) | - | - | (250) | (69) | (211) | - | | | (5,141) | |
| Revaluations | - | - | - | - | - | - | - | - | | | - | |
| Write-offs | - | - | - | - | - | - | - | - | | | - | |
| Depreciation expense | (14,540) | (3,292) | (3,578) | - | - | (21,430) | - | (1,626) | | | (44,466) | |
| Foreign currency exchange differences | - | - | - | - | - | - | - | - | | | - | |
| Carrying amount at the end of the year | 62,454 | 11,670 | 123,549 | 30,231 | 255,471 | 699,620 | 91,275 | 23,895 | | | 1,298,165 | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 2003 | | | | | | | | | | | | |
| Monash University | | | | | | | | | | | | |
| Balance at the beginning of the year | 57,014 | 12,670 | 104,271 | 29,469 | 105,037 | 609,552 | 3,564 | 19,490 | | | 941,067 | |
| Additions | 21,363 | 2,100 | 11,314 | 300 | 846 | 38,090 | 30,459 | 3,458 | | | 107,930 | |
| Disposals | (6,484) | - | - | - | (1,868) | (4,652) | - | - | | | (13,004) | |
| Revaluations | - | - | - | - | 130,320 | 77,365 | - | 336 | | | 208,021 | |
| Write-offs | (66) | - | - | - | - | (46) | - | - | | | (112) | |
| Depreciation expense | (13,991) | (3,135) | (3,307) | - | - | (19,339) | - | (1,023) | | | (40,795) | |
| Foreign currency exchange differences | - | - | - | - | - | - | - | - | | | - | |
| Carrying amount at the end of the year | 57,836 | 11,635 | 112,278 | 29,769 | 234,335 | 700,970 | 34,023 | 22,261 | | | 1,203,107 | |

Profit on sale of Property, Plant and Equipment

| | 2004 \$000 | 2003 \$000 |
|-------------------------------|---------------|---------------|
| Proceeds from sale | 3,736 | 11,655 |
| Book value/Written down value | 4,720 | 11,608 |
| Net profit/(loss) | (984) | 47 |

23. **PROPERTY, PLANT AND EQUIPMENT (continued)**
Movements in property, plant and equipment

| | 2004 | | | | | | | | | | Total \$000 |
|---|---------------------|----------------------------------|---------------------------|-----------------------------|----------------|--------------------|---|------------------------------------|--|--|------------------|
| | Equipment \$000 | Software Development \$000 | Library Books \$000 | Cultural Assets \$000 | Land \$000 | Buildings \$000 | Buildings under Construction \$000 | Leasehold Improvements \$000 | | | |
| Balance at the beginning of the year | 63,184 | 11,866 | 112,447 | 29,769 | 242,299 | 712,359 | 36,861 | 22,822 | | | 1,231,607 |
| Additions | 27,601 | 3,358 | 14,998 | 462 | 21,386 | 23,859 | 54,625 | 4,747 | | | 151,036 |
| Disposals | (5,900) | (31) | - | - | (250) | (69) | (211) | - | | | (6,461) |
| Revaluations | - | - | - | - | 5,664 | 1,703 | - | - | | | 7,367 |
| Write-offs | (3) | - | - | - | - | - | - | - | | | (3) |
| Depreciation expense | (16,518) | (3,412) | (3,696) | - | - | (21,722) | - | (2,051) | | | (47,399) |
| Foreign currency exchange differences | - | - | - | - | - | - | - | - | | | - |
| Carrying amount at the end of the year | 68,364 | 11,781 | 123,749 | 30,231 | 269,099 | 716,130 | 91,275 | 25,518 | | | 1,336,147 |
| | 2003 | | | | | | | | | | |
| | Consolidated | | | | | | | | | | |
| Balance at the beginning of the year | 61,397 | 13,021 | 104,459 | 29,469 | 111,894 | 618,832 | 3,564 | 19,807 | | | 962,443 |
| Additions | 24,464 | 2,100 | 11,413 | 300 | 846 | 40,670 | 33,297 | 3,932 | | | 117,022 |
| Disposals | (6,486) | - | - | - | (1,868) | (4,652) | - | - | | | (13,006) |
| Revaluations | - | - | - | - | 131,427 | 77,432 | - | 336 | | | 209,195 |
| Write-offs | (86) | - | - | - | - | (46) | - | - | | | (132) |
| Depreciation expense | (16,105) | (3,255) | (3,425) | - | - | (19,877) | - | (1,253) | | | (43,915) |
| Foreign currency exchange differences | - | - | - | - | - | - | - | - | | | - |
| Carrying amount at the end of the year | 63,184 | 11,866 | 112,447 | 29,769 | 242,299 | 712,359 | 36,861 | 22,822 | | | 1,231,607 |

Profit on sale of Property, Plant and Equipment

| | 2004 \$000 | 2003 \$000 |
|-------------------------------|---------------|---------------|
| Proceeds from sale | 3,810 | 11,682 |
| Book value/Written down value | 4,762 | 11,626 |
| Net profit/(loss) | (952) | 56 |

| | Consolidated | | Monash University | |
|---|----------------|----------------|-------------------|----------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 24. INTANGIBLE ASSETS | | | | |
| Goodwill | 1,714 | 530 | - | - |
| Less: Accumulated amortisation | - | (530) | - | - |
| Total Goodwill | 1,714 | - | - | - |
| Intellectual property | 89 | 1,005 | - | - |
| Less: Accumulated amortisation | (89) | (588) | - | - |
| Total intellectual property | - | 417 | - | - |
| Building occupancy rights | 14,782 | 14,780 | - | - |
| Less: Accumulated amortisation | (356) | - | - | - |
| Total building occupancy rights | 14,426 | 14,780 | - | - |
| Total intangible assets | 16,140 | 15,197 | - | - |
| 25. PAYABLES | | | | |
| External | | | | |
| Creditors | 38,039 | 22,362 | 29,775 | 19,303 |
| Accrued charges | 12,486 | 12,862 | 3,933 | 3,967 |
| Group tax | - | - | - | - |
| Other | 39,180 | 34,797 | 37,279 | 24,620 |
| GST collected | 715 | 532 | - | 82 |
| Total external payables | 90,420 | 70,553 | 70,987 | 47,972 |
| Intercompany | | | | |
| Monash Commercial Pty Ltd | - | - | 160 | - |
| Monash Investment Trust | - | - | 4,258 | 5,064 |
| Monash University Foundation Pty Ltd | - | - | 126 | 21 |
| Monyx Pty Ltd | - | - | 3,203 | 1,907 |
| Total intercompany payables | - | - | 7,747 | 6,992 |
| Total payables | 90,420 | 70,553 | 78,734 | 54,964 |
| 26. INTEREST BEARING LIABILITIES | | | | |
| Current | | | | |
| Secured | | | | |
| Loans from banks secured by bank guarantee | 455 | - | - | - |
| Loan from bank - Commercial bills | 1,000 | 7,839 | 1,000 | 7,600 |
| Total current secured interest bearing liabilities | 1,455 | 7,839 | 1,000 | 7,600 |
| Unsecured | | | | |
| Other loans, unsecured | 10,000 | 798 | 10,000 | - |
| Total current interest bearing liabilities | 11,455 | 8,637 | 11,000 | 7,600 |
| Non - current | | | | |
| Secured | | | | |
| Loan from bank - Commercial bills: | | | | |
| Repayable 1-5 years | 72,080 | 30,700 | 72,080 | 30,480 |
| Repayable over 5 years | 103,650 | 73,350 | 103,650 | 73,350 |
| Loans from banks secured by bank guarantee | | | | |
| Repayable 1-5 years | 388 | - | - | - |
| Total non-current secured interest bearing liabilities | 176,118 | 104,050 | 175,730 | 103,830 |
| Unsecured | | | | |
| Other loans, unsecured: | | | | |
| Repayable 1-5 years | 4,843 | 3,894 | 300 | 400 |
| Total non-current interest bearing liabilities | 180,961 | 107,944 | 176,030 | 104,230 |
| Total interest bearing liabilities | 192,416 | 116,581 | 187,030 | 111,830 |

| | Consolidated | | Monash University | |
|--|----------------|----------------|-------------------|----------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| 27. PROVISIONS | | | | |
| Current | | | | |
| Provision for long service leave | 6,835 | 6,282 | 6,719 | 6,176 |
| Provision for recreation leave | 34,722 | 33,988 | 32,923 | 32,119 |
| Provision for bonus payments | 575 | 367 | - | - |
| Provision for Income tax | 1,934 | 995 | - | - |
| Total current provisions | 44,066 | 41,632 | 39,642 | 38,295 |
| Non-current | | | | |
| Provision for long service leave | 61,929 | 56,897 | 60,455 | 55,575 |
| Provision for remuneration withheld | 1,171 | 853 | 1,171 | 853 |
| Provision for bonus payments | 233 | 86 | 233 | 86 |
| Total non-current provisions | 63,333 | 57,836 | 61,859 | 56,514 |
| Total provisions | 107,399 | 99,468 | 101,501 | 94,809 |
| 28. CAPITAL | | | | |
| Funds Held in Perpetuity: | | | | |
| Monash University Foundation | | | | |
| Funds held in perpetuity at 1 January | 31,090 | 30,770 | - | - |
| Transfer from retained earnings | 355 | 320 | - | - |
| Funds held in perpetuity at 31 December | 31,445 | 31,090 | - | - |
| Contributed Capital : | | | | |
| Commonwealth and State Government financial assistance | | | | |
| Contributions to capital works and land | 83,102 | 83,102 | 83,102 | 83,102 |
| Contributed capital | 83,102 | 83,102 | 83,102 | 83,102 |
| Other | | | | |
| Premium arising on consolidation of controlled entity Sir John Monash Business Centre Pty Ltd | - | 260 | - | - |
| Total capital | 114,547 | 114,452 | 83,102 | 83,102 |
| 29. RESERVES | | | | |
| General Reserve | | | | |
| General reserve at 1 January | 51,121 | 51,121 | 51,108 | 51,108 |
| Transfers to retained earnings | (51,121) | - | (51,108) | - |
| General reserve | - | 51,121 | - | 51,108 |
| Asset Revaluation Reserve | | | | |
| Asset revaluation reserve at 1 January | 750,851 | 541,723 | 744,382 | 536,361 |
| Increment on revaluation of land & buildings | 7,084 | 209,128 | - | 208,021 |
| Transfers to retained earnings | (158) | - | (158) | - |
| Asset revaluation reserve | 757,777 | 750,851 | 744,224 | 744,382 |
| Foreign Currency Translation Reserve | | | | |
| Foreign currency translation reserve at 1 January | - | - | - | - |
| Share of associate entity reserve | (133) | - | (133) | - |
| Foreign currency translation reserve | (133) | - | (133) | - |
| Total reserves | 757,644 | 801,972 | 744,091 | 795,490 |
| 30. RETAINED SURPLUS | | | | |
| Retained Surplus at 1 January | 350,884 | 320,052 | 284,260 | 259,147 |
| Surplus for the year ended 31 December | 36,617 | 32,217 | 38,479 | 25,860 |
| Funds available for appropriation | 387,501 | 352,269 | 322,739 | 285,007 |
| Dividend paid | - | (318) | - | - |
| Adjustment for adoption of AASB 1028 Employee Benefits | - | (747) | - | (747) |
| Share of retained earnings of associate entity | 262 | - | 262 | - |
| Transfers (to) / from Reserves: | | | | |
| Transfers to funds held in perpetuity | (368) | (320) | - | - |
| Transfers from general reserve | 51,121 | - | 51,108 | - |
| Transfers from asset revaluation reserve | 158 | - | 158 | - |
| Retained surplus at 31 December | 438,674 | 350,884 | 374,267 | 284,260 |

| | Consolidated | | Monash University | |
|---------------------------------|---------------|---------------|-------------------|----------|
| | 2004 | 2003 | 2004 | 2003 |
| Interest in : | | | | |
| Share capital | 12,780 | 13,987 | - | - |
| Retained surplus | 1,276 | (1,894) | - | - |
| Outside equity interests | 14,056 | 12,093 | - | - |

32. DIRECTORS and EXECUTIVES REMUNERATION

The Hon. L Kosky is the responsible Minister for Education and Training. The names of members of Council of Monash University who held office during the financial year are shown below. None of these persons received remuneration directly related to their duties as Council Members. No related party transactions were entered into by members of Council or their related entities.

| | |
|----------------------------------|-------------------------------------|
| L Adler | M Josem |
| G Barnes | J B Laurie AC |
| C Bourke MBE | R Larkins AO |
| L Boston | A W Lindsay (to 25 February 2004) |
| C Browne (from 26 February 2004) | A McKenzie |
| J K Ellis | W Peter |
| R Galbally AO (to 23 March 2004) | P H Ramler AM |
| D Halstead | B Robinson AM (to 27 February 2004) |
| J M Hearn | J Samms |
| J C Hutchinson | T Sridhar |
| P F E Hutchinson | D Suter |

Monash University - Remuneration of Directors

The number of Directors (Directors being defined as members of the University Council) and their total remuneration during the reporting period is shown in the first two columns of the table below and their relevant income bands. Base remuneration of Directors is shown in the third and fourth columns. Base remuneration is exclusive of end of contract, bonus and retention payments, payment in lieu of annual and long service leave on termination of employment, redundancy payments and annual performance related payments.

It should be emphasised that, in the main, data reported below relates to employees of the University who are also members of the University Council. Members of the University Council (who are not employees of the University) do not receive remuneration for carrying out their University Council roles. A small number of members of Council have also been appointed as Directors of Monash University controlled or associated entities. Members of the University Council can receive remuneration for carrying out these additional Director roles and it is this remuneration which is reported.

Remuneration of Directors

| Income Band \$ | Total Remuneration | | Base Remuneration | |
|-------------------|--------------------|-------------|-------------------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| 0-9,999 | - | 1 | - | 1 |
| 10,000-19,999 | 1 | - | 1 | - |
| 30,000-39,999 | - | 1 | - | 1 |
| 40,000-49,999 | 1 | - | 1 | - |
| 50,000-59,999 | 1 | - | 1 | - |
| 60,000-69,999 | - | 1 | - | 1 |
| 100,000-109,999 | 1 | 1 | 1 | 1 |
| 130,000-139,999 | 1 | - | 1 | - |
| 140,000-149,999 | - | - | - | 1 |
| 170,000-179,999 | - | - | - | 1 |
| 180,000-189,999 | - | - | 1 | - |
| 190,000-199,999 | - | 1 | - | - |
| 210,000-219,999 | - | - | - | 1 |
| 220,000-229,999 | - | 1 | - | - |
| 240,000-249,999 | - | - | - | 1 |
| 270,000-279,999 | 1 | - | - | - |
| 310,000-319,999 | - | 1 | - | - |
| 440,000-449,999 | - | - | 1 | - |
| 620,000-629,999 | 1 | - | - | - |
| 740,000-749,999 | - | 1 | - | - |
| Total Numbers: | 7 | 8 | 7 | 8 |
| Total Amount: | \$1,255,009 | \$1,684,449 | \$991,402 | \$987,408 |

Monash University - Remuneration of Executives

The number of executive officers and their total remuneration during the reporting period is shown in the first two columns of the table below and their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of end of contract, bonus and retention payments, payment in lieu of annual and long service leave on termination of employment, redundancy payments and annual performance related payments.

Executive officers are defined as officers within the university occupying a senior management role.

Remuneration of Executives

| Income Band \$ | Total Remuneration | | Base Remuneration | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 |
| 100,000-109,999 | 3 | 3 | 2 | 3 |
| 110,000-119,999 | - | 3 | 3 | 4 |
| 120,000-129,999 | 4 | 2 | 3 | 3 |
| 130,000-139,999 | - | 1 | 4 | 4 |
| 140,000-149,999 | 1 | 3 | 1 | 5 |
| 150,000-159,999 | 1 | 3 | 2 | 1 |
| 160,000-169,999 | 1 | 3 | 4 | 3 |
| 170,000-179,999 | 1 | 2 | 5 | 3 |
| 180,000-189,999 | 3 | - | 4 | 5 |
| 190,000-199,999 | 2 | 1 | 1 | 2 |
| 200,000-209,999 | 4 | 2 | 2 | 2 |
| 210,000-219,999 | - | 1 | - | 1 |
| 220,000-229,999 | 4 | 3 | - | 3 |
| 230,000-239,999 | 4 | 2 | 4 | - |
| 240,000-249,999 | 2 | 3 | 2 | - |
| 250,000-259,999 | - | 1 | 2 | 1 |
| 260,000-269,999 | - | - | 1 | 2 |
| 270,000-279,999 | - | 1 | - | - |
| 280,000-289,999 | 2 | 1 | - | 1 |
| 290,000-299,999 | 3 | 1 | - | - |
| 300,000-309,999 | 1 | 2 | - | - |
| 310,000-319,999 | - | 1 | - | - |
| 320,000-329,999 | 1 | - | - | - |
| 330,000-339,999 | 1 | - | - | - |
| 340,000-349,999 | - | 1 | - | - |
| 350,000-359,999 | 1 | - | - | - |
| 360,000-369,999 | 1 | - | - | - |
| 370,000-379,999 | 1 | 1 | - | - |
| 380,000-389,999 | - | 1 | - | - |
| 450,000-459,999 | - | 1 | - | - |
| Total Numbers: | 41 | 43 | 40 | 43 |
| Total Amount: | \$9,057,268 | \$9,068,871 | \$7,036,681 | \$7,255,120 |

Consolidated - Remuneration of Directors

Remuneration for Directors of Monash University and its controlled and associated entities is reported in the table below, using the same remuneration definitions as that used for Monash University. Directors of controlled and associated entities who are also members of University Council have their remuneration reported under Monash University and are included in this table.

Remuneration of Directors

| Income Band \$ | Total Remuneration | | Base Remuneration | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 |
| 0-9,999 | 1 | 2 | 1 | 2 |
| 10,000-19,999 | 6 | 4 | 6 | 4 |
| 20,000-29,999 | 1 | - | 1 | - |
| 30,000-39,999 | - | 1 | - | 1 |
| 40,000-49,999 | 1 | - | 1 | - |
| 50,000-59,999 | 1 | - | 1 | - |
| 60,000-69,999 | - | 1 | - | 1 |
| 100,000-109,999 | 1 | 1 | 1 | 1 |
| 130,000-139,999 | 1 | - | 1 | - |
| 140,000-149,999 | - | - | - | 1 |
| 170,000-179,999 | - | - | - | 1 |
| 180,000-189,999 | - | - | 1 | - |
| 190,000-199,999 | - | 1 | - | - |
| 210,000-219,999 | - | - | - | 1 |
| 220,000-229,999 | - | 1 | - | - |
| 240,000-249,999 | - | - | - | 1 |
| 270,000-279,999 | 1 | - | - | - |
| 310,000-319,999 | - | 1 | - | - |
| 440,000-449,999 | - | - | 1 | - |
| 620,000-629,999 | 1 | - | - | - |
| 740,000-749,999 | - | 1 | - | - |
| Total Numbers: | 14 | 13 | 14 | 13 |
| Total Amount: | \$1,378,989 | \$1,763,029 | \$1,115,382 | \$1,065,988 |

Consolidated - Remuneration of Executives

The number of executive officers and their total remuneration during the reporting period is shown in the first two columns of the table below and their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of end of contract, bonus and retention payments, payment in lieu of annual and long service leave on termination of employment, redundancy payments and annual performance related payments.

Executive officers are defined as officers within the university occupying a senior management role.

Remuneration of Executives

| Income Band \$ | Total Remuneration | | Base Remuneration | |
|-------------------|--------------------|------------|-------------------|------------|
| | 2004 | 2003 | 2004 | 2003 |
| 100,000–109,999 | 5 | 7 | 3 | 5 |
| 110,000–119,999 | 1 | 4 | 4 | 4 |
| 120,000–129,999 | 6 | 3 | 6 | 6 |
| 130,000–139,999 | 1 | 2 | 9 | 5 |
| 140,000–149,999 | 1 | 6 | 2 | 6 |
| 150,000–159,999 | 4 | 5 | 4 | 4 |
| 160,000–169,999 | 4 | 6 | 5 | 6 |
| 170,000–179,999 | 2 | 2 | 5 | 4 |
| 180,000–189,999 | 4 | 1 | 7 | 5 |
| 190,000–199,999 | 4 | 3 | 1 | 3 |
| 200,000–209,999 | 4 | 3 | 3 | 2 |
| 210,000–219,999 | – | 1 | – | 1 |
| 220,000–229,999 | 5 | 4 | – | 3 |
| 230,000–239,999 | 4 | 2 | 4 | 1 |
| 240,000–249,999 | 4 | 3 | 2 | – |
| 250,000–259,999 | – | 2 | 3 | 2 |
| 260,000–269,999 | 2 | – | 1 | 2 |
| 270,000–279,999 | – | 1 | – | – |
| 280,000–289,999 | 2 | 1 | 1 | 1 |
| 290,000–299,999 | 3 | 1 | – | – |
| 300,000–309,999 | 2 | 3 | 1 | 1 |
| 310,000–319,999 | – | 1 | – | – |
| 320,000–329,999 | 2 | – | – | – |
| 330,000–339,999 | 1 | 1 | – | – |
| 340,000–349,999 | – | 1 | – | – |
| 350,000–359,999 | 1 | – | – | – |
| 360,000–369,999 | 2 | – | – | – |
| 370,000–379,999 | 1 | 1 | – | – |
| 380,000–389,999 | – | 1 | – | – |
| 450,000–459,999 | – | 1 | – | – |
| Total Numbers: | 65 | 66 | 61 | 61 |
| Total Amount: | 13,713,152 | 12,971,173 | 10,530,755 | 10,232,236 |

33. RELATED PARTY DISCLOSURES

Amounts owing between Monash University and its Controlled Entities are shown under Receivables (note 18), Other assets (note 21), and Payables (note 25).

Transactions between Monash University and its Controlled entities are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

| | Monash University | |
|---|----------------------|---------------|
| | 2004 | 2003 |
| | \$000 | \$000 |
| Income received from: | | |
| Monash Commercial Pty Ltd | 14,743 | 7,259 |
| Monash Ed Pty Ltd | 11 | 87 |
| Monash International Pty Ltd | 11,224 | 9,660 |
| Monash IVF Pty Ltd | 471 | 631 |
| Monash Property Management Pty Ltd | 622 | - |
| Monash Southern Africa Pty Ltd | 1,285 | - |
| Monash University Foundation Pty Ltd | 147 | 135 |
| Monash University South Africa | 5,574 | 1,429 |
| Montech Pty Ltd | 76 | 265 |
| Monyx Pty Ltd | 13,108 | - |
| | <u>47,262</u> | <u>19,466</u> |
| Expenditure paid to: | | |
| Monash Commercial Pty Ltd | 14,236 | 4,172 |
| Monash International Pty Ltd | 13,993 | 6,618 |
| Monash IVF Pty Ltd | 24 | 21 |
| Monash Property Management Pty Ltd | 459 | - |
| Monash University Foundation Pty Ltd | 6,265 | 693 |
| Montech Pty Ltd | 2 | 288 |
| Monyx Pty Ltd | 9,970 | - |
| | <u>44,949</u> | <u>11,792</u> |
| Associated Entities | | |
| Income received from: | | |
| Monash University Sunway Campus Malaysia Sdn Bhd. | 3,289 | - |
| Expenditure paid to: | | |
| Monash University Sunway Campus Malaysia Sdn Bhd. | 58 | - |

34. EXPENDITURE COMMITMENTS

| | | | | |
|--|---------------|----------------|---------------|----------------|
| Capital works projects: | | | | |
| Not later than 1 year | 61,253 | 95,301 | 61,253 | 95,301 |
| Later than 1 year and not later than 5 years | 57 | 34,993 | 57 | 34,993 |
| Capital - Equipment purchases | 3,307 | 3,012 | 3,307 | 3,012 |
| Total expenditure commitments | <u>64,617</u> | <u>133,306</u> | <u>64,617</u> | <u>133,306</u> |

35. LEASE COMMITMENTS

Operating Lease Commitments:

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Not later than 1 year | 13,759 | 10,657 | 8,629 | 8,713 |
| Later than 1 year and not later than 5 years | 17,472 | 17,909 | 8,950 | 14,215 |
| Later than 5 years | 25,496 | 3,489 | 2,814 | 2,937 |
| Operating lease commitments | <u>56,728</u> | <u>32,055</u> | <u>20,393</u> | <u>25,865</u> |

An equitable mortgage exists between Monash University as mortgagor and National Australia Financial Management Ltd (NAFM) as mortgagee securing future rental payments amounting to \$5.342M (2003, \$7.539M) due to National Australia Financial Management Ltd, under the deed of sub-lease entered into between mortgagor and mortgagee dated 30 June, 1993. In 1997, the security was reduced to \$14M in line with the present value of the University's outstanding commitments. This security amount will be maintained through Australian fixed interest and liquidity investments within the MLC portfolio. Refer to note 19.

| | Consolidated | | Monash University | | |
|---|---------------|---------------|-------------------|---------------|---------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | |
| 35. LEASE COMMITMENTS (continued) | | | | | |
| Finance Lease Commitments | | | | | |
| Not later than 1 year | 528 | 280 | - | - | |
| Later than 1 year and not later than 5 years | 439 | 235 | - | - | |
| Total minimum lease payments | 967 | 515 | - | - | |
| Less: Future finance charges | (96) | (55) | - | - | |
| Total finance lease liability | 871 | 460 | - | - | |
| The finance lease liability is shown in the balance sheet as follows: | | | | | |
| Current liability | 464 | 240 | - | - | |
| Non-current liability | 407 | 220 | - | - | |
| Total finance lease liability | 871 | 460 | - | - | |
| 36. CASH FLOW INFORMATION | | | | | |
| | <u>Notes</u> | | | | |
| Reconciliation of cash assets | | | | | |
| Cash | 17 | 37,775 | 26,602 | 2,419 | 2,284 |
| Short term investments | 17 | 6,599 | 13,658 | - | - |
| Westpac Investment Management Pty Ltd, at cost | 19 | 3,025 | 14,981 | 3,025 | 14,981 |
| Total cash assets | | 47,399 | 55,241 | 5,444 | 17,265 |
| Reconciliation of net cash used in operating activities to Net result for the year before income tax | | | | | |
| Net Result for the year after income tax expense | | 38,561 | 33,614 | 38,479 | 25,860 |
| Depreciation & amortisation expense | | 47,984 | 44,619 | 44,609 | 40,878 |
| Provisions | | 7,595 | 2,748 | 6,692 | 2,629 |
| Bad & doubtful debt expense | | 2,431 | 1,245 | 635 | 2,583 |
| Gains on other financial assets | | (21,035) | (29,719) | (11,210) | (11,108) |
| Net income from Monash University Foundation | | - | - | (4,713) | (4,072) |
| Other non - cash items | | 2,194 | (7,970) | (3,156) | (5,101) |
| Changes in assets and liabilities: | | | | | |
| (Increase)/decrease in receivables | | (3,889) | 16,092 | 6,184 | 6,665 |
| (Increase)/decrease in prepayments | | (8,301) | (2,823) | (4,702) | (429) |
| (Increase)/decrease in inventories | | (113) | (2,470) | (478) | 485 |
| (Increase)/decrease in other current assets | | 548 | (4,219) | - | - |
| (Increase)/decrease in future income tax benefit | | (155) | 16 | - | - |
| Increase/(decrease) in payables | | 27,718 | 23,417 | 23,770 | 14,726 |
| Increase/(decrease) in government grants received in advance | | (24,820) | 7,483 | (24,820) | - |
| Increase/(decrease) in student fees received in advance | | (4,325) | 5,710 | (4,170) | 4,097 |
| Increase/(decrease) in other income received in advance | | 2,431 | 678 | - | - |
| Increase/(decrease) in other current liabilities | | (893) | 2,757 | - | - |
| Increase/(decrease) in provision for income taxes payable | | - | 984 | - | - |
| (Increase)/decrease in provision for deferred income tax | | - | 6 | - | - |
| Other changes | | (6,898) | (22) | (6,874) | 1 |
| Net cash inflows from operating activities | | 59,033 | 92,146 | 60,246 | 77,214 |
| Financing facilities | | | | | |
| Credit standby arrangements: | | | | | |
| Bank overdraft facility | | - | - | - | - |
| Amount used | | - | - | - | - |
| Amount unused | | - | - | - | - |
| Loan facilities (external): | | | | | |
| Total facility | | 177,730 | 152,730 | 177,730 | 152,730 |
| Amount of facilities used | | 176,730 | 111,430 | 176,730 | 111,430 |
| Amount of facilities unused | | 1,000 | 41,300 | 1,000 | 41,300 |

37. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets as at 31 December 2004.

A \$2.5 million bank guarantee was provided through the Commonwealth Bank of Australia to secure a bank loan facility for Monash University Sunway Campus Malaysia Sdn Bhd. The Malaysian Campus is operated by this company, which is 24% owned by the university. As at 31 December 2004, the facility was not utilised and was cancelled in January 2005.

Monash University has provided Letters of Comfort to Monash Commercial Pty Ltd, Monyx Pty Ltd, Monash University South Africa and Monash Southern Africa Pty Ltd. These letters confirm the university's intention to provide financial support to the extent which may be necessary to ensure that the entities are able to pay their debts as and when they fall due.

Monash University South Africa have a finance leasing facility from a South Africa financial institution. The value of the facility is approximately \$1.8 million of which approximately \$0.8 million has been utilised as at 31 December 2004. This facility is secured by a bank guarantee provided by Westpac Bank to Monash University Australia.

38. SUPERANNUATION FUNDS

The University contributes to the following superannuation funds on behalf of employees:

UniSuper Ltd DBP/ICP (formerly Superannuation Scheme for Australian Universities)

This scheme is a defined benefit plan and accumulation plan where the University makes contributions at the rate of 14% of gross salary.

Employees contribute at the rate of 7% of gross salary.

The last actuarial investigation was completed on 16 May 2003 and conducted as at 31 December 2002. The investigation was conducted by Mr Grant Haslett (FIA, FIAA) and Mr Matthew Burgess (FIAA) of Towers Perrin.

As at 30 June 2004 the accrued benefits of the plan were assessed as \$320.2M (30 June 2003, \$286.6M) and the vested benefits of the plan were assessed as \$372.3M (30 June 2003, \$343.0M) while the net market value of the plan assets were \$360.5M (30 June 2003, \$302.3M).

When compared to the accrued benefits of the plan this equates to a net surplus of members accumulated funds of \$40.2M (30 June 2003, \$15.6M) compared to the net market value of the plan assets.

When compared to the vested benefits of the plan this equates to a net shortfall of members accumulated funds of \$11.8M (30 June 2003, \$40.8M).

Towers Perrin has confirmed that this situation is expected to occur from time to time as investment markets can vary considerably. The actuary expects all commitments to members to be met and has confirmed that the existing contribution rates remain appropriate.

The total contributions by the University for the year ended 31 December 2004 were \$32,851,298 (2003, \$30,276,991).

"M" Superannuation Scheme

This scheme is a defined benefit scheme and the University makes contributions at the rate of 12.6% of gross salary.

Employees contribute at the rate of 6.3% of gross salary.

The last actuarial review of the scheme was in December 2001 and indicated the fund was in a strong financial position, i.e. the scheme has no unfunded liability. The total contributions by the University for the year ended 31 December 2004 were \$50,471 (2003, \$50,926).

"A" Superannuation Scheme (Monash University Academic Superannuation Scheme)

This scheme was introduced under Statute 3.6 of the Monash University Act and benefits are provided by external insurers in the form of endowment assurance policies. This is a closed scheme. The insurers provide an accumulation fund to which the University and employee contribute.

The University makes contributions at the rate of 10% of gross salary.

Employees contribute at the rate of 5% of gross salary.

Total contributions by the University for the year ended 31 December 2004 were \$22,933 (2003, \$32,150).

UniSuper Ltd APP (Formerly Tertiary Education Superannuation Scheme/ Superannuation Guarantee Charge)

This scheme is a cash accumulation productivity scheme and the University makes contributions at a rate of 3% to 9% of gross salary. Employees have no requirement to contribute, and the scheme has no unfunded liability.

Total contributions by the University for the year ended 31 December 2004 were \$16,691,197 (2003, \$15,385,089).

Government Superannuation Office (previously State Superannuation Board of Victoria)

Monash University has, in its staffing profile, a number of employees who are members of the State Superannuation Fund, which is a defined benefits scheme.

As at 30 June 2003, the State Superannuation Fund was carrying total liabilities for member benefits, in excess of the value of the scheme's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the scheme. The notional share of this public sector employee superannuation scheme's unfunded liabilities attributable to Monash University, as assessed by the scheme as at 30 June 2004, amounted to \$117,714,000 (2003, \$118,869,000).

The movement in the notional liability is recorded as \$1,155,000 (2003, \$5,664,000). The corresponding recovery from the Commonwealth through the commitment to fund the emerging scheme is recorded as an asset.

During 2004, Monash University's contributions to the scheme totalled \$9,137,149 (2003, \$8,254,522).

The policy adopted for calculating employer contributions is based on the advice of the scheme's trustees, but generally the contribution rate represents 84.6% of pensions payable.

MLC Members Choice Pharmaceutical Organisations Fund

Contributions are made by the University, on account of staff who were formerly employed by the Victoria College of Pharmacy (now part of the University), to MLC Choice Pharmaceutical Organisations Fund, which is an employee contributory accumulation fund scheme. The scheme has no unfunded liability.

Employees contribute at the rate of 5% of gross salary.

The University makes contributions at 10% of gross salary.

Total contributions by the University for the year ended 31 December 2004 totalled \$15,125 (2003, \$12,310).

Other Superannuation Funds

Contributions are made by the University to approved superannuation funds. These funds are accumulation funds and a defined benefits fund and have no unfunded liabilities. Total contributions of \$42,255 were made in 2004 (2003, \$58,867).

39. SEGMENT INFORMATION

The University operates predominantly in the field of education in Australia and provides teaching and research services.

The South African Campus is operated through controlled entities and the Malaysian Campus through a 24% ownership of Monash University Sunway Campus Malaysia Sdn Bhd.

40. EVENTS SUBSEQUENT TO BALANCE DATE

Monash University Australia is required by the South African Department of Education to establish a legal presence in South Africa through the formation of a new Australian company (Monash South Africa Ltd.) to carry out research and educational activities for and on behalf of the University, with effect from 1 January 2005. These activities are to be transferred from Monash University South Africa.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the states of affairs of the entity in future financial years.

41. FINANCIAL INSTRUMENTS DISCLOSURE

Interest Rate Exposures

The Entity's exposure to the effect of future changes in prevailing interest rates and the effective interest rates on financial instruments at balance date are:

| 2004 | Interest Rates | Floating Interest Rate \$000 | Fixed Interest Rate Maturities | | | Non Interest Bearing \$000 | Total \$000 |
|------------------------------------|----------------|---------------------------------|--------------------------------|-----------------------|-----------------------|-------------------------------|----------------|
| | | | 1 Year or less \$000 | 1 to 5 Years \$000 | Over 5 Years \$000 | | |
| Consolidated | | | | | | | |
| Assets | | | | | | | |
| Cash at bank - AUD | 5.06% | 33,762 | - | - | - | - | 33,762 |
| Managed cash | 5.33% | 8,387 | 64 | - | - | - | 8,451 |
| Bank call deposits | 5.23% | 6,504 | 108 | - | - | - | 6,612 |
| Discount securities | 5.45% | - | 2,961 | - | - | - | 2,961 |
| Shares | - | - | - | - | - | 3,966 | 3,966 |
| Managed trusts | - | - | - | - | - | 219,778 | 219,778 |
| Managed futures and options | - | - | - | - | - | - | - |
| Other investments | - | - | - | - | - | 7,380 | 7,380 |
| Other managed assets | - | - | - | - | - | 375 | 375 |
| Receivables | - | - | - | - | - | 48,133 | 48,133 |
| Loans | - | - | - | - | - | 873 | 873 |
| Total financial assets | | 48,653 | 3,133 | - | - | 280,505 | 332,291 |
| Liabilities | | | | | | | |
| Loans - Bank | 6.07% | - | 1,455 | 72,468 | 103,650 | - | 177,573 |
| Loans - Other | - | - | - | - | - | 12,096 | 12,096 |
| Managed futures and options | - | - | - | - | - | - | - |
| Payables | - | - | - | - | - | 92,259 | 92,259 |
| Total financial liabilities | | - | 1,455 | 72,468 | 103,650 | 104,355 | 281,928 |
| Net financial assets | | 48,653 | 1,678 | (72,468) | (103,650) | 176,150 | 50,363 |
| 2003 | | | | | | | |
| 2003 | Interest Rates | Floating Interest Rate \$000 | Fixed Interest Rate Maturities | | | Non Interest Bearing \$000 | Total \$000 |
| | | | 1 Year or less \$000 | 1 to 5 Years \$000 | Over 5 Years \$000 | | |
| Consolidated | | | | | | | |
| Assets | | | | | | | |
| Cash at bank - AUD | 4.90% | 26,505 | - | - | - | 1 | 26,506 |
| Managed cash | 5.00% | 3,716 | - | - | - | 73 | 3,789 |
| Bank call deposits | 6.14% | 7,301 | 6,453 | - | - | - | 13,754 |
| Discount securities | 4.84% | - | 14,908 | - | - | - | 14,908 |
| Shares | - | - | - | - | - | 2,361 | 2,361 |
| Managed trusts | - | - | - | - | - | 198,230 | 198,230 |
| Managed futures and options | - | - | - | - | - | - | - |
| Other investments | - | - | - | - | - | 1,874 | 1,874 |
| Other managed assets | - | - | - | - | - | 485 | 485 |
| Receivables | - | - | - | - | - | 45,588 | 45,588 |
| Loans | - | - | - | - | - | 140 | 140 |
| Total financial assets | | 37,522 | 21,361 | - | - | 248,752 | 307,635 |
| Liabilities | | | | | | | |
| Loans - Bank | 6.01% | 459 | 8,600 | 59,480 | 43,350 | - | 111,889 |
| Loans - Other | - | - | 798 | 6,239 | - | 6,096 | 13,133 |
| Managed futures and options | - | - | - | - | - | - | - |
| Payables | - | - | - | - | - | 62,107 | 62,107 |
| Total financial liabilities | | 459 | 9,398 | 65,719 | 43,350 | 68,203 | 187,129 |
| Net financial assets | | 37,063 | 11,963 | (65,719) | (43,350) | 180,549 | 120,506 |

41. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Reconciliation of net financial assets with net assets as per Statement of Financial Position.

| | 2004 \$000 | 2003 \$000 |
|---|------------------|------------------|
| Net financial assets as above | 50,363 | 120,506 |
| Add non financial assets | | |
| Inventories | 6,193 | 5,960 |
| Payments in advance | 17,906 | 10,564 |
| Property, plant and equipment | 1,336,147 | 1,231,607 |
| Monash University Foundation investment property | 22,600 | 42,210 |
| Government superannuation contributions | 117,714 | 118,869 |
| Intangibles | 16,140 | 15,197 |
| | <u>1,516,700</u> | <u>1,424,407</u> |
| Less non financial liabilities | | |
| Prepaid rental | 1,504 | 2,505 |
| Government grants received in advance | - | 24,820 |
| Student fees paid in advance | 15,525 | 19,850 |
| Provisions | 107,399 | 99,468 |
| Deferred employee benefits for superannuation | 117,714 | 118,869 |
| | <u>242,142</u> | <u>265,512</u> |
| Net assets per Statement of Financial Position | <u>1,324,921</u> | <u>1,279,401</u> |

Significant accounting policies, terms and conditions

Financial Assets

Other Financial Assets [Note 19]

Other financial assets on hand mainly comprise investments in managed funds, bank deposits, and money market securities. These financial instruments are traded in an organised financial market.

With the exception of Monash University Foundation, other financial assets are brought to account at the lower of cost or net realisable value. The carrying amount of investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments.

Monash University Foundation investment gains and losses realised from sale of investments and unrealised market value adjustments are reflected in the Consolidated Statement of Financial Performance.

In respect to managed funds, where the manager considers it in the interests of prudent support, management, protection or enhancement of any existing or proposed investment, the manager may enter into futures, options, hedging, interest or currency swaps or arrangements. Under no circumstances can an external fund manager or internal treasury staff enter into such a financial arrangement unless there is sufficient assets (or liabilities) to support the transaction. There are no internal derivative transactions at balance date.

Managed funds include investments in various pooled funds, including overseas investments. The foreign currency and other risks are managed for the pool by the fund manager.

Management of Monash University and Monash University Foundation review the managed portfolios monthly and both report to Council and the Board, at least quarterly.

Receivables [Note 18]

Sundry debtors and student loans are carried at nominal amounts due. Collectibility of these debts is assessed and a provision for doubtful debts is raised. Sundry debtors are generally required to be settled within 30 days and interest is charged on student loans.

Receivables from related entities result from commercial dealings and are made on commercial terms and conditions.

41. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Significant accounting policies, terms and conditions (continued)

Financial Liabilities

Interest Bearing Liabilities - Bank [Note 26]

The bank loans are drawn on a commercial bill facility and are carried at the principal amounts. Interest is charged at a fixed rate, repayable quarterly, and expensed as it accrues.

Payables [Note 25]

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. Payables are normally settled within 30 days from month of billing.

Fair Values

The carrying amounts of all financial assets and liabilities approximate fair values, with the exception of investments.

In accordance with accounting standards, other financial assets are shown at the lower of cost or net realisable value, with the exception of the funds of Monash University Foundation which are at net fair value. Market values of managed funds of Monash University are disclosed below:

| | 2004 \$000 | 2003 \$000 |
|--|---------------|---------------|
| Market Value | | |
| <i>Managed Funds:</i> | | |
| B. T. Funds Management Limited | 3,025 | 15,034 |
| MLC (formerly National Australia Asset Management Ltd) | 113,840 | 96,703 |
| <i>Common Fund:</i> | | |
| Macquarie Funds Management | 32,719 | 27,886 |

Net fair value of financial instruments held by Monash University Foundation are determined on the following bases:

- Investments in managed funds are included in the accounts on the basis of statements from investment managers and are valued at closing market prices, adjusted for any transaction costs necessary to realise the asset. The money market securities are valued at net realisable market prices.
- Discount securities are recorded at net fair values and bank call deposits are stated at cost.

The balance of Monash University Foundation investments also includes direct property holdings which are shown at valuations advised annually by qualified independent valuers.

Credit Risk

The economic entity's maximum exposure to credit risk is represented by the carrying amounts of financial assets included in the consolidated Statement of Financial Position.

Foreign Exchange Risk

Monash University and Monash University Foundation Trust have invested in the development of a campus in South Africa. Managed funds include international investments and the foreign currency risk is managed by the fund managers.

42. CONTROLLED ENTITIES

| Entity (1) | Place of Incorporation | Countries where business carried on | Principal Activities | Details of Group Beneficial Interest | Details of Investment |
|--|------------------------|-------------------------------------|---|--------------------------------------|-----------------------|
| | | | | 2004 % 2003 % | 2004 \$ 2003 \$ |
| Monash International Pty Ltd | Victoria | Australia | Provision of recruitment services, development of international projects and the delivery of overseas access programs. | 100% | 500,000 |
| Monash International SRL | Italy | Italy | To provide English language courses. | 100% | 500,000 |
| Sir John Monash Business Centre Pty Ltd | Victoria | Australia | Deregistered on 23 May 2004 | 0% | - |
| Monash University Foundation Pty Ltd | Victoria | Australia | Trustee of Monash University Foundation Trust. | 100% | 6 |
| Monash University Foundation Trust | Victoria | Australia | Generation of investment income to support Monash University. | 100% | 340,000 |
| Monash University South Africa (2) | South Africa | South Africa | Operation of Monash University's South African campus in Roodeport, Johannesburg. | 100% | 7,162,000 |
| Monash Commercial Pty Ltd (2) | Victoria | Australia | Commercialisation of research and the provision of other services. | 100% | 8,887,000 |
| Monash Digital Media Pty Ltd | Victoria | Australia | To be deregistered in 2005 | 100% | 2,000,000 |
| Monash Learningfast Pty Ltd | Victoria | Australia | Creation and distribution of on-line learning and related products and services. Administrator appointed. Process expected to be completed in 2005. | 51% | 51% |
| LearningFast, Inc | USA | USA | The company has been dormant for the period. | 51% | 51% |
| Monash Property Management Pty Ltd | Victoria | Australia | Development and management of property owned by Monash University. | 100% | 100% |
| Monash Reproductive Health Enterprises Pty Ltd | Victoria | Australia | The company has been dormant for the period since its incorporation. | 100% | 100% |
| Monyx Pty Ltd | Victoria | Australia | Oversee the administration and provision of services for students of the University. | 50% | 50% |
| Monyx Education Services Pty Ltd | Victoria | Australia | Provision of services for students of the University's Clayton Campus. | 50% | 50% |
| Monyx Services Pty Ltd (2) | Victoria | Australia | Management of services to students of the University. | 50% | 50% |
| Monyx Services Retail Pty Ltd (3) | Victoria | Australia | Trustee of the Peter Dibble Memorial Trust. | 50% | 50% |
| Peter Dibble Memorial Trust. (3) | Victoria | Australia | Provision of retail services to students & staff. | 50% | 50% |
| Monyx Services Food & Beverage Pty Ltd (3) | Victoria | Australia | Trustee of the Monsu Catering Trust. | 50% | 50% |
| Monsu Catering Trust (3) | Victoria | Australia | Provision of catering services for students of the University's Caulfield Campus. | 50% | 50% |
| Ingenko Pty Ltd | Victoria | Australia | Provision of mouse gene targeting services. To be deregistered by June 2005. | 44% | 44% |
| Monash Investment Holdings Pty Ltd | Victoria | Australia | Trustee of Monash Investment Trust. | 100% | 100% |
| Monash Investment Trust | Victoria | Australia | Hold passive investments on behalf of Monash University. | 100% | 100% |
| Monash IT Pty Ltd (2) | Victoria | Australia | Provision of general IT short courses and IT industry certificate courses. | 100% | 100% |
| Montech Pty Ltd | Victoria | Australia | Consulting services. | 100% | 235,000 |
| Monash Southern Africa Pty Ltd (2) | Victoria | Australia / South Africa | Development of the campus in Roodeport, Johannesburg. | 100% | 2,000,000 |
| Monash IVF Pty Ltd | Victoria | South Africa | Provision of infertility medical services. | 54% | 1,226,979 |
| Monash Ultrasound Pty Ltd | Victoria | Australia | Provision of obstetric and gynaecological ultrasound services for patients. | 100% | 1,226,979 |
| Monash Reproductive Pathology and Genetics Pty Ltd | Victoria | Australia | Provision of diagnostic testing for patients. | 100% | 100% |
| Monash Unicom Pty Ltd | Victoria | Australia | Deregistered on 20 March 2004 | 0% | - |
| Monash Ed Pty Ltd | Victoria | Australia | Provision of education and training relating to the organisation of the Olympic Games. To be deregistered in 2005. | 80% | 7,999 |

Notes:

1. Subsidiary companies of controlled entities of are indented.
2. Economic dependency - Monash University provides financial support to these companies.
3. Monyx Services Pty Ltd to take over operations of these with effect from 1 January 2005 and Trusts are to be wound up.

42 CONTROLLED ENTITIES (Continued)

Summary of Financial Results

Statement of Financial Performance

| Entity | Total Revenue | | Total Expenditure | | Foreign Exchange Gain/(Loss) | | Tax / Extraordinary items | | Operating Profit (Loss) | |
|--|---------------|------------|-------------------|------------|------------------------------|------------|---------------------------|------------|-------------------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Monash International Pty Ltd | 46,952 | 39,504 | 41,177 | 35,734 | (121) | - | - | - | 5,654 | 3,770 |
| Sir John Monash Business Centre Pty Ltd | - | 1 | - | 8 | - | - | - | - | - | (7) |
| Monash University Foundation Trust | 17,617 | 17,700 | 5,132 | 14,382 | (2) | - | - | - | 12,483 | 3,318 |
| Monash University South Africa | 4,913 | 3,167 | 13,258 | 12,759 | (3,923) | 1,032 | - | - | (12,268) | (8,560) |
| Monash Commercial Pty Ltd | 47,582 | 37,788 | 53,924 | 29,765 | - | - | (155) | - | (6,187) | 8,023 |
| Montech Pty Ltd | 289 | 1,387 | 241 | 950 | - | - | - | - | 48 | 437 |
| Monash Southern Africa Pty Ltd | 1,593 | 1,646 | 1,407 | 2,350 | (645) | 714 | - | 85 | (459) | (75) |
| Monash IVF Pty Ltd | 20,371 | 14,568 | 14,952 | 11,712 | - | - | 1,642 | 663 | 3,777 | 2,193 |
| Monash Ultrasound Pty Ltd | 2,269 | 2,228 | 1,924 | 1,958 | - | - | 121 | 74 | 224 | 196 |
| Monash Reproductive Pathology and Genetics Pty Ltd | 2,521 | 2,223 | 1,614 | 1,543 | - | - | 315 | 184 | 592 | 496 |
| Monash Unicom Pty Ltd | - | - | - | - | - | - | - | - | - | - |
| Monash Ed Pty Ltd | 2,233 | 211 | 207 | 824 | - | - | - | - | 2,026 | (613) |

Statement of Financial Position

| Entity | Working Capital | | Physical Assets | | Total Assets | | Internal Borrowings | | External Borrowings | | Total Liabilities | | Equity | |
|--|-----------------|------------|-----------------|------------|--------------|------------|---------------------|------------|---------------------|------------|-------------------|------------|------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Monash International Pty Ltd | 5,511 | 4,073 | 1,461 | 992 | 19,378 | 16,433 | - | - | - | - | 13,146 | 12,055 | 6,232 | 4,378 |
| Sir John Monash Business Centre Pty Ltd | 14,772 | 14,894 | - | - | 127,611 | 125,778 | 1,554 | 1,554 | - | - | 3,440 | 14,090 | 124,171 | 111,688 |
| Monash University Foundation Trust | 35 | 132 | 2,565 | 1,631 | 4,367 | 2,736 | 38,048 | 25,410 | 844 | 239 | 40,204 | 26,305 | (35,837) | (23,569) |
| Monash University South Africa | 11,800 | 11,069 | 1,477 | 1,718 | 42,953 | 51,363 | 6,877 | 6,348 | 3,650 | 289 | 25,785 | 29,410 | 17,168 | 21,953 |
| Monash Commercial Pty Ltd | 236 | 186 | - | 2 | 784 | 848 | - | - | - | - | 548 | 660 | 236 | 188 |
| Monash Southern Africa Pty Ltd | 964 | 1,209 | 30,138 | 22,488 | 32,279 | 24,950 | 17,583 | 16,803 | - | - | 18,760 | 18,056 | 13,519 | 6,894 |
| Monash IVF Pty Ltd | 5,512 | 4,091 | 1,549 | 1,232 | 17,562 | 10,207 | - | - | 1,193 | - | 8,250 | 4,305 | 9,312 | 5,902 |
| Monash Ultrasound Pty Ltd | (33) | (216) | 671 | 332 | 766 | 547 | - | - | - | - | 341 | 345 | 425 | 202 |
| Monash Reproductive Pathology and Genetics Pty Ltd | (326) | (117) | 121 | 101 | 1,655 | 853 | - | - | - | - | 560 | 352 | 1,095 | 501 |
| Monash Unicom Pty Ltd | - | 3 | - | - | - | 3 | - | - | - | - | - | - | - | 3 |
| Monash Ed Pty Ltd | (1) | (2,184) | - | 4 | 6 | 205 | - | 1,568 | - | - | 7 | 2,232 | (1) | (2,027) |

43 Acquittal of Commonwealth Government Financial Assistance

43.1 DEST - Teaching and Learning

| | Operating Grant | | Teaching Hospitals | | Capital Development Pool | | | Total | |
|---|-----------------|------------|--------------------|------------|--------------------------|------------|------------|------------|--|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | |
| Financial assistance received in cash during the reporting period | 145,320 | 152,565 | 539 | 572 | 2,098 | - | 147,957 | 153,137 | |
| Net accrual adjustments | 11,797 | 84 | 46 | - | - | - | 11,843 | 84 | |
| Revenue for the period | 157,117 | 152,649 | 585 | 572 | 2,098 | - | 159,800 | 153,221 | |
| Surplus / (deficit) from the previous period | - | - | 75 | 568 | - | - | 75 | 568 | |
| Total revenue including accrued revenue | 157,117 | 152,649 | 660 | 1,140 | 2,098 | - | 159,875 | 153,789 | |
| Less expenses including accrued expenses | 157,117 | 152,649 | 450 | 1,065 | 2,098 | - | 159,665 | 153,714 | |
| Surplus / (deficit) for the reporting period | - | - | 210 | 75 | - | - | 210 | 75 | |

43.2 HECS and other Commonwealth Loan Programmes

| | HECS (Commonwealth payments only) | | PELS | | BOTPLS | | | Total | |
|---|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|--|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | |
| Financial assistance received in cash during the reporting period | 79,687 | 84,535 | 21,444 | 16,212 | 81 | 11 | 101,212 | 100,758 | |
| Net accrual adjustments | 6,929 | (90) | - | - | - | - | 6,929 | (90) | |
| Revenue for the period | 86,616 | 84,445 | 21,444 | 16,212 | 81 | 11 | 108,141 | 100,668 | |
| Surplus / (deficit) from the previous period | - | - | - | - | - | - | - | - | |
| Total revenue including accrued revenue | 86,616 | 84,445 | 21,444 | 16,212 | 81 | 11 | 108,141 | 100,668 | |
| Less expenses including accrued expenses | 86,616 | 84,445 | 21,444 | 16,212 | 81 | 11 | 108,141 | 100,668 | |
| Surplus / (deficit) for the reporting period | - | - | - | - | - | - | - | - | |

43.3 Scholarships

| | Australian Postgraduate Awards Pre-2002 | | Australian Postgraduate Awards Post-2002 | | International Postgraduate Research Scholarships | | Commonwealth Education Costs Scholarships | | Commonwealth Accommodation Scholarships | | Total | |
|---|---|------------|--|------------|--|------------|---|------------|---|------------|------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Financial assistance received in cash during the reporting period | 891 | 2,394 | 5,454 | 3,717 | 1,164 | 1,051 | 206 | - | 572 | - | 8,287 | 7,162 |
| Net accrual adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 891 | 2,394 | 5,454 | 3,717 | 1,164 | 1,051 | 206 | - | 572 | - | 8,287 | 7,162 |
| Surplus / (deficit) from the previous period | 166 | 276 | 1,335 | 1,658 | 265 | 139 | - | - | - | - | 1,766 | 2,073 |
| Total revenue including accrued revenue | 1,057 | 2,670 | 6,789 | 5,375 | 1,429 | 1,190 | 206 | - | 572 | - | 10,053 | 9,235 |
| Less expenses including accrued expenses | 843 | 2,504 | 6,066 | 4,040 | 1,006 | 925 | 206 | - | 572 | - | 8,693 | 7,469 |
| Surplus / (deficit) for the reporting period | 214 | 166 | 723 | 1,335 | 423 | 265 | - | - | - | - | 1,360 | 1,766 |

43.4 DEST Research

| | Institutional Grants Scheme | | Research Training Scheme | | Systematic Infrastructure Initiative | | Research Infrastructure Block Grants | | Regional Protection Grants | | Total | |
|---|-----------------------------|------------|--------------------------|------------|--------------------------------------|------------|--------------------------------------|------------|----------------------------|------------|------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Financial assistance received in cash during the reporting period | 18,705 | 19,402 | 34,777 | 37,103 | 1,530 | - | 10,155 | 9,753 | - | - | 65,167 | 66,258 |
| Net accrual adjustments | 1,626 | (84) | 3,024 | (67) | - | - | 883 | (113) | - | - | 5,533 | (264) |
| Revenue for the period | 20,331 | 19,318 | 37,801 | 37,036 | 1,530 | - | 11,038 | 9,640 | - | - | 70,700 | 65,994 |
| Surplus / (deficit) from the previous period | - | - | - | - | - | - | 3,094 | 1,805 | - | - | 3,094 | 1,805 |
| Total revenue including accrued revenue | 20,331 | 19,318 | 37,801 | 37,036 | 1,530 | - | 14,132 | 11,445 | - | - | 73,794 | 67,799 |
| Less expenses including accrued expenses | 20,331 | 19,318 | 37,801 | 37,036 | - | - | 10,673 | 8,351 | - | - | 68,805 | 64,705 |
| Surplus / (deficit) for the reporting period | - | - | - | - | 1,530 | - | 3,459 | 3,094 | - | - | 4,989 | 3,094 |

43 Acquittal of Commonwealth Government Financial Assistance

43.5 Australian Research Council Grants (a) Discovery

| | Projects | | Fellowships | | Federation Fellowships | | Indigenous Research Development | | Total | |
|---|------------|------------|-------------|------------|------------------------|------------|---------------------------------|------------|------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Financial assistance received in cash during the reporting period | 11,234 | 9,317 | 474 | 592 | 304 | 297 | - | - | 12,012 | 10,206 |
| Net accrual adjustments | - | 797 | - | 43 | - | - | - | - | - | 840 |
| Revenue for the period | 11,234 | 10,114 | 474 | 635 | 304 | 297 | - | - | 12,012 | 11,046 |
| | | | | | | | N/A | N/A | | |
| Surplus / (deficit) from the previous period | 2,798 | 1,015 | 228 | 200 | 297 | - | - | - | 3,323 | 1,215 |
| Total revenue including accrued revenue | 14,032 | 11,129 | 702 | 835 | 601 | 297 | - | - | 15,335 | 12,261 |
| Less expenses including accrued expenses | 10,491 | 8,331 | 565 | 607 | 293 | - | - | - | 11,349 | 8,938 |
| Surplus / (deficit) for the reporting period | 3,541 | 2,798 | 137 | 228 | 308 | 297 | - | - | 3,986 | 3,323 |

**43.5 Australian Research Council Grants
(b) Linkages**

| | Special Research Initiatives | | Infrastructure | | International | | Learned Academics | |
|---|------------------------------|------------|----------------|------------|---------------|------------|-------------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Financial assistance received in cash during the reporting period | - | 59 | 1,788 | 179 | 86 | 236 | 67 | 66 |
| Net accrual adjustments | - | - | - | 143 | - | 15 | - | - |
| Revenue for the period | - | 59 | 1,788 | 322 | 86 | 251 | 67 | 66 |
| Surplus / (deficit) from the previous period | 54 | - | 644 | 1,351 | 138 | 25 | 33 | - |
| Total revenue including accrued revenue | 54 | 59 | 2,432 | 1,673 | 224 | 276 | 100 | 66 |
| Less expenses including accrued expenses | 47 | 5 | 640 | 1,029 | 159 | 138 | 62 | 33 |
| Surplus / (deficit) for the reporting period | 7 | 54 | 1,792 | 644 | 65 | 138 | 38 | 33 |

| | Projects | | Research Networks | | Centres | | Total | |
|---|------------|------------|-------------------|------------|------------|------------|------------|------------|
| | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 | 2004 \$000 | 2003 \$000 |
| Financial assistance received in cash during the reporting period | 3,801 | 2,664 | - | - | 3,118 | 1,341 | 8,860 | 4,545 |
| Net accrual adjustments | - | 120 | - | - | - | - | - | 278 |
| Revenue for the period | 3,801 | 2,784 | - | - | 3,118 | 1,341 | 8,860 | 4,823 |
| Surplus / (deficit) from the previous period | 675 | 692 | - | - | 799 | (259) | 2,343 | 1,809 |
| Total revenue including accrued revenue | 4,476 | 3,476 | - | - | 3,917 | 1,082 | 11,203 | 6,632 |
| Less expenses including accrued expenses | 1,737 | 2,801 | - | - | 3,038 | 283 | 5,683 | 4,289 |
| Surplus / (deficit) for the reporting period | 2,739 | 675 | - | - | 879 | 799 | 5,520 | 2,343 |

Financial assistance received in cash during the reporting period
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous period
Total revenue including accrued revenue

Less expenses including accrued expenses
Surplus / (deficit) for the reporting period

Declaration

2004 Consolidated Financial Statements

In our opinion:

- (a) the consolidated financial statements of Monash University present fairly the financial transactions of the University during the financial year ended 31 December 2004 and the financial position of its operations for the year ended on that date, and
- (b) the consolidated financial statements of the body have been prepared in accordance with the Financial Management Act 1994, and the Directions of the Minister for Finance.

As at the date of this declaration:

- (a) we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate, and
- (b) that there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

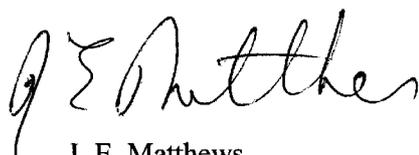
The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided.



R. G. Larkins AO
Vice-Chancellor and President



A. L. Crook AO
Deputy Vice-Chancellor and Vice President (Resources)



J. E. Matthews
Principal Accounting Officer

10 March 2005



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

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

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of Monash University for the financial year ended 31 December 2004 included on its web site. The Members of the Council are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit Scope

The accompanying financial report of Monash 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 financial report includes the consolidated financial statements of the economic entity, comprising the Monash University and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 42 to the financial statements. 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 and the economic entity's financial position, and their 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 the financial position of Monash University and the economic entity as at 31 December 2004 and the results of its operations and its cash flows for the year ended on that date 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*.

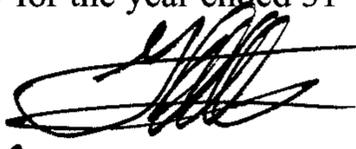


AUDITOR GENERAL
VICTORIA

Change to Commonwealth Funding Arrangements

Without qualification to the opinion expressed above, attention is drawn to Note 1(c) *Revenue Recognition, Commonwealth Government Operating Financial Assistance* to the financial statements, which concerns changes to Commonwealth funding arrangements. The note outlines the financial effect of these changes on the operating result of the University for the year ended 31 December 2004.

MELBOURNE
24 March 2005


 J.W. CAMERON
Auditor-General