

2002 Financial statements

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2002**

	Notes	Consolidated		Monash University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Current Assets					
Cash Assets	20	19,287	14,231	5,495	2,198
Receivables	21	50,139	41,217	51,948	38,381
Other Financial Assets	23	23,359	50,982	21,824	44,664
Inventories	24	3,376	3,683	3,175	3,417
Other	22	7,540	7,038	6,656	6,843
Total Current Assets		103,701	117,151	89,098	95,503
Non-Current Assets					
Other Financial Assets	23	227,288	232,061	125,159	125,133
Property, Plant and Equipment	25	962,443	898,688	941,067	886,177
Deferred Government Superannuation Contributions	39	124,533	122,943	124,533	122,943
Intangible Assets	26	880	1,206	-	-
Other	22	80	1,177	27,286	12,920
Total Non-Current Assets		1,315,224	1,256,075	1,218,045	1,147,173
Total Assets		1,418,925	1,373,226	1,307,143	1,242,676
Current Liabilities					
Payables	27	48,353	44,174	41,885	36,901
Interest Bearing Liabilities	28	7,726	5,353	7,600	5,103
Prepaid Rental		716	716	-	-
Student Fees Paid in Advance		13,958	10,744	10,488	8,495
Provisions	29	36,361	32,904	35,100	32,010
Total Current Liabilities		107,114	93,891	95,073	82,509
Non-Current Liabilities					
Interest Bearing Liabilities	28	75,814	70,930	75,530	70,930
Prepaid Rental		2,505	3,221	-	-
Provisions	29	57,987	52,286	57,081	51,032
Deferred Employee Benefits for Superannuation	39	124,533	122,943	124,533	122,943
Total Non-Current Liabilities		260,839	249,380	257,144	244,905
Total Liabilities		367,953	343,271	352,217	327,414
Net Assets		1,050,972	1,029,955	954,926	915,262
Equity					
Capital	30	114,134	113,743	83,102	83,102
Reserves	31	592,844	571,455	587,469	569,298
Retained Surplus	32	345,260	344,348	284,355	262,862
Total Parent Equity Interest		1,052,238	1,029,546	954,926	915,262
Outside Equity Interests	33	(1,266)	409	-	-
Total Equity		1,050,972	1,029,955	954,926	915,262

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	Consolidated		Monash University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Revenue from ordinary activities:					
Revenue from operating activities:					
Commonwealth Government Operating Financial Assistance	2	230,918	219,405	230,918	219,405
Higher Education Contribution Scheme	3	99,857	98,061	99,857	98,061
Postgraduate Education Loans Scheme	4	9,061	-	9,061	-
Other Commonwealth Government Funding	5	13,270	14,208	13,060	14,208
Victorian Government Funding	6	17,676	11,515	17,676	11,515
Other Research Grants and Contracts	7	62,220	51,361	62,639	51,830
Fees and Charges	9	192,643	166,737	174,500	147,876
Other Revenue	10	116,898	108,983	90,417	88,552
<i>Superannuation:</i>					
Deferred Government Contributions	39	1,590	2,252	1,590	2,252
Commonwealth Supplementation	2	6,895	9,027	6,895	9,027
Revenue from outside operating activities:					
Investment Income	11	19,212	14,837	10,703	14,026
Donations and Bequests	8	15,443	10,374	15,443	10,773
Foreign Exchange Gain on Conversion		4,413	4,926	4,211	-
Total revenue from ordinary activities:		790,096	711,686	736,970	667,525
Less:					
Expenses from ordinary activities:					
Employee Benefits	12	421,124	386,335	397,891	367,454
Depreciation & Amortisation	13	40,611	37,878	38,062	35,843
Borrowing Costs	14	4,184	2,838	3,963	2,692
Buildings & Grounds	15	52,084	46,211	51,005	45,660
Bad & Doubtful Debts	16	661	1,131	679	768
Auditing & Other Services	17	1,309	920	990	714
Other Operating	18	257,749	222,040	214,228	188,462
Diminution in Value of Investments		8,459	-	8,459	-
Foreign Exchange Loss on Conversion		4,535	4,991	-	4,650
Total expenses from ordinary activities		790,716	702,344	715,277	646,243
Net result for the year from ordinary activities before income tax		(620)	9,342	21,693	21,282
Income tax	19	(368)	287	-	-
Net result for the year from ordinary activities after income tax		(252)	9,055	21,693	21,282
Net result attributable to outside equity interest	33	1,855	1,241	-	-
Net result attributable to the parent entity		1,603	10,296	21,693	21,282
Non-owner transaction changes recognised directly in equity					
Increase/(decrease) in reserves	31	21,379	2,061	18,171	-
Total changes in equity attributable to the parent entity		22,982	12,357	39,864	21,282

The accompanying notes form part of these financial statements.

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	Consolidated		Monash University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Cashflows from operating activities					
Inflows					
Commonwealth Government Financial Assistance		250,873	242,640	250,873	242,640
State Government Financial Assistance		17,676	11,515	17,676	11,515
Higher Education Contribution Scheme:					-
- Higher Education Trust Fund		93,304	83,922	93,304	83,922
- Student payments		15,614	14,139	15,614	14,139
Receipts from student fees and other customers (inclusive of GST)		386,924	355,194	338,705	311,367
Investment income received		4,821	3,659	192	182
Outflows					
Payments to suppliers and employees (inclusive of GST)		(711,311)	(674,179)	(659,462)	(624,546)
Borrowing costs		(5,723)	(4,618)	(5,124)	(4,318)
Net cash inflows from operating activities	40	52,178	32,272	51,778	34,901
Cashflows from investing activities					
Inflows					
Proceeds from sale of property, plant and equipment		6,109	7,231	6,060	7,121
Proceeds from sale and redemption of other financial assets		353,651	482,236	330,400	335,880
Other receipts		1,660	2,045	-	-
Outflows					
Payments for property, plant and equipment		(83,838)	(75,685)	(78,482)	(73,783)
Payments for other financial assets		(330,051)	(481,411)	(305,350)	(342,800)
Other payments		(850)	(1,700)	(3,200)	(1,700)
Net cash inflows/(outflows) from investing activities		(53,319)	(67,284)	(50,572)	(75,282)
Cashflows from financing activities					
Inflows					
Proceeds from interest bearing liabilities		11,852	57,642	12,200	43,119
Other		128	1,292	3,947	9,147
Outflows					
Repayment of interest bearing liabilities		(5,608)	(17,569)	(14,056)	(13,249)
Other payments		(444)	-	-	-
Net cash inflows/(outflows) from financing activities		5,928	41,365	2,091	39,017
Net increase/(decrease) in cash assets held		4,787	441	3,297	(1,364)
Effects of exchange rate changes on cash assets		269	1,284	-	-
Cash Assets at 1 January		14,231	14,572	2,198	3,562
Disposal of subsidiary		-	(2,066)	-	-
Cash Assets at 31 December	40	19,287	14,231	5,495	2,198

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 AAS24 'Consolidated Financial Reports'. 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.

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, under the Higher Education Funding Act 1988, received in respect of future periods are treated as income in the period they are received as per AAS 15 'Revenue'.

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.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(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.

Perpetual stock records were maintained for centrally controlled stock. Stock is valued using the lower of cost or net realisable value method. Stocktakes of centrally controlled stock were completed at 31 December 2002.

(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

The assets and liabilities of foreign operations are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. The Statement of Financial Performance is translated at a weighted 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 43.

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) 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

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. Annual assessments of land and buildings are made by Edward Rushton Australia Pty Ltd, and revaluations are carried out at least every 3 years.

The fair value of the South African campus land and buildings has been assessed by B R Ryle, a registered local valuer, and an incremental adjustment made to the asset revaluation reserve.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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.

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 5.61% (2001, 6.38%).

Property

The fair value of land and buildings was established by formal valuation by certified practising valuers of Edward Rushton Australia Pty Ltd as at 31 December 2000. 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. Annual fair value assessment is undertaken by Edward Rushton Australia Pty Ltd. Additions since this valuation and work in progress are valued at cost.

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.

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 (2001, 33 years) with the exception of South Africa which uses 20 years (2001, 20 years).

In 2002, property includes capitalised borrowing costs of \$1.161M (2001, \$1.501M).

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 100 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 (2001, 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 2002, software development includes capitalised borrowing costs of Nil (2001, \$0.046M).

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 (2001, 5 to 50 years).

Cultural Assets

Cultural assets include artworks and rare books. These assets have been valued at 'fair value' as at 31 December 2002 and have been valued by expert university staff with reference to market values of comparative items. Artworks were previously included as part of equipment and rare books were included in the general library collection and 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 balance sheet. 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 shorter. Leasehold improvements are capitalised in line with the property capitalisation policy. This policy is consistent with the prior year.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(l) Interest in Cooperative Research Centres

The University has an interest in 17 Cooperative Research Centres. The University has provided funding to the Cooperative Research Centres through cash contributions of \$9.234M (2001, \$7.703M) and the provision of research resources (in-kind support). The value of the in-kind support of \$68.029M (2001, \$56.335M) has been established using Commonwealth Government guidelines.

(m) 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.

(n) Financial Instrument Disclosures

Accounting policy and other disclosures under Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments' related to financial assets and liabilities are shown in Note 43.

(o) Employee Entitlements

Annual Leave

Annual leave has been calculated on an individual liability basis based on current salary rates 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 Commonwealth Government Securities Notes 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.

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 39.

Accounting for unfunded superannuation liabilities under the State Superannuation Fund is described in Note 39.

(p) 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.

(q) 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.

Montech Pty Ltd holds 36 million shares in Metabolic Pharmaceuticals Ltd (22.7%) on behalf of Monash University. The shares were issued in 1998 in exchange for the assignment of intellectual property rights from the University. Metabolic recorded an intangible asset to the value of \$1.5 million in their accounts that covered the intellectual property from Monash University, together with the assignment of technology from an unrelated third party, Polychip Pharmaceuticals Ltd.

Metabolic have incurred losses totalling \$16.0 million to 30 June 2002 of which the University's share is \$3.6 million. The investment in Metabolic has been reduced in value by the University's share of the accumulated losses and is therefore carried at nil value in the accounts of the beneficiary, Monash University.

Notes to the Financial Statements

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
2. COMMONWEALTH GOVERNMENT OPERATING FINANCIAL ASSISTANCE				
Pursuant to the Higher Education Funding Act 1988:				
Operating purposes excluding HECS	199,990	192,131	199,990	192,131
Teaching Hospitals	559	547	559	547
Australian Research Council				
Large Research	8,369	7,781	8,369	7,781
Strategic Partnerships with Industry	2,275	2,323	2,275	2,323
Research Fellowships	1,088	1,074	1,088	1,074
International Researcher Exchange	131	178	131	178
Research Centres	921	902	921	902
Research Infrastructure Equipment & Facilities	2,537	1,425	2,537	1,425
Indigenous Researchers' Development	-	5	-	5
DEST				
Small Research	-	-	-	-
Infrastructure Block	8,203	6,294	8,203	6,294
Australian Postgraduate Awards	5,908	5,885	5,908	5,885
International Postgraduate Research Scholarships	937	860	937	860
Total Commonwealth Government Operating Grants	230,918	219,405	230,918	219,405
Commonwealth Government Superannuation Supplementation	6,895	9,027	6,895	9,027
Total Commonwealth Government Financial Assistance	237,813	228,432	237,813	228,432
3. HIGHER EDUCATION CONTRIBUTION SCHEME				
Received from Higher Education Trust Fund	84,243	83,922	84,243	83,922
Received from Students	15,614	14,139	15,614	14,139
Total Higher Education Contribution Scheme	99,857	98,061	99,857	98,061
4. POSTGRADUATE EDUCATION LOANS SCHEME				
PELS Received from Commonwealth Government	9,061	-	9,061	-
Total Postgraduate Education Loans Scheme Contributions	9,061	-	9,061	-
5. OTHER COMMONWEALTH GOVERNMENT FUNDING				
Research	9,115	8,401	8,922	8,401
Non Research	4,155	5,807	4,138	5,807
Total Other Commonwealth Government Funding	13,270	14,208	13,060	14,208
6. VICTORIAN GOVERNMENT FINANCIAL ASSISTANCE				
Operating	2,965	2,313	2,965	2,313
Research	8,859	5,662	8,859	5,662
Non Research	5,852	3,540	5,852	3,540
Total Victorian Government Financial Assistance	17,676	11,515	17,676	11,515

Notes to the Financial Statements

7. OTHER RESEARCH GRANTS & CONTRACTS	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
NH&MRC	21,504	17,809	21,504	17,809
Other Research Grants	24,972	24,083	25,391	24,552
Research Contracts	15,744	9,469	15,744	9,469
Total Other Research Grants & Contracts	62,220	51,361	62,639	51,830
8. DONATIONS & BEQUESTS	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Research	4,915	3,873	4,915	4,272
Non Research	10,528	6,501	10,528	6,501
Total Donations & Bequests	15,443	10,374	15,443	10,773
9. FEES AND CHARGES	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Fee-paying Overseas Students	111,935	89,889	111,093	89,324
Fee-paying Non-overseas Postgraduate Students	14,441	16,195	14,441	16,195
Fee-paying Non-overseas Undergraduate Students	11,650	9,002	10,878	8,794
Non-Award Course Fees	18,311	18,490	2,612	2,168
Short Course Fees	5,198	4,615	5,198	4,615
External Programs	9,664	10,181	9,664	10,181
Royalties	3,482	2,684	3,482	2,684
Student Amenities Fees	5,896	4,529	5,888	4,529
Halls of Residence	6,842	5,295	6,746	5,295
Parking Fees	1,497	1,687	1,495	1,686
Other Fees and Charges	3,727	4,170	3,003	2,405
Total Fees and Charges	192,643	166,737	174,500	147,876
10. OTHER REVENUE	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Monash University Foundation	-	-	3,947	9,147
Commercial Operations	28,654	29,430	24,997	23,684
Rentals & Hirings	12,649	11,627	10,193	9,320
Consulting	9,396	12,384	9,334	11,824
Other Non-Research Grants	7,642	6,817	7,642	6,817
Sales of Goods & Services	10,052	7,142	7,224	6,692
Proceeds on Disposal of Fixed Assets	10,740	7,103	10,736	7,057
Other Income	36,712	33,476	15,335	13,147
Proceeds on Sale of Investment	44	-	-	-
Scholarships and Prizes	1,009	1,004	1,009	864
Total Other Revenue	116,898	108,983	90,417	88,552
11. INVESTMENT INCOME	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Dividends	8,623	14,793	5,221	9,920
Interest	5,141	4,899	5,482	4,106
Realised Profit	348	372	-	-
Unrealised Profit/(Loss)	5,100	(5,227)	-	-
Total Investment Income	19,212	14,837	10,703	14,026

Notes to the Financial Statements

	Notes	Consolidated		Monash	2001 \$000
		2002 \$000	2001 \$000	University 2002 \$000	
12. EMPLOYEE BENEFITS					
Academic Staff					
Academic Staff Salaries		181,591	168,996	177,588	165,410
Superannuation		24,484	22,264	23,933	22,035
Payroll Tax		11,173	10,388	10,986	10,283
WorkCover		1,885	1,793	1,862	1,779
Recreation Leave Loading		1,667	1,520	1,651	1,511
Non-academic Staff					
Non-Academic Staff Salaries		154,102	141,280	139,646	129,582
Superannuation		20,089	18,462	18,219	16,972
Payroll Tax		8,946	8,691	8,375	8,223
WorkCover		1,436	1,525	1,388	1,466
Recreation Leave Loading		1,438	1,385	1,349	1,320
Other					
Fringe Benefits Tax		2,200	1,874	2,155	1,815
Long Service Leave Provision		6,993	3,648	6,799	3,332
Recreation Leave Provision		3,422	2,090	2,350	1,469
Deferred Benefits for Superannuation	39	1,590	2,252	1,590	2,252
Directors Emoluments		108	167	-	5
Total Employee Benefits		421,124	386,335	397,891	367,454

13. DEPRECIATION & AMORTISATION

Depreciation

Property	18,523	17,540	18,236	17,318
Equipment	14,971	13,937	13,303	12,463
Library Books	3,001	3,033	2,914	2,988

Amortisation

Software Development	3,357	2,883	2,960	2,715
Leasehold Improvements	759	485	649	359

Total Depreciation & Amortisation

	40,611	37,878	38,062	35,843
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14. BORROWING COSTS

Loans from Banks and Other Non-related Sources	5,317	4,385	5,124	4,239
Finance Charges from Finance Leases	28	-	-	-
Less :				
Capitalised Borrowing Cost	(1,161)	(1,547)	(1,161)	(1,547)
Total Borrowing Costs	4,184	2,838	3,963	2,692

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15. BUILDINGS & GROUNDS

Maintenance	22,293	17,994	21,994	17,718
Other Services & Charges	29,791	28,217	29,011	27,942
Total Buildings & Grounds	52,084	46,211	51,005	45,660

Notes to the Financial Statements

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
16. BAD & DOUBTFUL DEBTS				
Bad Debts written off	717	505	563	429
Increase/(Decrease) in Provision for Doubtful Debts	(56)	626	116	339
Total Bad & Doubtful Debts	661	1,131	679	768
17. AUDITING & OTHER SERVICES				
Audit Services				
Auditor General Victoria	250	146	107	118
Other Auditors	136	236	53	90
Other Services	923	538	830	506
Total Auditing & Other Services	1,309	920	990	714
18. OTHER OPERATING EXPENSES				
Motor Vehicles Related	3,025	2,546	2,960	2,476
Student Related	36,690	31,576	35,282	31,439
Laboratory & Other Operating	24,228	19,536	24,228	19,536
Equipment Related	7,232	3,422	6,878	3,409
Communication Related	11,841	10,342	10,288	9,941
Information Technology Related	23,587	19,361	23,257	19,342
Printing & Stationery	12,884	12,673	12,360	12,641
Books & Library Related	11,881	8,855	11,681	8,752
Travel & Related	21,715	19,150	20,025	18,628
Financial & Administration	47,142	59,525	28,685	27,466
Other expenses	57,524	34,889	38,584	34,832
Loss of subsidiary	-	165	-	-
Total Other Operating Expenses	257,749	222,040	214,228	188,462
19. INCOME TAX				
Tax Payable on net result of tax paying controlled entities before income tax	(735)	294	-	-
Tax effect of permanent differences	566	-	-	-
Income tax adjusted for permanent differences	(169)	294	-	-
Under/(over) provision in prior year	(199)	(7)	-	-
Income Tax	(368)	287	-	-
Aggregate income tax comprises :				
Current taxation provision	-	(143)	-	-
Deferred income tax provision	(433)	433	-	-
Future income tax benefit	56	(3)	-	-
Under/(over) provision in prior year	9			
Income Tax	(368)	287	-	-

Notes to the Financial Statements

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
20. CASH ASSETS				
Cash at Bank and on hand	15,094	10,954	5,495	2,198
Short Term Investments	4,193	3,277	-	-
Total Cash Assets	19,287	14,231	5,495	2,198
21. RECEIVABLES				
Sundry Debtors (see below)	32,034	26,479	26,356	21,536
Student Loan Debtors (see below)	376	406	371	406
Monash International Pty Ltd	-	-	1,911	1,235
Monash Commercial Pty Ltd	-	-	130	-
Monash Ed Pty Ltd	-	-	1,491	1,187
Monash Property Management Pty Ltd	-	-	292	-
Monash Digital Media Pty Ltd	-	-	110	-
Monash University Foundation	-	-	-	271
Montech Pty Ltd	-	-	415	432
Sir John Monash Business Centre Pty Ltd	-	-	-	1
Monash Southern Africa Pty Ltd	-	-	4,004	274
Other Amounts Receivable	13,771	11,977	13,077	10,684
GST Paid	3,958	2,355	3,791	2,355
Total Receivables	50,139	41,217	51,948	38,381
Sundry Debtors	33,337	27,856	27,460	22,519
Provision for Doubtful Debts	(1,303)	(1,377)	(1,104)	(983)
Net value at 31 December	32,034	26,479	26,356	21,536
Student Loan Debtors	428	463	423	463
Provision for Doubtful Debts	(52)	(57)	(52)	(57)
Net value at 31 December	376	406	371	406
22. OTHER				
Current				
Payments in Advance	7,540	7,038	6,656	6,843
Total Current Other Assets	7,540	7,038	6,656	6,843
Non-Current				
Loans Unsecured:				
Monash Commercial Pty Ltd	-	-	750	750
Monash Southern Africa Pty Ltd	-	-	5,241	3,701
Monash University South Africa	-	-	17,138	6,932
Montech Pty Ltd	-	-	250	250
Sir John Monash Business Centre Pty Ltd	-	-	150	210
Other	80	1,177	3,757	1,077
Total Non-Current Other Assets	80	1,177	27,286	12,920

Notes to the Financial Statements

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
23. OTHER FINANCIAL ASSETS				
Current				
<i>Managed Funds:</i>				
Westpac Investment Management Pty Ltd, at cost	21,824	44,404	21,824	44,404
National Asset Management Ltd, at cost	-	62	-	62
	21,824	44,466	21,824	44,466
<i>Monash University Foundation:</i>				
Westpac Investment Management Pty Ltd, at cost	391	1,169	-	-
at market value	797	4,976	-	-
	1,188	6,145	-	-
<i>Common Fund:</i>				
Westpac Investment Management Pty Ltd, at cost	-	198	-	198
	-	198	-	198
<i>Other:</i>				
Other Investments, at cost	347	173	-	-
	347	173	-	-
Total Current Other Financial Assets	23,359	50,982	21,824	44,664
Non-Current				
<i>Managed Funds:</i>				
MLC, (formerly National Asset Management) at cost	94,445	90,185	94,445	90,185
Less Provision for diminution in value	(5,407)	-	(5,407)	-
	89,038	90,185	89,038	90,185
<i>Monash University Foundation:</i>				
Westpac Investment Management Pty Ltd, at market value	71,158	78,077	-	-
Property at valuation by independent valuer as at 31 December 2002	36,700	31,600	-	-
	107,858	109,677	-	-
<i>Common Fund:</i>				
Westpac Investment Management Pty Ltd, at cost	30,882	29,656	30,882	29,656
Less Provision for diminution in value	(3,052)	-	(3,052)	-
	27,830	29,656	27,830	29,656
<i>Other:</i>				
Shares in controlled entities	-	-	5,933	2,933
Open Learning Agency of Australia Pty Ltd, at cost	200	200	200	200
Monash Sunway Campus Malaysia SDN BHD, at cost	503	503	503	503
Other Investments, at cost	1,859	1,840	1,655	1,656
	2,562	2,543	8,291	5,292
Total Non-Current Other Financial Assets	227,288	232,061	125,159	125,133
Total Other Financial Assets	250,647	283,043	146,983	169,797
24. INVENTORIES				
Bookshop	2,267	2,561	2,267	2,561
Union and Sports & Recreation	332	274	332	274
Central Building Maintenance Store	302	285	302	285
Stationery Store	165	182	163	180
Academic Services	104	109	104	109
Other	206	272	7	8
Total Inventories	3,376	3,683	3,175	3,417

Notes to the Financial Statements

25. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Equipment				
At Cost	177,557	165,142	167,859	156,907
At Valuation	-	-	-	-
Work in Progress, at Cost	420	-	420	-
Provision for Depreciation	(116,580)	(109,088)	(111,265)	(104,584)
Total Equipment	61,397	56,054	57,014	52,323
Software Development				
At Cost	21,515	19,913	21,154	19,913
Work in Progress, at Cost	-	171	-	171
Provision for Amortisation	(8,494)	(5,524)	(8,484)	(5,524)
Total Software Development	13,021	14,560	12,670	14,560
Library Books				
At Cost	134,201	125,316	133,881	125,114
Provision for Depreciation	(29,742)	(26,568)	(29,610)	(26,523)
Total Library Books	104,459	98,748	104,271	98,591
Cultural Assets				
At Valuation	29,469	-	29,469	-
At Cost	-	8,069	-	8,069
Provision for Depreciation	-	(1,000)	-	(1,000)
Total Cultural Assets	29,469	7,069	29,469	7,069
Property				
Land				
At Valuation	111,325	110,862	104,468	107,213
At Cost	569	569	569	569
Total Land	111,894	111,431	105,037	107,782
Buildings				
At Valuation	565,105	565,060	559,578	560,194
At Cost	62,238	13,097	62,238	13,097
Provision for Depreciation	(35,219)	(17,790)	(35,219)	(17,790)
Work in Progress, at cost	30,272	33,093	26,519	33,010
Total Building	622,396	593,460	613,116	588,511
Total Property	734,290	704,891	718,153	696,293
Leasehold Improvements				
At Valuation	396	396	396	396
At Cost	19,794	8,293	19,367	8,099
Provision for Amortisation	(2,561)	(1,796)	(2,451)	(1,627)
Work in Progress	2,178	10,473	2,178	10,473
Total Leasehold Improvements	19,807	17,366	19,490	17,341
Total Property, Plant and Equipment	962,443	898,688	941,067	886,177

Notes to the Financial Statements

25 PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in Property, Plant and Equipment

Consolidated 2002	Equipment \$000	Software Development \$000	Library Books \$000	Cultural Assets \$000	Land \$000	Buildings \$000	Leasehold Improvements \$000	Total \$000
Balance at the beginning of the year	56,054	14,560	98,748	7,069	111,431	593,461	17,366	898,689
Additions	25,881	1,431	11,168	4,338	-	49,181	916	92,915
Disposals	(12,126)	-	(2,519)	-	(2,745)	(1,611)	2,459	(16,542)
Revaluations	-	-	-	18,172	3,208	(350)	-	21,030
Write-offs	6,512	-	-	-	-	84	-	6,596
Depreciation Expense	(14,924)	(2,970)	(2,938)	(110)	-	(18,369)	(934)	(40,245)
Carrying amount at the end of the year	61,397	13,021	104,459	29,469	111,894	622,396	19,807	962,443

Consolidated 2001

Balance at the beginning of the year	54,123	15,719	91,102	6,830	108,980	575,581	11,002	863,337
Additions	22,109	1,556	10,617	348	-	35,451	7,313	77,394
Disposals	(13,763)	-	-	-	-	(207)	-	(13,970)
Revaluations	-	-	-	-	2,420	(510)	-	1,910
Write-offs	7,539	-	-	-	-	-	-	7,539
Depreciation Expense	(13,954)	(2,715)	(2,971)	(109)	-	(16,754)	(949)	(37,452)
Foreign currency exchange differences	-	-	-	-	31	(101)	-	(70)
Carrying amount at the end of the year	56,054	14,560	98,748	7,069	111,431	593,460	17,366	898,688

Monash University 2002

Balance at the beginning of the year	52,323	14,560	98,591	7,069	107,782	588,512	17,341	886,178
Additions	23,367	1,070	11,050	4,338	-	44,213	514	84,552
Disposals	(11,952)	-	(2,519)	-	(2,745)	(1,611)	2,459	(16,368)
Revaluations	-	-	-	18,172	-	-	-	18,172
Write-offs	6,532	-	-	-	-	84	-	6,616
Depreciation Expense	(13,256)	(2,960)	(2,851)	(110)	-	(18,082)	(824)	(38,083)
Carrying amount at the end of the year	57,014	12,670	104,271	29,469	105,037	613,116	19,490	941,067

Monash University 2001

Balance at the beginning of the year	51,570	15,719	91,102	6,830	107,782	571,150	10,957	855,110
Additions	19,342	1,556	10,415	348	-	34,322	7,312	73,295
Disposals	(13,607)	-	-	-	-	(207)	-	(13,814)
Revaluations	-	-	-	-	-	-	-	-
Write-offs	7,577	-	-	-	-	-	-	7,577
Depreciation Expense	(12,559)	(2,715)	(2,926)	(109)	-	(16,754)	(928)	(35,991)
Carrying amount at the end of the year	52,323	14,560	98,591	7,069	107,782	588,511	17,341	886,177

Notes to the Financial Statements

	Consolidated		Monash University	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
26. INTANGIBLE ASSETS				
Goodwill	530	530	-	-
Less: Accumulated amortisation	(106)	-	-	-
Total Goodwill	424	530	-	-
Intellectual Property	904	844	-	-
Less: Accumulated amortisation	(448)	(168)	-	-
Total Intellectual Property	456	676	-	-
Total Intangible Assets	880	1,206	-	-
27. PAYABLES				
Creditors	26,895	22,891	22,729	18,633
Accrued Charges	3,708	6,459	1,039	5,712
Group Tax	156	91	-	-
Monash International Pty Ltd	-	-	1,149	745
Other	15,938	13,679	15,591	10,757
GST Collected	1,656	1,054	1,377	1,054
Total Payables	48,353	44,174	41,885	36,901
28. INTEREST BEARING LIABILITIES				
Current				
Loans from Banks secured by bank guarantee	126	-	-	-
Loan from Bank - Commercial Bills	7,600	5,000	7,600	5,000
Other Loans, unsecured	-	353	-	103
Total Current Interest Bearing Liabilities	7,726	5,353	7,600	5,103
Non - Current				
Loan from Bank - Commercial Bills:				
Repayable 1-5 years	20,180	7,600	20,180	7,600
Repayable over 5 years	55,350	63,330	55,350	63,330
Loans from Banks secured by bank guarantee				
Repayable 1-5 years	241	-	-	-
Other Loans, unsecured:				
Repayable 1-5 years	43	-	-	-
Total Non-Current Interest Bearing Liabilities	75,814	70,930	75,530	70,930
Total Interest Bearing Liabilities	83,540	76,283	83,130	76,033
29. PROVISIONS				
Current				
Provision for Long Service Leave	6,656	5,828	6,543	5,803
Provision for Recreation Leave	29,705	27,076	28,557	26,207
Total Current Provisions	36,361	32,904	35,100	32,010
Non-Current				
Provision for Long Service Leave	57,987	51,853	57,081	51,032
	57,987	51,853	57,081	51,032
Provision for Income tax	-	433	-	-
Total Non-Current Provisions	57,987	52,286	57,081	51,032
Total Provisions	94,348	85,190	92,181	83,042

Notes to the Financial Statements

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
30. CAPITAL				
Funds Held in Perpetuity:				
Monash University Foundation				
Funds Held in Perpetuity at 1 January	30,379	29,990	-	-
Transfer from Retained Earnings	391	389	-	-
Funds Held in Perpetuity at 31 December	30,770	30,379	-	-
Contributed Capital :				
Commonwealth and State Government Financial Assistance	83,102	83,102	83,102	83,102
Contributions to Capital Works and Land	2	2	-	-
Other				
Contributed Capital	83,104	83,104	83,102	83,102
Other				
Premium arising on consolidation of controlled entity Sir John Monash Business Centre Pty Ltd	260	260	-	-
Total Capital	114,134	113,743	83,102	83,102
31. RESERVES				
General Reserve				
General Reserve at 1 January	51,111	51,108	51,108	51,108
Transfers to General Reserves	10	3	-	-
General Reserve	51,121	51,111	51,108	51,108
Asset Revaluation Reserve				
Asset Revaluation Reserve at 1 January	520,344	518,283	518,190	518,190
Revaluation of Assets	21,379	2,061	18,171	-
Asset Revaluation Reserve	541,723	520,344	536,361	518,190
Total Reserves	592,844	571,455	587,469	569,298
32. RETAINED SURPLUS				
Retained Surplus at 1 January	344,348	334,429	262,862	241,733
Surplus for the year ended 31 December	1,603	10,296	21,693	21,282
Writeback on deconsolidation of associate entities	-	165	-	-
Funds Available for Appropriation	345,951	344,890	284,555	263,015
Less:				
Dividend Paid	(300)	(153)	(200)	(153)
Transfers (to) / from Reserves:				
Transfers to Funds held in Perpetuity	(391)	(389)	-	-
Transfers to General Reserves	-	-	-	-
Retained Surplus at 31 December	345,260	344,348	284,355	262,862
33. OUTSIDE EQUITY INTERESTS				
Interest in :				
Share Capital	1,831	1,650	-	-
Retained Surplus	(3,097)	(1,241)	-	-
Outside Equity Interests	(1,266)	409	-	-

Notes to the Financial Statements

34. DIRECTORS' AND EXECUTIVES' REMUNERATION

	Consolidated		Monash University	
	2002 \$	2001 \$	2002 \$	2001 \$
Directors' Remuneration				
Income received or due and receivable by all directors of each entity in the consolidated university economic entity.	2,861,000	2,041,000	2,174,000	865,000
Amounts paid to prescribed superannuation funds for the provision of retirement benefits for directors.	25,000	146,000	25,000	146,000
Directors' Remuneration	2,886,000	2,187,000	2,199,000	1,011,000

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
K Bannikoff (until 4 February 2002)
G Barnes
M Blencowe
C Bourke
P LeP Darvall (from 18 July 2002)
J K Ellis
D Halstead
J M Hearn
J C Hutchinson
P F E Hutchinson
J B Laurie

A W Lindsay
W Peter
D R Pizzey AM
P H Ramler AM
B Robinson
D A Robinson (until July 2002)
J Samms (from 26 March 2002)
A C Sherry (until 30 April 2002)
T Sridar
E Tava
C Williams

Remuneration (dollars)				
0 - 10,000	-	18	-	-
10,001 - 20,000	-	15	-	-
20,001 - 30,000	-	3	-	-
30,001 - 40,000	-	1	-	-
40,001 - 50,000	-	1	-	1
50,001 - 60,000	-	-	-	-
60,001 - 70,001	1	-	1	-
70,001 - 80,000	1	-	1	-
80,001 - 90,000	-	2	-	-
90,001 - 100,000	-	1	-	1
100,001 - 110,000	-	-	-	-
110,001 - 120,000	1	-	1	-
120,001 - 130,000	-	1	-	1
130,001 - 140,000	-	-	-	-
140,001 - 150,000	1	1	-	1
150,001 - 160,000	1	-	1	-
160,001 - 170,000	-	1	-	-
170,001 - 180,000	1	-	-	-
180,001 - 190,000	1	-	-	-
190,001 - 200,000	-	1	-	-
200,001 - 210,000	-	-	-	-
210,001 - 220,000	-	1	-	1
220,001 - 230,000	-	-	-	-
230,001 - 240,000	-	-	-	-
240,001 - 250,000	-	-	-	-
250,001 - 260,000	-	-	-	-
260,001 - 270,000	-	-	-	-
270,001 - 280,000	-	-	-	-
280,001 - 290,000	-	-	-	-
290,001 - 300,000	-	-	-	-
300,001 - 310,000	-	-	-	-
310,001 - 320,000	-	-	-	-
320,001 - 330,000	-	-	-	-
330,001 - 340,000	-	-	-	-
340,001 - 350,000	-	-	-	-
350,001 - 360,000	-	-	-	-
360,001 - 370,000	-	-	-	-
370,001 - 380,000	-	-	-	-
380,001 - 390,000	-	-	-	-
390,001 - 400,000	-	-	-	-
400,001 - 410,000	-	-	-	-
410,001 - 420,000	-	-	-	-
420,001 - 430,000	-	-	-	-
430,001 - 440,000	-	-	-	-
440,001 - 450,000	-	-	-	-
450,001 - 460,000	-	-	-	-
460,001 - 470,000	-	-	-	-
470,001 - 480,000	-	-	-	-
480,001 - 490,000	-	-	-	-
490,001 - 500,000	-	-	-	-
500,001 - 510,000	-	-	-	-
510,001 - 520,000	-	-	-	-
520,001 - 530,000	-	-	-	-
530,001 - 540,000	-	-	-	-
540,001 - 550,000	-	-	-	-
550,001 - 560,000	-	-	-	-
560,001 - 570,000	-	-	-	-
570,001 - 580,000	-	-	-	-
580,001 - 590,000	-	-	-	-
590,001 - 600,000	-	-	-	-
600,001 - 610,000	-	-	-	-
610,001 - 620,000	-	-	-	-
620,001 - 630,000	-	-	-	-
630,001 - 640,000	-	-	-	-
640,001 - 650,000	-	-	-	-
650,001 - 660,000	-	-	-	-
660,001 - 670,000	-	-	-	-
670,001 - 680,000	-	-	-	-
680,001 - 690,000	-	-	-	-
690,001 - 700,000	-	-	-	-
700,001 - 710,000	-	-	-	-
710,001 - 720,000	-	-	-	-
720,001 - 730,000	-	-	-	-
730,001 - 740,000	-	-	-	-
740,001 - 750,000	-	-	-	-
750,001 - 760,000	-	-	-	-
760,001 - 770,000	-	-	-	-
770,001 - 780,000	-	-	-	-
780,001 - 790,000	-	-	-	-
790,001 - 800,000	-	-	-	-
800,001 - 810,000	-	-	-	-
810,001 - 820,000	-	-	-	-
820,001 - 830,000	-	-	-	-
830,001 - 840,000	-	-	-	-
840,001 - 850,000	-	-	-	-
850,001 - 860,000	-	-	-	-
860,001 - 870,000	-	-	-	-
870,001 - 880,000	-	-	-	-
880,001 - 890,000	-	-	-	-
890,001 - 900,000	-	-	-	-
900,001 - 910,000	-	-	-	-
910,001 - 920,000	-	-	-	-
920,001 - 930,000	-	-	-	-
930,001 - 940,000	-	-	-	-
940,001 - 950,000	-	-	-	-
950,001 - 960,000	-	-	-	-
960,001 - 970,000	-	-	-	-
970,001 - 980,000	-	-	-	-
980,001 - 990,000	-	-	-	-
990,001 - 1,000,000	-	-	-	-
1,000,001 - 1,100,000	-	-	-	-
1,100,001 - 1,200,000	-	-	-	-
1,200,001 - 1,300,000	-	-	-	-
1,300,001 - 1,400,000	-	-	-	-
1,400,001 - 1,500,000	-	-	-	-
1,500,001 - 1,600,000	-	-	-	-

All Monash University employees who are members of Council are included in the above table.

Notes to the Financial Statements

34. DIRECTORS' AND EXECUTIVES' REMUNERATION (Continued)

	Consolidated		Monash University	
	2002	2001	2002	2001
	\$	\$	\$	\$
Executives' Remuneration				
Income received by employees whose remuneration, as defined below, exceeds \$100,000	30,372,000	27,135,000	27,895,000	22,952,000
Bonuses paid during the reporting period on the completion of employment contracts included below	-	-	-	-
Remuneration (dollars)				
100,001 - 110,000	26	22	23	20
110,001 - 120,000	35	26	30	25
120,001 - 130,000	32	24	29	24
130,001 - 140,000	25	30	22	29
140,001 - 150,000	24	15	21	15
150,001 - 160,000	9	10	9	9
160,001 - 170,000	11	6	11	6
170,001 - 180,000	7	6	5	6
180,001 - 190,000	5	10	5	10
190,001 - 200,000	5	5	5	5
200,001 - 210,000	8	3	8	3
210,001 - 220,000	3	1	3	1
220,001 - 230,000	-	1	-	-
230,001 - 240,000	2	1	2	1
240,001 - 250,000	1	1	1	1
250,001 - 260,000	1	-	1	-
260,001 - 270,000	1	2	1	2
270,001 - 280,000	1	-	1	-
280,001 - 290,000	-	2	-	2
290,001 - 300,000	4	-	4	-
300,001 - 310,000	-	1	-	1
320,001 - 330,000	1	-	1	-
360,001 - 370,000	1	-	1	-
370,001 - 380,001	1	-	1	-
380,001 - 390,000	1	-	1	-

- (i) The university has revised its reporting format for directors and executives remuneration in line with reporting guidelines issued by the Victorian Government during 2002.
- (ii) Monash University Directors remuneration is restricted to those university Council members who are also staff members of the university. Council members who are not staff members receive no remuneration from Monash University.
- (iii) Executive officers are defined as those officers who received \$100,000 or more, and exercise strategic influence on the university during the year. These include deputy vice-chancellors, pro vice-chancellors, deans, heads of department, senior members of the university administration and where not included in the aforementioned groups, all other officers who hold financial expenditure delegation of \$50,000 or more.
- (iv) Of those executives reported as earning more than \$200,000, a number of senior officers of the university (most with significant years of service) left the university during the reporting period and had accrued benefits (payments in lieu of leave etc.) paid to them on termination. Also a number received one-off payments for work undertaken in previous years. As such, the number of executives earning in excess of \$200,000 remain broadly in line with previous years.
- (v) Where executives receive remuneration (including directors remuneration) from controlled entities of the university, this remuneration has been consolidated in the reported executive remuneration.

Notes to the Financial Statements

35. CONTROLLED ENTITY DISCLOSURES

Amounts owing between Monash University and its Controlled Entities are shown under Receivables (note 21), Other assets (note 22), and Payables (note 27).

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 2002 \$000	Monash University 2001 \$000
Income received from:		
Monash Commercial Pty Ltd	538	-
Monash International Pty Ltd	8,522	3,556
Monash IVF Pty Ltd	1,135	1,166
Monash University Foundation	4,105	9,236
Monash University South Africa	1,705	2,902
Montech Pty Ltd	1,449	846
Sir John Monash Business Centre Pty Ltd	9	22
Monash Ed Pty Ltd	634	1,180
	18,097	18,908
Expenditure paid to:		
Monash Commercial Pty Ltd	1,383	-
Monash International Pty Ltd	7,912	7,144
Monash University Foundation	655	642
Monash University South Africa	8	3,449
Montech Pty Ltd	3	671
Sir John Monash Business Centre Pty Ltd	-	40
	9,961	11,946

36. EXPENDITURE COMMITMENTS

	Consolidated 2002 \$000	2001 \$000	Monash University 2002 \$000	2001 \$000
Capital Works Projects:				
Not later than 1 year	10,609	49,555	7,798	49,524
Later than 1 year and not later than 5 years	12,075	14,872	12,075	14,870
Capital - Equipment Purchases	2,999	2,884	2,999	2,884
Total Expenditure Commitments	25,683	67,311	22,872	67,278

37. LEASE COMMITMENTS

Operating Lease Commitments:

Not later than 1 year	5,048	9,028	36	7,866
Later than 1 year and not later than 5 years	13,504	19,565	81	13,321
Later than 5 years	28,605	3,734	2,002	3,734
Operating Lease Commitments	47,157	32,327	2,119	24,921

An equitable mortgage exists between Monash University as mortgagor and National Australia Financial Management Ltd (NAFM) as mortgagee securing future rental payments amounting to \$9.631M (2001 \$11.624M) 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 23.

Notes to the Financial Statements

37. LEASE COMMITMENTS (continued)

	Consolidated		Monash University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Finance Lease Commitments				
Not later than 1 year	180	-	-	-
Later than 1 year and not later than 5 years	277	-	-	-
Total Minimum Lease Payments	456	-	-	-
Less: Future Finance Charges	89	-	-	-
	545	-	-	-
The finance lease liability is shown in the balance sheet as follows:				
Current Liability	126	-	-	-
Non-Current Liability	241	-	-	-
Total Finance Lease Liability	367	-	-	-

38. CONTINGENT LIABILITIES

Open Learning Agency of Australia Pty Ltd

The shareholders of Open Learning Agency of Australia Pty Ltd (OLAA) guarantee the performance of the company under an agreement with the Commonwealth pursuant to S.22A of the Higher Education Funding Act 1988, in relation to an open learning initiative.

The Commonwealth, under its agreement with OLAA, has provided funding of \$30.2M as at 31 December 2002 (2001 \$30.2M).

Monash University holds 14.29% of the issued share capital at 31 December 2002. In accordance with the share issue conditions Monash University has a contingent liability of \$4,329,000 (2001 \$4,329,000) equivalent to 14.29% (2001 14.29%) of the funding provided.

39. 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 assessment was conducted by the actuary firm Towers Perrin on the 18 May 2000. As at 30 June 2002 the accrued benefits of the plan were assessed at \$87.122 million (30 June 2001, \$77.629 million) while the net market value of the plans assets were \$80.038 million (30 June 2001, \$85.664 million). This equates to a net shortfall of members accumulated funds of \$6.084 million (30 June 2001, \$8035 million (surplus)). 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 the existing contribution rates to remain appropriate.

The total contributions by the University for the year ended 31 December 2002 were \$27,992,558 (2001, \$25,760,520).

"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, ie. the scheme has no unfunded liability. The total contributions by the University for the year ended 31 December 2002 were \$54,488 (2001, \$51,695).

Notes to the Financial Statements

39. SUPERANNUATION FUNDS (continued)

"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 scheme provides a defined benefit of 70% of final salary at normal retirement and therefore the university provides a supplementary pension, if the proceeds of the policy expressed in pension form does not reach the target.

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 2002 were \$31,013 (2001 \$36,785).

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 2002 were \$13,742,311 (2001 \$12,164,138).

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 2002, 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 2002, amounted to \$124,533,000 (2001 \$122,943,000).

The movement in the notional liability is recorded as \$1,590,000 (2001 \$2,252,000). The corresponding recovery from the Commonwealth through the commitment to fund the emerging scheme is recorded as an asset.

During 2002, Monash University's contributions to the scheme totalled \$7,845,046 (2001, \$7,836,739).

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 2002 totalled \$12,114 (2001 \$11,653).

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 \$64,751 were made in 2002 (2001, \$82,954).

Notes to the Financial Statements

	Notes	Consolidated		Monash University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
40. CASH FLOW INFORMATION					
Reconciliation of cash assets					
Cash	20	15,094	10,954	5,495	2,198
Bank Overdraft		-	-	-	-
Short term investments	20	4,193	3,277	-	-
Total Cash Assets		19,287	14,231	5,495	2,198
Reconciliation of net cash used in operating activities to Net Result for the year before income tax					
Net Result for the year before income tax expense		(620)	9,494	21,693	21,282
Depreciation & amortisation expense		40,594	37,859	38,045	35,843
Provisions		9,239	4,886	9,138	4,802
Bad & doubtful debt expense		621	797	682	770
Gains on other financial assets		7,871	(8,206)	764	(13,322)
Net income from Monash University Foundation		-	-	(3,947)	(9,147)
Other non - cash items		(4,200)	(6,084)	(7,692)	(204)
Changes in assets and liabilities:		-	-	-	-
(Increase)/Decrease in receivables		(10,381)	(8,198)	(9,464)	(7,888)
(Increase)/Decrease in prepayments		(362)	(1,528)	106	(1,551)
(Increase)/Decrease in inventories		267	(597)	203	(563)
Increase/(Decrease) in other current assets		(208)	(5,276)	(3)	(5,258)
Increase/(Decrease) in payables		9,471	5,909	4,116	6,867
Increase/(Decrease) in government grants received in advance		-	-	-	-
Increase/(Decrease) in student fees received in advance		3,075	2,044	1,993	3,270
Increase/(Decrease) in other income received in advance		270	(182)	-	-
Increase/(Decrease) in other current liabilities		1,436	1,033	979	-
Other changes		(4,895)	321	(4,835)	-
Net cash inflows from operating activities		52,178	32,272	51,778	34,901
Financing Facilities					
Credit standby arrangements:					
Bank Overdraft Facility		-	-	-	-
Amount Used		-	-	-	-
Amount Unused		-	-	-	-
Loan Facilities (external):					
Total Facility		111,840	93,783	111,430	93,533
Amount of facilities used		83,540	76,283	83,130	76,033
Amount of facilities unused		28,300	17,500	28,300	17,500

41. 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.

42. EVENTS SUBSEQUENT TO BALANCE DATE

No 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.

Notes to the Financial Statements

43. 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:

2002	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	2.6%	14,999	-	-	-	95	15,094
Managed Cash	2.7%	1,947	1,419	-	-	1,193	4,559
Bank Call Deposits	6.1%	1,218	-	-	-	-	1,218
Discount Securities	-	-	-	-	-	20,867	20,867
Shares	-	-	-	-	-	72,233	72,233
Managed Trusts	-	-	-	-	-	115,353	115,353
Managed Futures and Options	-	-	-	-	-	1,137	1,137
Other Investments	-	-	-	-	-	3,355	3,355
Other Managed Assets	-	-	-	-	-	1,537	1,537
Receivables	-	1,921	-	-	-	50,177	52,098
Loans	-	1,307	-	300	-	(1,547)	60
Total Financial Assets		21,392	1,419	300	-	264,400	287,511
Liabilities							
Loans - Bank	-	367	7,600	12,200	63,330	-	83,497
Loans - Other	-	-	43	-	-	1,877	1,920
Managed Futures and Options	-	-	-	-	-	1,964	1,964
Payables	-	1,931	2	-	-	46,637	48,570
Total Financial Liabilities		2,298	7,645	12,200	63,330	50,478	135,951
Net Financial Assets		19,094	(6,226)	(11,900)	(63,330)	213,922	151,560
2001							
Consolidated	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		
Assets							
Cash at Bank - AUD	3.8%	10,780	-	-	-	-	10,780
Managed Cash	5.1%	2,027	-	-	-	-	2,027
Bank Call Deposits	4.0%	2,820	-	-	-	-	2,820
Discount Securities	4.3%	-	44,263	-	-	-	44,263
Shares	-	-	-	-	-	74,265	74,265
Managed Trusts	-	-	-	-	-	125,790	125,790
Managed Futures and Options	-	-	-	-	-	3,104	3,104
Other Investments	-	-	-	-	-	2,132	2,132
Other Managed Assets	-	-	-	-	-	7,737	7,737
Receivables	-	-	-	-	-	39,769	39,769
Loans	-	-	-	-	-	1,927	1,927
Total Financial Assets		15,627	44,263	-	-	254,724	314,614
Liabilities							
Loans - Bank	6.52%	-	5,000	7,600	63,330	3,575	79,505
Loans - Other	8.59%	-	103	-	-	4,544	4,647
Managed Futures and Options	-	-	-	-	-	2,921	2,921
Payables	-	-	-	-	-	39,930	39,930
Total Financial Liabilities		-	5,103	7,600	63,330	50,970	127,003
Net Financial Assets		15,627	39,160	(7,600)	(63,330)	203,754	187,611

Notes to the Financial Statements

43. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Reconciliation of Net Financial Assets with Net Assets as per Consolidated Statement of Financial Position

	2002 \$000	2001 \$000
Net Financial Assets as above	151,560	187,611
Add Non Financial Assets		
Inventories	3,376	3,683
Payments in Advance	7,540	7,038
Property, Plant and Equipment	962,443	898,688
Monash University Foundation Investment Property	36,700	31,600
Government Superannuation Contributions	124,533	122,943
Intangible Assets	880	1,206
	<u>1,135,472</u>	<u>1,065,158</u>
Less Non Financial Liabilities		
Prepaid Rental	3,221	3,937
Student Fees Paid in Advance	13,958	10,744
Provisions	94,348	85,190
Deferred Employee Benefits for Superannuation	124,533	122,943
	<u>236,060</u>	<u>222,814</u>
Net Assets per Statement of Financial Position	<u>1,050,972</u>	<u>1,029,955</u>

Significant accounting policies, terms and conditions

Financial Assets

Other Financial Assets [Note 23]

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 21]

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. The interest charged on student loans is up to 6% for long term loans.

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

Notes to the Financial Statements

43. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Significant accounting policies, terms and conditions (continued)

Financial Liabilities

Interest Bearing Liabilities - Bank [Note 28]

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 27]

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:

	2002 \$000	2001 \$000
Market Value		
<i>Managed Funds:</i>		
Westpac Investment Management Pty Ltd	21,872	44,547
MLC (formerly National Australia Asset Management Ltd)	89,038	95,288
<i>Common Fund:</i>		
Westpac Investment Management Pty Ltd	27,830	30,426

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.

44 CONTROLLED ENTITIES

Entity	Place of Incorporation	Countries where business carried on	Principal Activities	Details of Group Beneficial Interest	Details of Investment	Total Revenue	Total Expenditure	Tax / Extraordinary Items	Operating Profit (Loss)
				2002 % 2001 %	2002 \$ 2001 \$	2002 \$000 2001 \$000	2002 \$000 2001 \$000	2002 \$000 2001 \$000	2002 \$000 2001 \$000
Monash International Pty Ltd	Victoria	Australia	Provision of recruitment services, development of international projects and the delivery of overseas access programs. Deregistered on 9 July 2002.	100% 100%	500,000 500,000	31,308 32,769	30,997 32,105	- -	311 664
Monash Language Centre Pty Ltd	Victoria	Australia		100%					
Sir John Monash Business Centre Pty Ltd	Victoria	Australia	Provision of training, conference facilities and adult education.	100%	340,000	67	64	1,434	3 (275)
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 for the future benefit of Monash University.	100%	6	10,845	17,069	10,280	(6,224) (7,839)
Monash University South Africa (1)	South Africa	South Africa	Operation of Monash University's South African campus in Roodeport, Johannesburg.	100%		3,745	10,957	6,455	(9,802) (2,710)
Monash Commercial Pty Ltd (1)	Victoria	Australia	Marketing and promotion of commercially viable projects developed predominantly by Monash University.	100%	2	4,672	9,262	2,426	(4,590) (611)
Monash Digital Media Pty Ltd	Victoria	Australia	The provision of multi media services to commerce and industry.	100%					
Monash Learningfast Pty Ltd	Victoria	Australia	The creation and distribution of on-line learning and related products and services.	51%					
LearningFast, Inc (100% owned by Monash Learningfast Pty Ltd)	USA	USA	The creation and distribution of on-line learning and related products and services.	51%					
Monash Property Management Pty Ltd	Victoria	Australia	The development and management of property owned by Monash University, on behalf of the University.	100%					
Monash Reproductive Health Enterprises Pty Ltd	Victoria	Australia	The company has been dormant for the period since its incorporation to the end of the year.	100%					
Monyx Pty Ltd	Victoria	Australia	Oversee the administration and provision of commercial services for students of the University.	50%					
Montech Pty Ltd (1 & 2)	Victoria	Australia	Marketing and promotion of commercially viable projects developed predominantly by Monash University.	100%	235,000	3,114	3,322	4,882	(208) (1,064)
Montech Medical Developments Pty Ltd	Victoria	Australia	To be deregistered in early 2003.	100%					
Prostate Diagnostics Pty Ltd	Victoria	Australia	To develop and commercialise the diagnostic for prostate biopsies.	53.40%					
Ingenko Pty Ltd	Victoria	Australia	The provision of mouse gene targeting services.	50.00%					
Monash Southern Africa Pty Ltd (1)	Victoria	Australia / South Africa	Development of the campus in Roodeport, Johannesburg.	100%	1,600,000	662	3,110	(368)	287 (2,080) 695
Monash IVF Pty Ltd	Victoria	Australia	Provision of infertility medical services.	100%	250,100	11,340	10,470	9,980	870 104
Monash Ultrasound Pty Ltd	Victoria	Australia	Trustee of Monash Ultrasound Trust.	100%	2	-	-	-	-
Monash Ultrasound Trust	Victoria	Australia	Provision of obstetric and gynaecological ultrasound services for patients.	100%	2	2,222	2,221	2,053	1 -
Monash Reproductive Pathology and Genetics Pty Ltd	Victoria	Australia	Trustee of Monash IVF Pathology Services Trust.	100%	2	-	-	-	-
Monash IVF Pathology Services Trust	Victoria	Australia	Provision of diagnostic testing for patients.	80%	7,999	1,933	1,932	1,538	1 -
Monash Unicomm Pty Ltd	Victoria	Australia	Oversee the administration and provision of commercial services for students of the University.	80%					
Monash Ed Pty Ltd (1)	Victoria	Australia	Provision of education and training relating to the organisation of the Olympic Games.	80%		369	596	1,187	(227) (1,187)

44 CONTROLLED ENTITIES (Continued)

Entity	Working Capital		Physical Assets		Total Assets		Internal Borrowings		External Borrowings		Total Liabilities		Equity	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Monash International Pty Ltd	3,210	3,292	717	215	12,335	11,710	762	490	-	-	8,777	8,363	3,558	3,347
Sir John Monash Business Centre Pty Ltd	157	214	-	-	159	252	150	211	-	-	152	248	7	4
Monash University Foundation Trust	964	5,951	-	-	113,167	120,378	-	271	-	-	4,797	5,784	108,370	114,594
Monash University South Africa	472	(234)	1,897	1,959	2,992	2,402	17,138	6,932	-	-	18,001	7,609	(15,009)	(5,207)
Monash Commercial Pty Ltd	(3,699)	(1,469)	668	1,366	4,623	1,838	4,320	750	-	-	6,857	1,991	(2,234)	(153)
Montech Pty Ltd	299	554	17	50	2,852	3,345	665	250	-	-	2,536	3,002	316	343
Monash Southern Africa Pty Ltd	(3,727)	1,035	16,137	8,598	16,786	9,950	10,552	4,741	-	-	10,924	5,216	5,862	4,734
Monash IVF Pty Ltd	1,541	446	1,353	861	5,585	3,732	-	-	-	-	2,676	2,193	2,909	1,539
Monash Ultrasound Trust	(164)	(103)	467	619	849	862	-	-	-	-	843	857	6	5
Monash IVF Pathology Services Trust	75	41	120	49	662	541	-	-	-	-	657	537	5	4
Monash Unicom Pty Ltd	3	3	-	-	3	3	-	-	-	-	-	-	3	3
Monash Ed Pty Ltd	(1,567)	(1,187)	-	-	303	-	1,491	1,187	-	-	1,717	1,187	(1,414)	(1,187)

Notes

- 1 Economic dependency - Monash University provides financial support to these companies.
- 2 During the financial year, the following companies of which Montech Pty Ltd held 100% of the share capital were de-registered
Dealdrum Pty Ltd; Rondole Pty Ltd;
ACN 056 641 420 Pty Ltd; Kerbridge Pty Ltd;
Rinal Pty Ltd; Montores Pty Ltd;
Southwal Pty Ltd; Dentire Pty Ltd.
- 3 All companies had been used as investment vehicles by parties unrelated to Montech Pty Ltd for investments in syndicated research and development projects in joint venture with Montech Pty Ltd. The companies were transferred to Montech Pty Ltd, including all rights to technology arising from investments in joint venture activities.
Subsidiary companies of controlled entities are indented.

Notes to the Financial Statements

45. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE

This note complies with the Department of Education, Science and Training (DEST) guidelines for the preparation of Annual Financial Reports. Financial Assistance payments under the Higher Education Funding Act 1988 received for use in future reporting periods are treated as advance payments. This is contrary to the revenue recognition accounting policy adopted by the University. (Refer Note 1(c))

Operating Financial Assistance, excluding HECS.

Advance payment received in previous period	15,537	15,055
Financial Assistance received in the reporting period	199,875	192,131
Less advance payment received in respect of next period	(15,801)	(15,537)

Revenue Attributable to the reporting period	199,611	191,649
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Plus Surplus /(Deficit) prior year	-	-
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Funds available for the reporting period	199,611	191,649
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Less expenses for current period	199,611	191,649
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Surplus/(Deficit) for reporting period	-	-
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Higher Education Contribution Scheme

Advance payment received in previous period	6,625	6,537
Financial Assistance received in the reporting period	84,028	83,922
Plus Contributions actually received from students	15,614	14,139
Less advance payment received in respect of next period	(6,839)	(6,625)

Revenue Attributable to the reporting period	99,428	97,973
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Plus Surplus /(Deficit) prior year	-	-
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Funds available for the reporting period	99,428	97,973
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Less expenses for current period	(99,428)	(97,973)
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Surplus/(Deficit) for reporting period	-	-
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Postgraduate Education Loans Scheme

Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	9,061	-
Plus Contributions actually received from students	-	-
Less advance payment received in respect of next period	-	-

Revenue Attributable to the reporting period	9,061	-
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Plus Surplus /(Deficit) prior year	-	-
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Funds available for the reporting period	9,061	-
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Less expenses for current period	(9,061)	-
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Surplus/(Deficit) for reporting period	-	-
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Teaching Hospitals

Advance payment received in previous period	45	44
Financial Assistance received in the reporting period	558	547
Less advance payment received in respect of next period	(46)	(45)

Revenue Attributable to the reporting period	557	546
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Plus Surplus /(Deficit) prior year	92	6
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Funds available for the reporting period	649	552
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Less expenses for current period	81	460
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Surplus/(Deficit) for reporting period	568	92
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Monash University 2002 \$000	Monash University 2001 \$000
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Notes to the Financial Statements

45. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE (continued)

	Monash University 2002 \$000	Monash University 2001 \$000
Large Research		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	7,363	7,702
Less advance payment received in respect of next period	797	-
Revenue Attributable to the reporting period	8,160	7,702
Plus Surplus /(Deficit) prior year	2,712	2,342
Funds available for the reporting period	10,872	10,044
Less expenses for current period	8,263	7,332
Surplus/(Deficit) for reporting period	2,609	2,712
Strategic Partnership with Industry		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	1,934	2,332
Less advance payment received in respect of next period	120	-
Revenue Attributable to the reporting period	2,054	2,332
Plus Surplus /(Deficit) prior year	1,129	1,080
Funds available for the reporting period	3,183	3,412
Less expenses for current period	2,251	2,283
Surplus/(Deficit) for reporting period	932	1,129
Research Fellowships		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	1,014	1,066
Less advance payment received in respect of next period	43	-
Revenue Attributable to the reporting period	1,057	1,066
Plus Surplus /(Deficit) prior year	212	164
Funds available for the reporting period	1,269	1,230
Less expenses for current period	983	1,018
Surplus/(Deficit) for reporting period	286	212
International Research Exchange		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	116	178
Less advance payment received in respect of next period	15	-
Revenue Attributable to the reporting period	131	178
Plus Surplus /(Deficit) prior year	47	46
Funds available for the reporting period	178	224
Less expenses for current period	123	177
Surplus/(Deficit) for reporting period	55	47
Research Centres		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	921	902
Less advance payment received in respect of next period	-	-
Revenue Attributable to the reporting period	921	902
Plus Surplus /(Deficit) prior year	32	700
Funds available for the reporting period	953	1,602
Less expenses for current period	1,212	1,570
Surplus/(Deficit) for reporting period	(259)	32

Notes to the Financial Statements

45. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE (continued)

	Monash University 2002 \$000	Monash University 2001 \$000
Research Infrastructure Equipment & Facilities		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	2,394	1,425
Less advance payment received in respect of next period	143	-
Revenue Attributable to the reporting period	2,537	1,425
Plus Surplus /(Deficit) prior year	417	-
Funds available for the reporting period	2,954	1,425
Less expenses for current period	1,317	1,008
Surplus/(Deficit) for reporting period	1,637	417
Indigenous Researchers Development Scheme		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	-	5
Less advance payment received in respect of next period	-	-
Revenue Attributable to the reporting period	-	5
Plus Surplus /(Deficit) prior year	2	-
Funds available for the reporting period	2	5
Less expenses for current period	2	3
Surplus/(Deficit) for reporting period	-	2
Small Research		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	(24)	-
Less advance payment received in respect of next period	-	-
Revenue Attributable to the reporting period	(24)	-
Plus Surplus /(Deficit) prior year	176	678
Funds available for the reporting period	152	678
Less expenses for current period	152	502
Surplus/(Deficit) for reporting period	-	176
Infrastructure Block		
Advance payment received in previous period	645	491
Financial Assistance received in the reporting period	8,078	6,294
Less advance payment received in respect of next period	(769)	(645)
Revenue Attributable to the reporting period	7,954	6,140
Plus Surplus /(Deficit) prior year	1,113	2,514
Funds available for the reporting period	9,067	8,654
Less expenses for current period	6,617	7,541
Surplus/(Deficit) for reporting period	2,450	1,113

Notes to the Financial Statements

45. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE (continued)

	Monash University 2002 \$000	Monash University 2001 \$000
Australian Postgraduate Awards		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	5,907	5,885
Less advance payment received in respect of next period	-	-
Revenue Attributable to the reporting period	5,907	5,885
Plus Surplus /(Deficit) prior year	312	197
Funds available for the reporting period	6,219	6,082
Less expenses for current period	4,285	5,770
Surplus/(Deficit) for reporting period	1,934	312
Overseas Postgraduate Research Scholarships		
Advance payment received in previous period	-	-
Financial Assistance received in the reporting period	937	860
Less advance payment received in respect of next period	-	-
Revenue Attributable to the reporting period	937	860
Plus Surplus /(Deficit) prior year	141	225
Funds available for the reporting period	1,078	1,085
Less expenses for current period	939	944
Surplus/(Deficit) for reporting period	139	141

Summary of Unspent Financial Assistance

Category of Financial Assistance	Monash University 2002		
	Financial Assistance Available \$000	Amount likely to be approved \$000	Amount likely to be recovered \$000
Operating purposes excluding HECS	199,611	-	-
HECS	99,428	-	-
Teaching Hospitals	649	568	-
Australian Research Council			
Large Research	10,872	2,609	-
Strategic Partnerships with Industry	3,183	932	-
Research Fellowships	1,269	286	-
International Researcher Exchange	178	55	-
Research Centres	953	(259)	-
Research Infrastructure Equipment & Facilities	2,954	1,637	-
Indigenous Researchers' Development	2	-	-
DEST			
Small Research	152	-	-
Infrastructure Block	9,067	2,450	-
Australian Postgraduate Awards	6,219	1,934	-
International Postgraduate Research Scholarships	1,078	139	-
	335,615	10,351	-

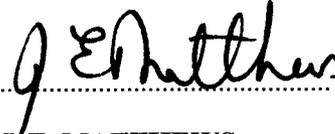
MONASH UNIVERSITY
2002 CONSOLIDATED FINANCIAL STATEMENTS

Statement by Principal Accounting Officer

In my opinion:

- (a) the financial statements of Monash University present fairly the financial transactions of the University during the financial year ended 31 December 2002 and the financial position of its operations for the year ended on that date, and
- (b) the financial statements of the body have been prepared in accordance with the Financial Management Act 1994, and the Directions of the Minister for Finance.

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

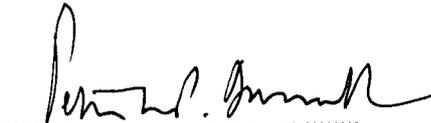

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J. E. MATTHEWS
Principal Accounting Officer

Statement by the Vice-Chancellor and the Deputy Vice-Chancellor (Resources)

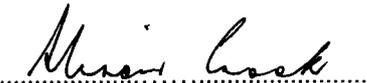
In our opinion:

- (a) the financial statements of Monash University present fairly the financial transactions of the University during the financial year ended 31 December 2002, and the financial position of its operations for the year ended on that date, and
- (b) the financial statements of the body have been prepared in accordance with the Financial Management Act 1994 and the Directions of the Minister for Finance.

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


.....

PROFESSOR P. LeP. DARVALL
Vice-Chancellor and President


.....

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

Dated this 9th day of April 2003



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 2002 included on Monash University's web site. The Members of the Council of Monash University are responsible for the integrity of Monash University's web site. I have not been engaged to report on the integrity of Monash University's 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 2002, comprising a 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 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 44 to the financial statements. The Members of the University's 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, the responsible Ministers and the Members of the University's 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 Monash University's and the economic entity's financial position, financial performance and their cash flows.

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Monash University and the economic entity as at 31 December 2002, their financial performance and cash flows for the year then ended.

MELBOURNE
15 April 2003

for J.W. CAMERON
Auditor-General

